Sustainable Minerals Institute

THE UNIVERSITY OF QUEENSLAND
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CREATE CHANGE

BHP Foundation Natural Resource Governance Program

Embedded Program Evaluation Summary Report

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All errors and omissions remain the authors alone.

1. Introduction

The BHP Foundation commissioned an embedded evaluation of their Natural Resource Governance Program (the 'NRG Program') over a 5 year period from 2019 to 2024. This is the final report of the embedded evaluation, which presents evidence and analysis of the emerging outcomes, contribution to impact and lessons learned by the NRG Program and its partner organisations.

1.1 Background on the NRG Program and partners

The BHP Foundation is a charitable organisation established in 2014, and is solely funded by BHP, a leading global resources company. Through its programs the Foundation works to address sustainability challenges that are relevant to the resources sector. In 2015, the Foundation developed a program strategy to ensure that the citizens of resource-rich countries are the ultimate owners and primary benefactors of their natural resource wealth. The Natural Resource Governance Program strategy was then approved by the BHP Foundation Board in 2016. The projects covered by the outcomes harvesting for this report include:[1]

Table 1: BHP Foundation's NRG Program portfolio, 2017-2023

Project	Partner organisations	Funding period	Focus area
Accountable Mining Program (AMP)	Transparency International Australia (TI) and chapters in priority countries	2017-2021	Corruption risks in the mining approvals process; government and business integrity tools for the mining sector
From Disclosure to Development (D2D)	International Finance Corporation (IFC)	2018-2024	Digital inclusion and accountability in the natural resources sector
Leveraging Transparency to Reduce Corruption (LTRC)	Brookings Institution and Results for Development (R4D)	2018-2023	Craft and disseminate effective practices for reducing corruption along the natural resource value chain
Translating Resource Revenues into Effective Infrastructure and Services	Open Contracting Partnership (OCP)[2]	2017-2023	Improved service delivery, better value for money, improved public integrity, increased business competition, or improved internal efficiency from public spending because of open contracting
Opening Extractives (OE)	Extractive Industries Transparency Initiative (EITI) and Open Ownership (OO)	2021-2025	Implement beneficial ownership reforms
Community-Smart Consultation and Consent	Landesa in a consortium with RESOLVE, Conservation International (CI) and the Centre for Social Responsibility in Mining (CSRM)	2021-2027	Strengthen and scale inclusive and effective NRG by improving community-smart consultation and consent practices of all stakeholders
RISE Ukraine	Open Contracting Partnership (OCP) and Transparency International (TI)	2022-	Ukraine's reconstruction integrity, sustainability and efficiency

New projects and initiatives funded by the NRG Program are mentioned in the report as additional activities and outcomes of the six projects listed above. The report reflects a snapshot of a dynamic, evolving portfolio, which is expected to change further in response to new opportunities and challenges in the local to global context.

1.2 Embedded evaluation aims and methods

The aims of the embedded evaluation are to:

[1] There are three projects that have commenced after the end of the embedded evaluation period which are not listed or considered in this report, all with existing partners.
[2] The acronym 'OCP' is used for this project throughout the report.

- support development of the NRG Program's Theory of Change and indicators of contribution to change;
- provide independent, well informed program evaluation over a sustained period of engagement with the NRG Program staff and partners;
- facilitate collaboration, networking, information sharing, reflection and continuous learning across the NRG Program portfolio;
- assist the NRG Program to advocate for change effectively and with lasting impact in resource rich countries, regions and communities.

The evidence gathered in this report is based on 19 interviews with current and former Foundation staff, NRG Program partners and peers in the governance field (external to the Program); an outcomes harvesting of project reporting; and a meta-evaluation of project-level mid-term and final evaluations. These data points are a collation of the following activities and methods:

- content analysis of over 50 quarterly, semi-annual and annual reports, mid-term and final evaluation reports of seven projects within the NRG Program portfolio;
- outcomes harvesting of 95 examples of contribution to change over the period 2018-2023;[3]
- semi-structured, qualitative interviews of 40-60 minutes with 3 Foundation staff, 14 Program partners and 2 external governance experts from peer organisations. Wherever possible, we have used quotations to reflect direct feedback to the NRG Program, which we have deidentified as far as possible;
- insight gained over the last five years from in-depth discussions with NRG Program staff, partners and peer organisations, four country case studies, thematic research, participant observation and facilitation of shared learning sessions and other events.

2 Context

There have been unexpectedly rapid shifts in the context that the NRG Program operates in and seeks to influence over the past five years.

2.1 Global contextual factors

Overall, there has been a further deepening of complexity with the recognition of a "polycrisis" that sees political uncertainty, climate change, war and social dynamics combining. This has created a complex and volatile set of conditions to respond to, where "extreme (weather) events, black swans and disruptive developments are no longer the exception but the norm".[4]

The COVID pandemic was a significant disruption from the first half of this period of the Program onwards, that shifted what was possible (positively and negatively) and forced a reconsideration of how the Program and partners operated. It particularly impacted those in the startup phase where relationship and partnership development was constrained.

