

TRANSPARENCY AND ACCOUNTABILITY IN GHANA'S PETROLEUM REVENUE MANAGEMENT: EVIDENCE FROM A FIELD EXPERIMENT

This policy brief reports the findings from an evaluation of measures by Ghana's Public Interest and Accountability Committee (PIAC) to provide transparency and accountability in petroleum revenue management.

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Summary

Can transparency change people's attitudes and behavior regarding petroleum revenue management? We sought to answer this question in a field experiment with over 3000 participants in 120 districts in Ghana. We collaborated with the Public Interest and Accountability Committee (PIAC) and designed two interventions: the first was a series of meetings in district capitals with invited participants; the second was a series of voice and text messages ("ICT platform"), sent to all respondents in another set of districts. A third group of districts received both interventions; and the final control districts received no intervention.

Our key findings are that district-level meetings resulted in more knowledge and awareness of petroleum revenue management issues. However, the impact was limited to meeting participants, especially District Assembly and Unit Committee members, with limited spillovers to the wider population. The ICT platform was more effective, improving knowledge and awareness levels among all categories of respondents. The ICT platform was also able to increase the willingness of all categories of stakeholders to demand accountability in future, while the PIAC meetings only increased demand for accountability among District Assembly members.

Key results

- » Low levels of knowledge of resource revenue management and low demand for accountability can be changed by providing relevant information.
- » District Assembly members are most readily targeted and can act as gatekeepers for information dissemination.
- » A mobile-phone-based information and communication (ICT) platform offers a relatively low-cost and effective way of reaching a wide audience throughout the country.

- » The use of role models can motivate people to influence resource revenue governance.

Ghana's rules on petroleum revenue management are exemplary

Ghana's petroleum revenue management legislation is widely viewed as exemplary, particularly among developing countries. Ghana made a commercial discovery of oil and gas in 2007 and started production in 2010. Determined to avoid the 'resource curse' and guided by an often difficult history of mining, the Petroleum Revenue Management Act (PRMA), 2011 (Act 815) was enacted to help ensure the transparent management of petroleum revenues and their prudent and efficient use to the benefit of all Ghanaians. The preamble to the PRMA shows that Ghana put great faith in the efficacy of Act 815 as the key to ensuring a transparent, accountable and judicious utilization of petroleum revenues.

In the theory (see Box 1), transparency should lead to a better-informed population, and more demand for accountability and better resource governance. There are two key transparency and accountability provisions of Act 815 that target the prudent management of Ghana's newfound resources: the Public Interest and Accountability Committee (PIAC), a citizen-based oversight committee tasked with the responsibility of ensuring compliance with the Act; and the Annual Budget Funding Amount (ABFA), a share of annual petroleum receipts used to support each year's public budget. Seven years after the introduction of PIAC, we assessed the impact and effectiveness of its current transparency measures, as well as a potential future measure, in a field experiment (see Box 2).

Box 1: The transparency narrative

Most transparency-based policies and initiatives in the extractive industry are based on a unidirectional causal chain of relationship between the intervention and desired outcomes. Figure 1 depicts this chain, running from the transparency initiative and information provision on the left, through updated knowledge and attitudinal change, to a change in citizen behavior, and ultimately to better accountability, better resource revenue governance, and improved development outcomes on the right.

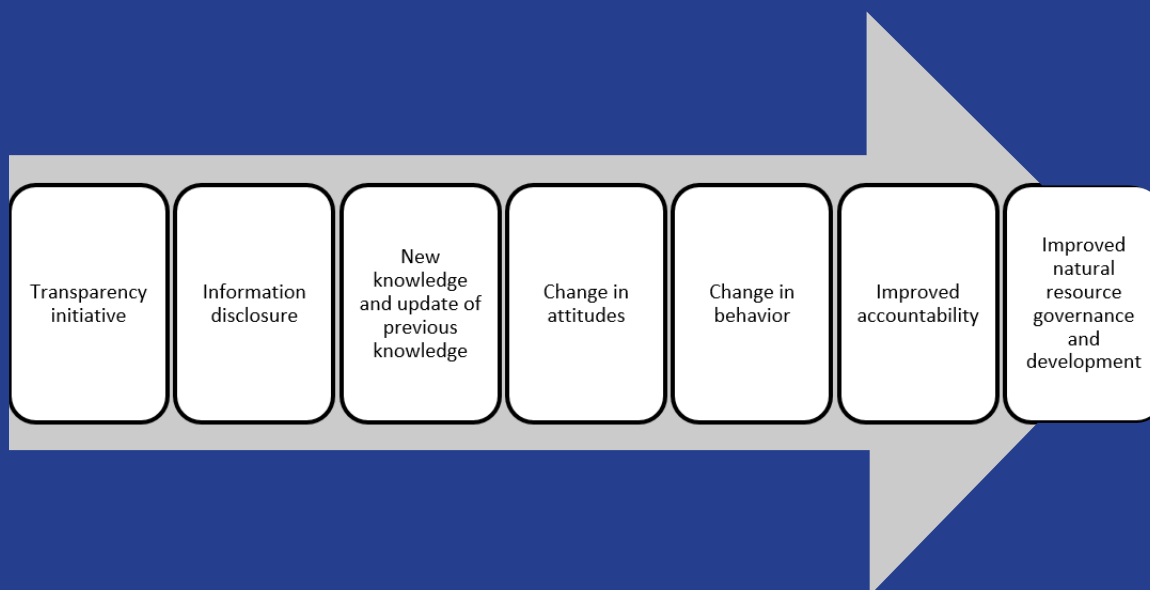


Figure 1. The transparency narrative in natural resource revenue management (Source: Adapted from Lujala and Epreman, 2017)

