KEY MESSAGES AND LESSONS LEARNED
FROM
THE GLOBAL SEMINAR ON THE ROLE OF PARLIAMENTS AND EXTRACTIVE INDUSTRIES
Parliament Building
Kigali, Rwanda 13-15 January 2015

The Global Seminar on the Role of Parliaments and Extractive Industries was hosted by the Parliament of Rwanda in Kigali, Rwanda from 13 to 15 January, 2015 under the theme, “Transparency and Accountability in Extractive Industries: the Role of the Legislature”.

The seminar was organized by the CPA in partnership with the WBG, IMF, NRGI and UNDP; and saw the participation of Members of Parliament and development partners from Australia, Cameroon, Niger, Seychelles, Tanzania, Uganda, DRC, Nigeria and Rwanda. Delegates from GOPAC, Private Sector Federation of Rwanda, International IDEA, and extracting associations in Rwanda also participated.

The Seminar was officially opened by the Rt. Hon. MAKUZA Bernard, the President of the Senate of Rwanda who among other things emphasized that transparency and accountability in general, particularly in the Extractive Industries is key to proper functioning of national institutions and in achieving inclusive socioeconomic development. He called upon all participants to make concerted efforts to reverse the current situation of poverty in Africa, whereby the history of natural resources and bad governance have turned natural resources into a curse rather than making Africa a leader in extractive industries. In that regard, he invited all delegates to work hard to make extractive industries a source of self-reliance and prosperity on the continent.

Based on the theme of the conference, Delegates exchanged views and deliberated on the following topics:

- Fiscal Transparency in the Extractive Industries
- Economic Policy and the Decision whether to Extract – Understanding Parliamentary Engagement with EI Sector
- Case study: Mining in Rwanda: Opportunities and potential for regional collaboration
- Using the Budget Process to ensure that Development Dividend Benefits the Community
- Effective Use of Parliamentary Oversight Tools to Enhance Accountability of the Extractive Sector; and
- Improving Natural Resource Governance through enhanced Political Consensus.

At the end of deliberations, Delegates identified the following key messages and lessons that they wished to share with their Parliaments and their colleagues in other jurisdictions:
Fiscal Transparency in the Extractive Industries

Parliaments need to promote fiscal transparency. To achieve this, they can use among other mechanisms the IMF Fiscal Code as a guidepost for assessing their performance. Economic Policy and the Decision whether to Extract – Understanding Parliamentary Engagement with EI Sector;

For Extractive Industries to promote economic growth and sustainable development, countries should use revenues to promote:

1) **Fiscal linkages** to promote infrastructure, financing tax and subsidies
2) **Production linkages**: Supplying and processing inputs into the commodities sector and use capabilities developed for other sectors
3) **Infrastructure linkages**: which will benefits not only the extractive, but also other sectors and;
4) **Consumption linkages**: Wages from the extractive sector need to add to domestic demand.

Using the Budget Process to ensure that Development Dividend Benefits the Community

In order to ensure that the decision to extract translates into positive development outcomes for citizens, Parliaments should strengthen the use of their representative function to promote community participation during all stages of the value chain; whereas Parliaments without such a process are encouraged to put it in place.

Effective Use of Parliamentary Oversight Tools to Enhance Accountability of the Extractive Sector; and

There are many oversight tools that Parliaments can refer to in order to oversee the extractives sector. Evidence suggests that there is not a direct relationship between the number of tools and accountability outcomes; rather it is the way in which Parliaments use these tools in order to promote political accountability that matters. Parliamentarians should think about the tools available to them in their jurisdictions and how they can be deployed effectively to enhance accountability of the extractives sector.

Furthermore, Parliaments need to be able to collaborate with external accountability actors, such as Supreme Audit Institutions, Corruption Commissions, Civil Society Organizations, and National EITI secretariats, in order to provide analysis and feedback as an input when using accountability tools.

Measures should be taken to build capacity of members of the Oversight Committees and that of support staff such that they become effective and efficient in monitoring and evaluating accountability in the Extractive Industries. Parliaments may outsource such initiatives where necessary.

Parliaments from Countries that are not yet members of EITI should encourage their respective governments to join such initiative.
Improving Natural Resource Governance through enhanced Political Consensus.

Effective management for extractives requires a long-term vision for a country. Political parties should reflect the interest of citizens in reaching inter-party consensus on oil, gas and mining issues.

MPs should be interested in the common good, rather than just their political parties.

Finally, the Delegates wished to extend their appreciation to the Parliament and people of Rwanda for their warm welcome and hospitality and thanked the speakers and resource persons who contributed to the knowledge exchange and experience sharing.

LESSONS LEARNED

At the end of deliberations, Delegates identified the following key messages and lessons that they wished to share with their parliamentary colleagues in other jurisdictions. Parliaments should:

- Establish an effective and comprehensive regulatory framework governing extractive industries and such framework should not be too refraining to the detriment of conducive environment for investment in extracting industry.
- Identify gaps in the legal framework in order to sponsor and amend laws that will ensure promotion/development of Extracting Industries.
- Make use of their statutory prerogatives to hold the executive to account on effective management and allocation of revenues from natural resources.
- Acquaint themselves with various oversight tools meant to promote transparency and accountability, thereby preventing corrupt practices in the Extractive Industries.
- Build and promote a well linked network among various stakeholders in the Extractive sector in a bid to keep sharing information on geological data collection, access, capacity building, value addition, and pricing schemes along EI chain.
- Strengthen collaboration and forge enduring partnerships with the CSOs in order to have proper transparency and accountability in the EI sector.
- Engage with international organizations and other Parliamentary bodies to strengthen good governance in the management of Sovereign Wealth Funds.
- Encourage the capacity building of Parliamentarians as regards contract negotiation, implementation and monitoring process as part of adequate legislation and oversight tools.
- Devise effective mechanisms for ensuring fare distribution of extractive industries revenues and dividends to the community; and
- Put in place solid mechanisms to make sure that extractive activities do not have negative impact on environment.

Kigali, January 15, 2015