2.2 Natural resource governance context

The NRG Program launched shortly after the adoption of the United Nations Sustainable Development Goals (SDGs), during a period marked by the UN setting clear targets and indicators of positive change for people and the planet (see Table 2 below for examples of SDG indicators relevant to social progress). The contribution of extractive industries to sustainable development was, at the time, a focus of debate within and between industry associations, government and civil

[3] See more detail on why and how we used outcomes harvesting in Appendix 1.
[4] 2b Ahead (2023), *Strategic Foresight 2035 – Foresight Study*, p. 9.

society organisations.[5] Resource governance initiatives, such as the EITI, the Natural Resource Governance Institute and various Mining for Sustainable Development programs centred on ways to attract and channel investment in (mainly large-scale) projects, resource royalties and tax revenues effectively towards open budgeting for public goods and services.

At the same time as the sustainable development agenda gained momentum in the early 2000s, a raft of principles and voluntary standards emerged to protect human rights and prevent harmful environmental and social impacts from poorly governed mining and mineral value chains.[6] The NRG Program incorporated these principles and approaches into the initial NRG Strategy and began looking to expand the governance focus beyond preventing corruption, for example, by adding the community smart consultation and consent project to the portfolio in 2019.

The urgency of the climate crisis has required a step change in contribution and responsibility by the resources sector in recent years. Geopolitical competition for critical minerals has intensified, prompting governments to issue new regulations, strategies and incentive schemes to develop secure mineral supply chains for energy transition, security and economic interests. There are divergent scenarios for resource governance through the energy transition, already playing out in practice.

A flurry of regulation and policymaking in recent years followed projections of escalating demand for critical minerals needed for the energy transition. In reality, at least in the short term, resource governance challenges are emanating from the extreme volatility of prices for nickel, lithium and other commodities and the uncertainty this creates for business, government revenues and community benefit-sharing.

Over the longer term, the International Energy Agency predicts that meeting the goals of the Paris Agreement would require quadrupling mineral inputs to clean energy technologies, while reaching net-zero by 2050 would require six times the minerals.[7] Based on currently available data, it is estimated that 69% of reserves of critical minerals are located on the lands of Indigenous and land-connected peoples.[8] However, there are limitations in global data about the location and footprint of mining, due to the pace of development, lack of disclosure from companies and governments in the context of geopolitical competition for critical minerals.[9] Policymakers have significant knowledge gaps about where and how changes in the mining footprint may affect local communities and the immediate environment on and around mining concessions.

Decarbonisation of energy production and use, transport and infrastructure has been driven by the trend in ethical investors, downstream companies and consumers turning away from fossil fuels. Divestment of thermal coal and petroleum assets by major companies and restrictions on energy consumption and carbon emissions across the value chain are changing the resource governance landscape and actors within it.

The NRG Program has expanded its scope in response to these trends, predictions and policy shifts related to the energy transition, for example, by supporting the USAID Just Energy Transition (JET) Minerals Challenge and updating the Theory of Change. Foundation staff noted that the energy transition seemed like a “relatively distant” change when the strategy was first developed in 2015, but that it had become a dominant trend in the 2020s.

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[5] See, for example, CCSI, WEF, UNDP and UN SDSN (2016) *Mapping Mining to the Sustainable Development Goals: An Atlas*.

[6] For example, the UN Guiding Principles on Business and Human Rights; the UN Declaration on the Rights of Indigenous Peoples; the Voluntary Principles on Security and Human Rights and the OECD Due Diligence Guidelines on Mining in Conflict-affected Areas and the OECD Guidelines for Multinational Enterprises.

[7] IEA (2021), *The Role of Critical Minerals in Clean Energy Transitions*, IEA, Paris https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions.

[8] Owen, J.R., Kemp, D., Lechner, A.M. *et al.* Energy transition minerals and their intersection with land-connected peoples. *Nature Sustainability* 6, 203–211 (2023).

[9] Maus, V. and Werner, T. (2024) Comment: Impacts for half the world’s mining areas are undocumented. *Nature*, Vol. 625, 26-29.

Partners identified areas where the energy transition is creating a range of impacts and dynamics that need to be grappled with more holistically, particularly around land use and Free and Prior Informed Consent for Indigenous Peoples. A further pressure on land and where the industry is shifting to is in the production and processing dimension of the value chain. Resource-rich countries are moving to onshore some of their processing, leading to additional industrialization that may encroach upon communities and raise new consultation and consent issues.

2.3 Natural resource governance field and funding

The natural resource governance field has been in a period of adjustment in response to the external factors outlined above, as well as changes in the funding landscape that have impacted organisations and coalitions. Publicly available data from the Trust, Accountability and Inclusion Collaborative (previously the Transparency and Accountability Initiative) highlights the trend of resourcing across major players in the field (Luminate, OSF, Ford Foundation, Chandler Foundation, Skoll Foundation, Hewlett Foundation and the MacArthur Foundation). The data shows an increase in resourcing with a peak in 2021 ($303M USD) and then a significant reduction in 2022 ($171M USD). Every member of the TAI Collaborative aside from the Ford Foundation made significant reductions in their funding in this area in 2022, whereas the Ford Foundation did increase their resourcing (from $46.3M USD to $70M USD).[10]

Covid prompted a new flexibility from many funders, recognising the forced need to adapt to lockdowns and travel restrictions. Trust-based philanthropy practices, based on long term relationships and resourced for impact (including investing in organizational development, learning and collaboration) are increasingly recognized as critical to enabling transformative change. This allows actors to evolve their approach based on their learning and experimentation over time.[11] Some partners shared that they were noticing a trend in some philanthropic organisations of moving away from small overhead percentages and highly defined project outputs. The BHP Foundation went through a major maturation in this time period with the growth in the Foundation team and particularly in its approach to strategy, adaptive learning and granting practice.