Box 2: The field experiment

Kumasi Institute of Technology, Energy and Environment (KITE), Norwegian University of Science and Technology (NTNU), University of East Anglia (UEA), University of Oulu and Wageningen University conducted a three-year research project to analyze transparency and accountability in petroleum revenue management and to raise awareness of these issues among policy makers, practitioners and scholars in Ghana and elsewhere. This is the second of three policy briefs on the project. It draws upon findings from a large field experiment or randomized control trial (RCT) conducted between June 2016 and August 2017, with a total of 3526 adult respondents being interviewed face-to-face by enumerators in 120 of Ghana’s (then) 216 districts, in baseline and endline surveys.

The RCT evaluated current and potential measures by PIAC to foster transparency and accountability in petroleum revenue management. Two interventions were carried out in collaboration with PIAC (see Table 1): the first consisted of two-hour meetings in 30 district capitals, during which PIAC presented detailed information on petroleum revenue management and answered questions before an audience of local duty bearers and opinion leaders. The second intervention consisted of a series of eight information voice and text messages (“ICT platform”), with PIAC identified as the source sent via VOTO Mobile to all respondents in another set of 30 districts. A third group of 30 districts received both interventions; and the final 30 control districts received no intervention.

	No PIAC information dissemination forum	PIAC information dissemination forum	Total
No ICT citizen engagement platform	“Pure” control 30 districts	PIAC information dissemination forum only 30 districts	60 districts with no ICT platform
Citizen Information and Engagement Platform	ICT citizen engagement platform 30 districts	PIAC information dissemination forum + ICT platform 30 districts	60 districts with ICT platform
Total	60 districts with no PIAC forum	60 districts with PIAC forum	120 districts

Table 1: Field experiment design

Districts were randomly chosen and treatments randomly assigned, blocking on presence of mining and proximity to offshore oil platforms (i.e. oil and mining districts were oversampled). For our survey, we targeted respondents at three levels: District Assembly members (DAMs) (Level 1); Unit Committee members (UCMs), traditional authorities, and other opinion leaders (journalists, civil society members) as the most immediate intermediaries between citizens and the authorities above (Level 2); and the general population (Level 3). District Assembly members and common citizens were randomly chosen for our survey, while UC members, traditional authorities, and opinion leaders were chosen with the help of DAMs. The results were analyzed using multivariate analysis methods.

We measured information retention, attitudes, and behavioral changes among the treated population, and compared these with the control group. Level 1 is where we expected the strongest impact. We were interested in Levels 2 and 3 to gauge the trickle-down effects of PIAC's information dissemination strategy.

The RCT was jointly funded by 3ie, the Research Council of Norway, and NTNU; the interventions were funded by Ghana Oil and Gas for Inclusive Growth (GOGIG). For more information, contact KITE or visit the project webpage (see below).

Transparency currently informs those already in a privileged position...

In this project, we wanted to evaluate all steps in the transparency narrative depicted in Box 2. The main question we sought to answer was whether transparency can change people's attitudes and behavior regarding petroleum revenue management. We also wanted to know whether information reaches a large share of the Ghanaian population, and which transparency measure is most effective.

What we found at the outset was that there was very limited knowledge of the PRMA and its related institutions: more than two thirds of the citizenry did not know of the existence of the PRMA nor its key transparency and accountability mechanisms – PIAC and the ABFA. Those most likely to know about these institutions, and to have received information about petroleum and other resource revenues, were highly educated respondents, those with good English skills, and those in a position of authority (i.e. elected politicians, traditional and opinion leaders). And although over two thirds of respondents said they were dissatisfied with how petroleum and mining revenues were being managed, and there was an overwhelming sense of entitlement to information and better revenue governance, only 21% had discussed the issue with friends, family or colleagues over the previous year, and a mere 6% had contacted anybody concerning the management and/or utilization of petroleum revenues.

...but transparency can be made more effective

The low level of knowledge on petroleum revenue governance among the citizenry is unsurprising given that PIAC's civic engagements had been concentrated at the regional level prior to the project. Our first intervention extended these information meetings to district capitals. We found that among DAMs (Level 1), these meetings roughly doubled the level of knowledge about petroleum revenue governance and the willingness to demand more transparency, e.g. through discussing the issue with friends or family or at DA meetings, or contacting someone to get more information. The meetings had some trickle-down effect on the knowledge levels of UCMs, traditional and opinion leaders (Level 2), but did not affect their demand for transparency. There were no measurable effects among common citizens (Level 3).