3.4 Governance and sustainable development trends in priority countries

As part of the embedded evaluation, we compiled and analysed a range of relevant global datasets and indices related to the NRG Program Theory of Change for the priority countries where partner projects were operating. The indices were selected based on relevance to the Program's scope, including resource governance in general, corruption, financial secrecy (for transparency), social progress in general and SDG indicators related to the Theory of Change. These indices were also selected for coverage of the NRG Program time period and priority countries.

The list of 30 countries compiled from project reports includes six countries in which more than one project has been active, and 24 countries in which only one project has worked. Evidence of collaboration by two or more partners in the six countries' subset is included in the discussion of outcomes. We were not assuming that program change would be visible in these datasets, which each come with their own complexities, nuances and coverage. We recognise that the data can lag behind change that is occurring and also be disconnected from the variances within a country. Moreover, countries can make progress with effort targeting the specific indices to improve their rank. Our exercise involved breaking down the data into its score elements and looking at scores, rankings and overall tendencies between the Program period with the data available.

Table 2 Description of relevant datasets for comparison of priority country contexts

[10] Data accessed in the TAI Data Library: https://taicollaborative.org/what-we-fund#funding.
[11] Stacey Faella and Ryan Roberson (2024), "The Strategic Value of Trust-Based Philanthropy", *Standard Social Innovation Review*, accessed at https://ssir.org/articles/entry/trust-based-philanthropy-strategic.

Dataset	Description	Relevant indicators	Years
Social Progress Index[12]	Launched in 2014 by The Social Progress Imperative, a global non-profit organization, which ranks 170 countries on social progress data	Nutrition and basic medical care; Water and sanitation; Shelter; Personal safety; Access to basic knowledge; Access to information and communications; Health and wellness; Environmental quality; Personal rights; Personal freedom and choice; Inclusiveness; Access to advanced education	2018, 2019, 2020
Resource Governance Index[13]	NRGI assessment of NRG in oil, gas and mining sectors in 18 countries	Mine licensing Voice and accountability Open data	2017, 2021
Corruption Perception Index[14]	Transparency International global corruption ranking of 180 jurisdictions, measures how corrupt each country's public sector is perceived to be	Bribery Diversion of public funds Officials using their public office for private gain without facing consequences Ability of government to contain corruption in the public sector	2018, 2019, 2020, 2021, 2022
Just Transition Score[15]	Social Progress Imperative ranking of 150 jurisdictions' ratio of carbon emissions to improvements in social progress indicators	Ratio of carbon emissions to improvements in social progress indicators	2022 (first report)
Financial Secrecy Index[16]	Tax Justice Network ranking of 141 jurisdictions most complicit in helping individuals hide their finances from rule of law	Ownership registration Legal entity transparency Integrity of tax and financial regulation International standards and cooperation	2018, 2020, 2022
SDG Indicators[17]	UN SDG Indicators Framework adopted in 2017	Percentage of government spending on essential services; percentage of households with access to basic services; coverage of essential health services; participation in education and training	2018, 2019, 2020, 2021, 2022

As expected, it was not possible to tell a clear story from the datasets. Nonetheless, we provide a summary of the tendency results in the table below as an overview of the changing context in the priority countries in which partners have focused their activities. They show that governance gains and social progress are non-linear as is widely recognised in political and development studies literature. Political regression, changes of government, social upheaval, natural and man-made disasters are just some of the many factors affecting the governance and sustainable development trajectories of resource-rich countries. While it is important for Foundation staff and partners to track changes in these contexts closely, evidence of the NRG Program outcomes and impact is to be found in the more nuanced outcomes harvesting exercise.

[12] Global Index: Results | Social Progress Imperative
[13] https://resourcegovernanceindex.org/data/mining/
[14] The ABCs of the CPI: How the Corruption… - Transparency.org
[15] Just Transition Score | Social Progress Imperative
[16] Financial Secrecy Index – Tax Justice Network
[17] SDG Indicators — SDG Indicators (un.org)

Table 3. International datasets or indices relevant to NRG Program theory of change for priority countries[18]

Country	Social Progress Index	Resource Governance Index (2017, 2021)			Corruption Perception Index (2018 - 2022)	Just transition index (2022)	Financial Secrecy Index (2018, 2020, 2022)	SDG Indicators (2018-2022)			
		Licencing (Mining)	Voice & Accountability (Mining)	Open Data (mining)				1.a.2 % Gov spending essential services	1.4.1 % households with access to basic services	3.8.1 Coverage of essential health services	4.3.1 Participation in education & training (15-64)
		Tendency	Tendency	Tendency	Tendency	Rank	Tendency	Tendency	Tendency	Tendency	Tendency
Colombia						23					
Ghana						27		••			••
Mongolia						155	••				
Nigeria		••	••	••		102					••
Peru						15					
Sierra Leone		••	••	••		115	••				••
Argentina		••	••	••		8			••		
Armenia		••	••	••		3	••				
Australia		••	••	••		105		••			••
Cambodia		••	••	••		95	••				••
Canada		••	••	••		108		••			
Chile		••	••	••		14		••			
Guinea						142	••				••
Guyana		••	••	••		••	••	••			
Honduras		••	••	••		65	••				
Indonesia		••	••	••		50					
Kenya		••	••	••		73		••			••
Kyrgystan		••	••	••		48	••				
Liberia		••	••	••		120		••			••
Magadascar		••	••	••		124	••				••
Mexico						45		••			
Moldova		••	••	••		5	••				••
Phillipines		••	••	••		26					
South Africa		••	••	••		83					
Tanzania						85		••			••
Ukraine		••	••	••		47					••
UK		••	••	••		31		••			
USA		••	••	••		127		••			
Zambia		••	••	••		103	••				
Zimbabwe		••	••	••		106	••	••			••

•• No data

Improving perception tendency (lower score/higher ranking)

Stagnant perception tendency

Declining perception tendency (higher score/lower ranking)

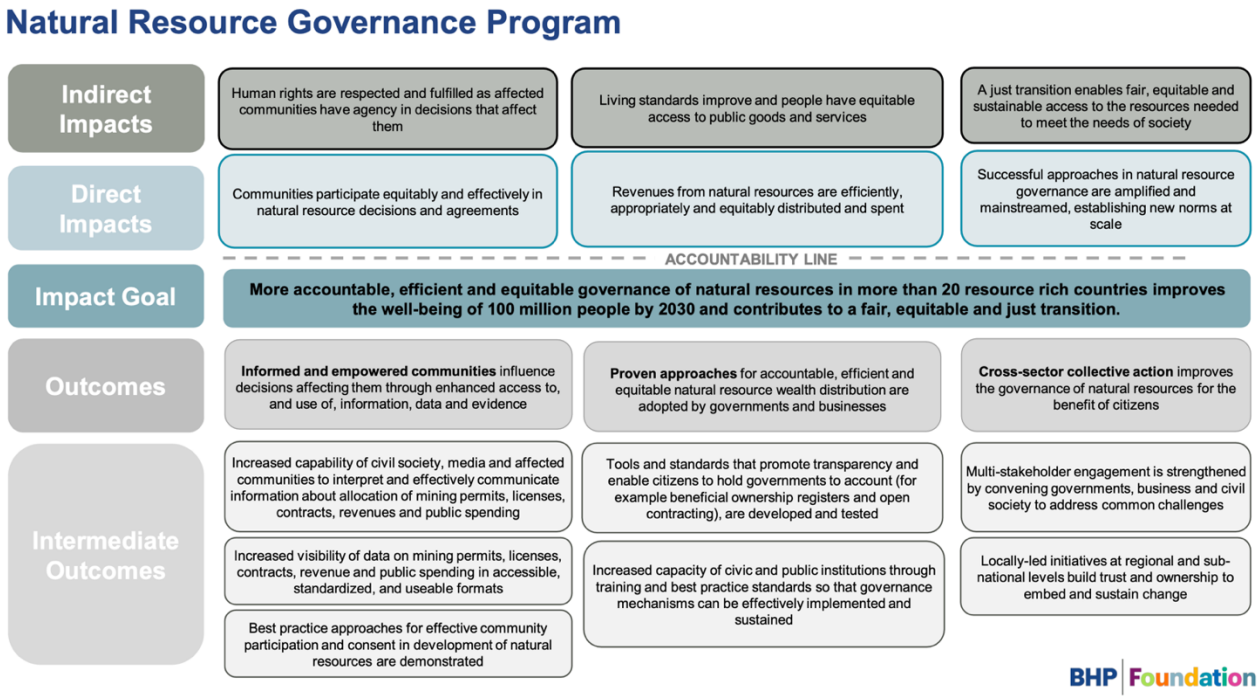
[18] The first six countries listed are where two or more NRG Program partners have operated, 2019-2023. The rest are priority countries for at least one partner organisation, listed alphabetically.

3 NRG Program Outcomes and Impact

Over the past five years, the NRG Program has evolved its conception of impact and the outcomes it is aiming to contribute to. The original Program Strategy and Objectives were developed in 2015 and approved by the Board in 2016. An updated Theory of Change was reviewed by the Board in 2020 and in 2023 the Theory of Change was redeveloped in consultation with partners into a new format (see Diagram 1), alongside a set of learning questions for this phase of the Program:

1. What evidence is there of benefits for citizens resulting from governance changes?
2. Is community participation and consent in local and national natural resource management increasing in significant ways?
3. How has expanding the scope of the Program (to include, for example, cross-sector responses to the energy transition), influenced systemic changes?

Diagram 1: Theory of Change, 2023



3.1 Understanding program outcomes & progress towards the impact goal

The NRG Program is making significant progress towards its impact goal: *More accountable, efficient and equitable governance of natural resources in more than 20 resource rich countries improves the well-being of 100 million people by 2030 and contributes to a fair, equitable and just transition*.

This is due to a combination of a) national level changes that have either demonstrated impacts at a population level in certain countries, sub-national areas or cities, b) national level changes that are likely to generate positive impacts for people over the medium term, and c) evidence of sub-national and local community impacts directly contributing to the wellbeing of people.

The area where there is no clear evidence yet is in finding cumulative impact across the NRG value chain, where changes in governance at one point in the value chain influence changes at other points in a particular country.