Our second intervention, the ICT platform, showed that this was not only able to increase average knowledge levels among all categories of respondents, but it also increased the willingness to demand transparency, most strongly among DAMs (more than doubling demand) and common citizens (increasing demand by 70 percentage points).¹

In sum, we find that district level actors are more easily informed, and are more willing and likely to demand accountability when provided with relevant and targeted information.² Furthermore, the use of mobile phone technology to disseminate information and engage the general citizenry is more effective than face-to-face meetings.

Box 3: Follow the leader: Using videos and role models to make information on resource revenue management more relevant

In a separate experiment – funded by UEA and NTNU and incorporated into the field experiment's endline survey – we evaluated whether providing short, targeted information videos on petroleum revenue governance affects attitudes and demand for accountability, and whether we can further encourage behavioral change through role models.

Respondents were randomly assigned to a control group and two treatment groups. The control group watched a video with general information on Ghana. The first treatment group watched a video on oil revenue management in Ghana. To ensure relevance for respondents, we included specific information on how much oil money had been spent on development projects in which sectors in each region of the country. The second treatment group saw the same information video as the first treatment group, but also watched two interviews to explain why this information is important, how citizens can use it, and why citizens should demand accountability in petroleum revenue governance. We interviewed two key stakeholders, the Hon.

1. The effectiveness of the ABFA is discussed in Policy Brief #3 in the present series.

2. The combination of the two interventions did not strengthen the impact, nor were the interventions able to significantly change respondents' attitudes. The latter is unsurprising given the very strong feelings regarding citizen rights at the start of the RCT – there was little room for change.

3. The study team is currently gathering information on further outcomes, e.g. evidence from DA meetings, to underpin the findings.

George Mireku Duker (MP for Tarkwa-Nsuaem) and Mr. Emmanuel Kuyole (Executive Director of the Centre for Extractives and Development, Africa).

We found that providing relevant information significantly increased respondents' satisfaction with how petroleum revenues are managed, though respondents remained dissatisfied overall. It also increased the intention to demand more accountability through greater debate. Our role models had important additional effects: they increased the sense that individuals can influence how petroleum revenues are used; and they increased the intention to contact the media and to vote differently in order to improve petroleum revenue use. The implications from this survey experiment are twofold: first, provide easily understandable information tailored as much as possible to local needs; second, consider using role models to appeal directly to people and motivate them to make use of their rights when it comes to ensuring accountable revenue governance.

"I need to get back to my constituency; brief them as to how our oil money is being used. It's important that our people get to know how these resources are utilized by our leaders." (Hon. George Mireku Duker, MP Tarkwa-Nsuaem)

"You, the citizens, you live in the communities: you use the roads; your children go to the schools; and you go to the clinics and to the hospitals. So you need to have this information [on the use of oil revenues] to make sure that these projects are there!" (Mr. Emmanuel Kuyole, Centre for Extractives and Development, Africa)

Looking forward: Make the message relevant and embrace mobile phone technologies

- » *Make information relevant and targeted:* use easily understandable language; include information at regional or district-level; go outside the big cities; consider the use of role models to further increase message salience and encourage citizens to use their rights.
- » *If a message needs to reach as many people as possible,* use cost-effective mobile phone technologies. Alternatively, consider a mass media campaign in radio and TV aimed at raising awareness of and stimulating interest in natural resource revenue management.
- » *PIAC should intensify and scale-up its existing transparency efforts* by regularly engaging citizens at the district level and combining with larger campaigns, as done during the field experiment.
- » *PIAC should seek to cover the cost of the proposed increased activities in their budget submitted to the Ministry of Finance:* only by providing necessary resources can the Committee achieve its legal mandate, as stipulated in the PRMA (Act 815).

Key Resources

- Brunnschweiler, C., Edjekumhene, I., Lujala, P. (2019). Does information matter? Transparency and demand for accountability in Ghana's natural resource revenue management, MPRA Paper No. 92524.
- Brunnschweiler, C., Edjekumhene, I., Lujala, P. (2019). Follow the leader: Using v ideos to make information on resource revenue management more relevant, mimeo.
- Brunnschweiler, C., Edjekumhene, I., Lujala, P., Voors, M. (2019). Transparency in natural resource revenue management: Evidence from a field experiment in Ghana, mimeo.
- Edjekumhene, I., Voors, M., Lujala, P., Brunnschweiler, C., Owusu, C.K., Nyamekye, A. (2019). Impacts of key provisions in Ghana's Petroleum Revenue Management Act, 3ie Impact Evaluation Report 94.
- Lujala, P., Brunnschweiler, C., Edjekumhene, I. (2018). Transparent for whom? Dissemination of information on Ghana's petroleum and mining revenue management, MPRA Paper No. 84788.

For more details on the project, please visit the KITE website at <https://kiteonline.net/examining-transparency-and-accountability-in-the-oil-and-gas-sector-impact-evaluation-of-key-provisions-in-ghanas-petroleum-revenue-management-act/>