The evaluation has identified 95 contributions to outcomes[19] between 2018-2023 (part year) that contribute to achieving the outcomes set out in the updated theory of change (2023):

- **52 instances of "proven approaches for accountable, efficient and equitable natural resource wealth distribution being adopted by governments and businesses"**. This part of the Theory of Change relates to where there are evidence-based approaches that have been adopted into policy or practice by other actors. For example:
    - Liberia launching a beneficial ownership register, enabled and supported by Open Ownership and the Extractive Industries Transparency Initiative through their Opening Extractives project; and
    - Community members having access to cheaper medicines from application of open contracting medical procurement in Chile enabled by Open Contracting Partnership.
- **27 instances of "informed and empowered communities influencing decisions affecting them through enhanced access to, and use of, information, data and evidence"**. This part of the Theory of Change recognizes the need for informed engagement and influence by communities to improve natural resource governance. For example:
    - In Tanzania, Green Resources Ltd (GRL) developed a strategy for return of 14,900ha of land to communities in Mufundi with input from Landesa and HakiArdhi based on community consultation and engagement enabled by the Community Smart Consultation and Consent project; and
    - In Zimbabwe, there was a steady increase in the number of people registering mineral licensing corruption cases after TI-Zimbabwe's community radio programmes reached over 1,000 citizens in mining areas, as part of Transparency International's Accountable Mining Program
- **16 instances of "cross-sector collective action improving the governance of natural resources for the benefit of citizens".** This area of the Theory of Change recognizes the importance of multi-stakeholder collaboration and action to influence and sustain positive change in the governance of natural resources. For example:
    - In Guyana, the Rupununi Regional Government requested support from Conservation International as part of Community Smart Consultation and Consent to establish a multi-stakeholder platform to support coordination and information sharing among Rupununi landscape-level actors and support decision making at the regional level; and
    - The Financial Transparency and Integrity (FTI) Cohort of the Summit for Democracy has informed key policy debates and decision-making and enabled stronger international collaboration and wider stakeholder engagement on FTI issues. As part of the cohort's Pledge and Call to Action, the United States Agency for International Development (USAID) launched a suite of global programs related to supporting implementation of beneficial ownership reforms, advancing transparent and accountable public procurement, and building resilience to transnational corruption. The cohort's activities were shaped by the co-leadership of Brookings, the US Government, and the Open Government Partnership, with significant contributions from Open Ownership, Open Contracting Partnership, and other cohort participants.

[19] These are instances of actions or results by actors (other than the partners themselves) that partner projects credibly influenced (i.e. there is evidence that partner work influenced the actions of or results for other actors, institutions, or communities) that contribute at the level of the outcomes and intermediate outcomes of the theory of change. These were identified through review of partner reporting, partner project evaluations, shared learning discussions and interviews.

The types of change influenced include (organised by highest number of instances in the dataset):

- individual and community outcomes (26), for example the securing of recognition of land title for over 3000 people in one community;
- practice change by government, corporate and other institutional actors (19), for example adoption of open contracting by government agencies;
- data access (17), for example release of new datasets by governments;
- recognition or replication or amplification of ideas (17), for example incorporation of ideas or tools into new international frameworks.

The outcomes in the NRG Program have grown year on year, a function of both the expansion of the program to new projects over time and the time scales needed to generate and potentially compound outcomes. The set of 95 outcomes included 13 that involved explicit collaboration between partners. These included collaboration in RISE Ukraine's work on reconstruction and the development of the DREAM platform by Transparency International Ukraine, Open Contracting Partnership, LTRC/ACDS and Open Ownership; and direct collaboration between IFC Disclosure to Development and Brookings Institution and R4D Leveraging Transparency to Reduce Corruption in support of the Moquegua Community of Learning to strengthen natural resource governance in Peru.

3.2 Lessons from outcomes

The Program has demonstrated the strongest results in government or private sector adopting "proven approaches" including beneficial ownership transparency, open contracting, licensing reform, and open data disclosure. Each project has contributed to these outcomes (noting sometimes more than one partner involved). There is consistently strong evidence from OCP of benefits for citizens from governments adopting open contracting practices. In other cases we do not yet have strong evidence of direct benefits for citizens. This is due to two factors. Firstly, for some reforms the pathway or timescale for translating adoption of something like beneficial ownership transparency into verifiable benefits in peoples' lives is not yet demonstrated or would operate at more of a macro level. Secondly, organisations may not have the evaluation approach or means to be able to follow the chain down to the discernible impact on peoples' lives.

The Program has documented at least four specific communities that have influenced decision-making through enhanced access to and use of information, data and evidence. While we cannot yet say that "community participation and consent in local and national resource management is increasing in significant ways" (as per the second learning question for the NRG program), we feel confident to say that the CSCC project is already showing positive early results in demonstrating how this can be done working with community, government and private sector actors. This project over time is likely to generate both impact and insight through the practice of the pilots and the dedicated research work.

The Program has also documented impact cases where cross-sector collective action has influenced the governance of natural resources including the governance of the energy transition. This includes a case from Transparency International's Accountable Mining Program in Sierra Leone and from D2D and LTRC's work with the Moquegua Community of Learning in Peru. There are some promising examples in progress that may produce impact cases in this category over time, for example, the development of a regional multi-stakeholder platform to support decision making around the landscape by the Rupununi Regional Government supported by CCSC. This is an important area to keep monitoring and learning from.

The expansion in the scope of the Program has been positive in allowing for influence beyond the bounds of natural resource governance and has likely increased the potential for systemic impacts. There is a growing series of outcomes where lessons or examples from the Program are influencing

adoption in other countries and/or across other sectors (for example into Infrastructure). The Program's attention to influencing broader governance conditions that shape practice within the natural resource sector (or allow for revenues to be used for the benefit of citizens) has been critical to significant impacts contributed to by the program. There is potential for further and potential systemic impact from greater attention to the just transition and this is already happening across a number of the projects and in the Program as a whole.

The trend in contributions to the Program outcomes over time demonstrates growing depth (for example, some of the results emerging in the CSCC project at a local or sub-national level) and breadth (for example, the reach of national or sub-national reforms through OCP and OE). The Foundation is continuing to invest in a portfolio of work that both directly contributes to change in structures and/or results for people and pays attention to the important enablers of action on governance issues, for example through the Governance Action Hub facilitating experimentation and dialogue amongst actors.

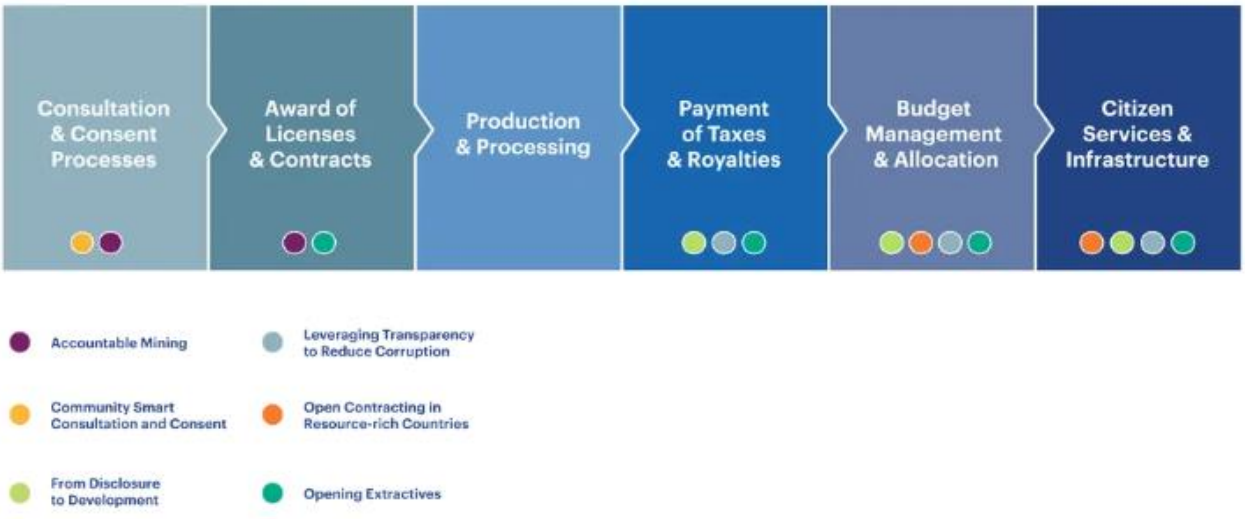
Over time there has been a sharpening of the Foundation's ability to strike a balance between investing in the development of new frameworks or capability and what's needed for meaningful work at a local or national level. For example, the pilot structure of LTRC, that was largely disrupted by Covid, with the idea of 'testing' approaches was able to adjust to enhance existing work. This orientation towards enhancing local leadership is strongly present in later investments, including CSCC and OE, by working with existing partners or mechanisms such as EITI MSG and civil society groups, rather than seeking new partnerships for the purposes of piloting new approaches. This again points to questions about timescales of funding as well as the importance of resourcing partners for work aligned to their mission with existing relevant networks, relationships and credibility.

4 Program Lessons and Insights

4.1 Program Scope and Strategy

The scope and framing of the NRG Program was designed in consultation with others, taking a co-creation approach from the outset. From this approach, the Natural Resource Governance Value Chain was adopted as a theoretical and organising framework for selecting partners, co-designing projects to fill gaps in the field of natural resource governance and co-ordinating the portfolio.

BHP Foundation Natural Resource Governance Program: Our Approach[20]



[20] BHP Foundation Natural Resource Governance program | BHP Foundation (bhp-foundation.org)

The NRG Value Chain was seen as a useful framework for some of the partners' project design and implementation, while others pointed out limitations to the approach. Natural resource governance was seen by some partners as an inherently broad and multidimensional field. Several partners felt the Foundation had done a good job of investing sufficiently deeply in different areas while retaining a level of breadth to consider dimensions that impact upon other aspects of NRG.

Several partners expressed reservations about the NRG value chain as a continuing strategy for the Program, which could unnecessarily restrict work across the portfolio. Partners highlighted the importance of taking a systemic view of change and worried that the value chain approach implied a linear approach. Looking at the ecosystem of actors influencing conditions that impact governance of natural resources is another way to examine the roles and contributions of partners to change over time.

Reflection on how to expand the scope of the NRG Program has already begun in the process of updating the theory of change, objectives, impact and outcomes goals. Partners felt that the scope of the NRG Program was evolving in line with trends across the broader governance field, in particular, the shift from the NRG value chain's focus on national sustainable development towards global governance of the energy transition, the geopolitics of critical minerals and global threats to democracy and security.

4.2 Foundation Practices and Approaches

The Foundation's approach to partnering has been characterised by being highly strategic in identifying and building relationships in the field, intensive design for multi-year projects or programs, engaged partnership through implementation with high flexibility and a focus on learning and adaptation for results.

Partnering

The approach overall has been built on a base of having a knowledgeable, engaged and authorised Program Director who has built strong relationships of trust with partners. In this period, as a new funder in this field with a donor extractives company there was a sense of partners and others observing and assessing the trustworthiness of the Foundation to operate credibly in this arena. Feedback to this evaluation highlights that the Foundation has built a strong base of trust and respect. Doing so has been built on a base of credible and strategic engagement, open relationships with partners without interference, flexibility and responsiveness to feedback demonstrating the Foundation's own capacity for learning and change.

Partners also pointed to the willingness of the Foundation to partner in supporting experimentation and innovation. They were willing to take risks in being the first donor (e.g. RISE Ukraine) or in supporting organisations to try something new, for example, the IFC working with mining companies around opening their own data.

Design and adaptation

The Foundation took an approach to invest in and require detailed design of projects upfront, considered by Foundation staff to be an enabler of greater success. Over time the Foundation has come to make design grants available, which are particularly important to enabler smaller organisations to collaborate as part of larger consortia. Partners had mixed views on the value of the intensive nature of the design phase, although they appreciated the Program Director's close and supportive engagement in it.

There are questions about what needs to be clear upfront to provide direction and confidence, when the Foundation has increasingly moved towards an adaptive management approach itself and with its partners. Being clear about long term goals, strategies, values, approaches to collaboration and

measures for learning can provide effective scaffolding for systemic and adaptive work. Arguably being overly detailed in planning specific activities or outputs can actually constrain adaptive and effective work (See: Embedded Evaluation 2022 Learning Report).

The CSCC Project was the most significant example of the Foundation actively curating a consortium. The focus on consultation and consent was identified from the beginning in the NRG Strategy and then emphasised further in the findings of the AMP's application of its MACRA tool into country-based research on risks in the licensing and consenting phases of the mining value chain. The Foundation put out a call for proposals and then encouraged the organisations to work together. Partners had nuanced reflections on this process, sharing their trepidation in being brought together to work collaboratively without prior relationships. They saw challenges in the design process as well as the benefit in being connected and learning together, which generated positive and unanticipated outcomes.

A key finding was that the Foundation's flexibility with respect to Program implementation contributed to success by enabling adaptation to changing contexts and responsiveness to new opportunities. This approach was attributed to trust in the partners and the Program staff's close involvement in and understanding of the technical aspects of project delivery in the NRG field as well as a consistent focus on impact and results. Several partners offered examples of how the flexible approach had benefitted their project implementation and outcomes. Importantly, partners emphasised that this was not flexibility for its own sake, but for the sake of better results.

Evaluation and reporting

Over the period of this evaluation the Foundation underwent a significant and highly positive evolution of its approach to monitoring, evaluation and learning (MEL). This saw the Foundation recruit a field leader to head up this area of the Foundation's work and saw a new set of approaches to orient to impact goals and impact frameworks, adaptive management and learning. This was seen to have a cultural impact within the Foundation and flow through to support to Partners. This approach and the questions and discussions it has prompted has also been valued by Partners and influenced their own thinking around impact in their organisations.

Reporting has been simplified, made less frequent from quarterly to every six months and oriented around progress and learning. Partners have appreciated the practical change from reporting that was seen as "burdensome" and "performative" (although some still feel it is too much and takes too much time, particularly if they are smaller partners in larger projects). A number of partners pointed to the need to continue to discuss how to best align project indicators with the program strategy and outcomes framework, particularly to ensure that contributions to program outcomes are understood while respecting the autonomy of partners.

Partners strongly valued the fact of the Foundation taking on feedback, changing practice and communicating clearly about what it was doing and why, for example about changing reporting.

4.3 Partner learning and connection

The adaptive learning approach was applied at the Program level through the Foundation's active role in connecting and facilitating learning amongst partners. Opportunities for learning were planned on a regular monthly basis online and arranged as side meetings whenever relevant events were held at convenient locations for partners. An annual partners meeting held in Washington DC in June 2019, which turned out to be the last face to face meeting of the whole portfolio before Covid disrupted travel. From 2020 onwards, the monthly online meetings alternated between (1) a 'conversation series' thematic discussion chaired by the Program director and (2) a structured action shared session facilitated by the embedded evaluation team and without Program staff present.

The conversation series provided opportunities for partners and Program staff to learn and engage together on topics of mutual interest or concern. Partners (a smaller group) then had the shared learning space to speak frankly about specific challenges in their work or contexts, which they may not have been comfortable sharing with the funder present, using an action learning methodology.

The break in face to face meetings for the Program was significant, though, in that it meant there was a different experience for original vs newer partners. The newer partners from OE and CSCC missed out in having a deeper chance to build relationships and understand the context from the original Program meetings and workshops. For this reason, newer partners were very supportive of the opportunity of the immersive knowledge exchange week in Zambia in May 2024.
Partners were keen to acknowledge the role of the NRG Program in connecting them with others engaged in the same initiatives or priority countries. Some reflected on the lack of time and resources needed to collaborate, pointing to potential avenues for the Foundation to explore in the future around supporting these important conditions for collaboration.

Several partners commented on the convening power of the NRG Program as a vital factor in fostering collaboration.

4.4 Timeframes and sustainability

A critical enabler of the outcomes of the Program to date have been the five year timeframes for funding and the Program's ability to support organisations to pursue work over more than one round of funding. It is clear from our analysis that outcomes deepen and grow within and across projects over time and there is greater potential for higher cumulative impact from longer term funding.

The Foundation has chosen in this Program to aim at some changes that have deep roots in significant power imbalances and complex interactions with many dynamics and actors. Transformative or systemic change in such areas and even changing policy, practice and reality of areas like mining licensing, consultation and consent, or real implementation of beneficial ownership transparency across countries and at scale – both deep and broad – will take a long term set of investments. The ability of the Foundation to be committed to the area of natural resource governance, take a long view of what's needed in the field and make multi-year investments is seen as a distinctive contribution by others in the funding field. This may include taking an explicit strategy of pursuing change over the long term in some key areas by growing and sustaining the ecosystem of actors working on different aspects of the systems involved in that change.

Partners have highly valued the five year funding as well as flexibility around no-cost extensions. The extent of positive feedback on five year funding serves as an indictment on the wider funding landscape and system considering the existing evidence base in support of stronger outcomes from longer term and unrestricted funding approaches.

While partners value five years, they also recognise its limitations, in orienting attention to shorter or medium term results rather than longer and harder reforms, and when involving new relationships and collaborations that require time to develop.

The Foundation needs to continue to be thoughtful about exiting from supporting an organization or strand of work. The Foundation has worked effectively with a number of partners to support them to secure funding from other sources, although it's rarely at the same level as what the Foundation has provided, due to large size of Foundation investments for this field.

4.5 Distinctive contribution to the field of natural resource governance

BHP Foundation has made a distinctive contribution to the field of natural resource governance through the NRG Program's:

- Breadth and depth of focus on specialised technical aspects of natural resource governance: In taking the approach of finding and filling gaps in the natural resource governance value chain, and focusing support to expert partners in these areas, the NRG Program has advanced the field in specialised areas, such as corruption risks in the mining approvals process, open data and open contracting, beneficial ownership transparency and locally-driven community consultation and consent practices.
- Willingness to tackle the highly political issues of corruption in a wide range of countries: Partners and field allies noted how unusual it is for the Foundation to be funding the intangible, political sensitive issues of corruption, transparency and resource governance.
- Influence and convening power from association with BHP: Feedback was mixed on whether the association of the Foundation with BHP was an enabling or limiting factor in contributing to the field, but most agreed that it sets the Foundation apart from other donors in the NRG field. For example, several partners said that this association helped to influence other companies in the private sector, and also governments that would be less receptive to governance initiatives funded by others in the current geopolitical context.
- Expertise and engagement of Foundation staff: Program partners found the technical expertise of the Foundation staff to be a distinguishing feature from other donors. Other funding organisations and governance initiatives were influenced by the knowledge and commitment of the Foundation staff to contributing to natural resource governance.
- Commitment to longer-term, substantial funding of projects to scale: Partners generally noted the substantial funding commitment as a distinctive, tangible contribution to the field of natural resource governance.
- Demonstrated commitment to and practice of adaptive learning: partners highlighted the critical role of the Foundation's flexibility and support for adaptation of projects as a key enabler of strengthened effectiveness and impact. Alongside this, they valued the effort put into enabling learning amongst partners and the insight and connections generated as a result. Lastly, there was clear recognition by partners that the Foundation had modelled real learning and adaptation in the way that it had changed its thinking and approach, for examples from KPIs to theories of change and in shifting reporting requirements.

Appendix 1: Outcomes harvesting approach

This evaluation drew in part on a outcomes harvesting approach, to identify outcomes from across the work of partner projects in the Natural Resource Governance Program portfolio and be able to analyse them collectively to understand contribution to the Program Theory of Change. This appendix explains the rationale and practical application of using this method.

Outcomes harvesting is designed to evaluate contributions to change in "complex and difficult to monitor" initiatives "when the significance of particular milestones and outcomes may be unknown in advance...[and t]here is often a need for learning to understand how change happened".[21] In this case, while project activities and outputs were easily measured, contributions to the Program Theory of Change (particularly as this was iteratively developed over the course of the Program, not necessarily directly shaping project design) were more emergent.

Outcomes are defined as actions taken by or changes for other social actors influenced by the relevant projects—shifting the view of monitoring from activities or outputs to actions taken by other actors or changes in the experience of people. For example, an institution adopting a new policy or practice, or a community receiving a direct benefit.

In this case, we identified outcomes primarily from partner reports and evaluation reports augmented by those we identified from interviews and our facilitation of learning sessions over the course of the embedded evaluation.

We developed a framework that enabled us to code outcomes against elements of the Program Theory of Change, along with levels and types of outcome, actors involved, year, geography and where collaboration amongst partners was present.

Whereas in a classic application of the harvesting method you would undertake external verification of at least a sample of outcomes, in this work we relied upon the third party evaluations and evidence from reporting, taking our inputs as already verified. This was appropriate due to our focus on the Program level, rather than undertaking any substantive project level evaluation.

Once we had collected the outcomes set we were able to undertake analysis and receive feedback from program partners and Foundation staff before finalising our analysis and findings.

[21] Fisher, S. B., Gold, J. R., & Wilson-Grau, R. (2014). Cases in outcome harvesting: ten pilot experiences identify new learning from multi-stakeholder projects to improve results. W. B. Group, p. 5.

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