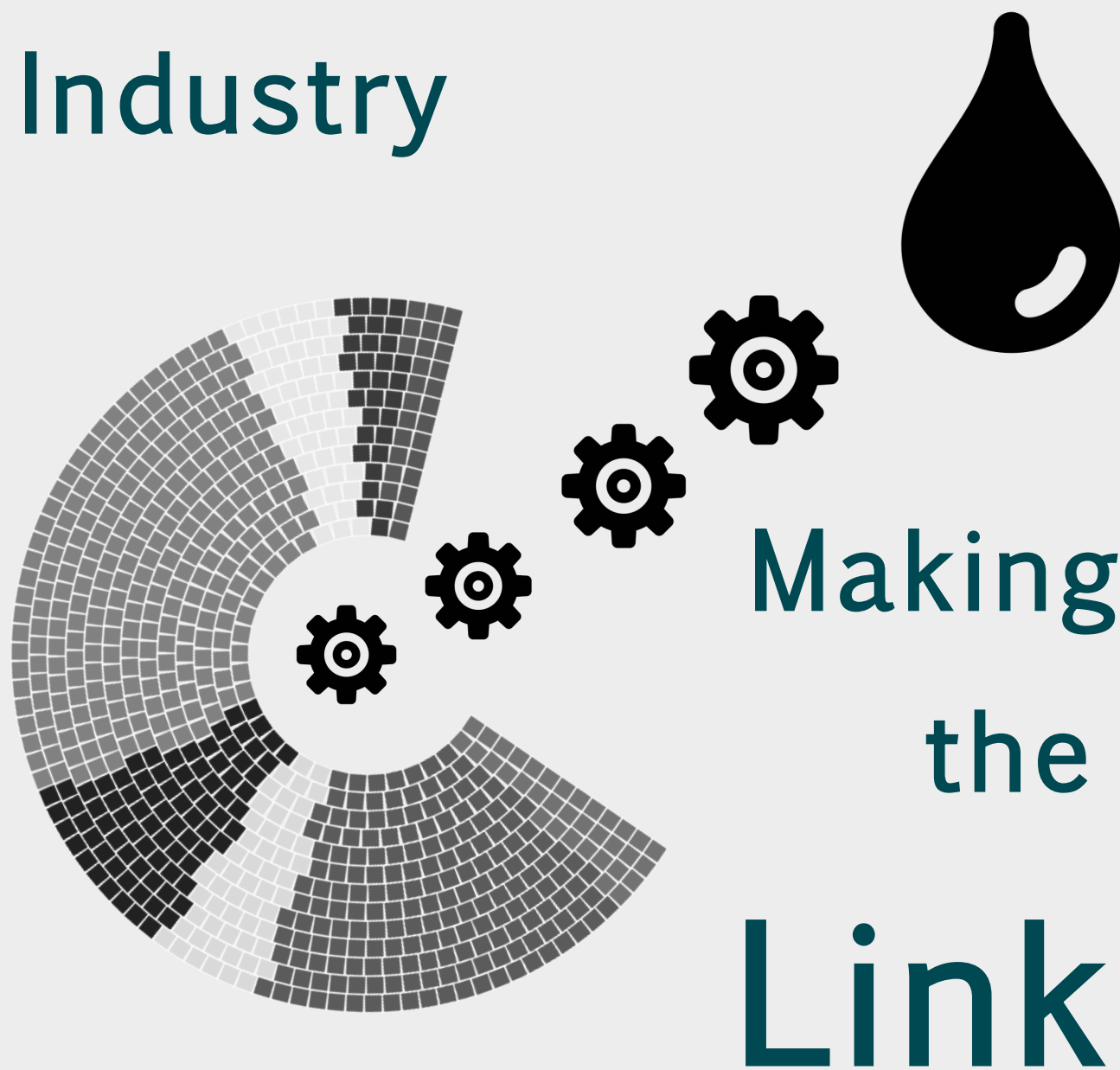


Parliaments and the Extractive Industry




Making
the
Link

Good governance, transparency and accountability are **central** elements for **democratic** societies.


Parliaments play a key role in ensuring that natural resources are managed in a sustainable way. Good governance of the extractive sector can increase national wealth, sustainable development and **social stability**.


To improve extractive sector governance and the management of resources in a sustainable way, Parliaments need to play a key role. The three core functions of Parliaments—representing constituents’ interests, legislating, and overseeing the executive are crucial along the Extractive Industries Value Chain. From the initial decision to extract a resource, to establishing the fiscal terms and legal framework, to finally, overseeing that revenue from extractive industries is spent well and in the interest of the people. Parliaments must be involved. **Every step of the way.**


 **Decision to extract the resource**

 **Negotiating the best deals for the resource**

 **Ensuring proper legal frameworks**

 **Developing the resource properly**

 **Collecting and maximising revenue**

 **Ensuring long lasting prosperity**

The Case for Ghana

In 2007, Ghana pronounced its most significant oil discovery; **Jubilee**. It wasn't long before the need emerged for tighter reins on the transparent, accountable and careful management of revenues from this viable resource.

In April 2009, the Parliamentary Centre partnered with Revenue Watch Institute to launch the project, **“Strengthening Parliamentary and Civil Society Oversight of Oil, Gas, and Mining Revenues in Ghana.”** The project received financial support from the Bill and Melinda Gates Foundation and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The main purpose of the project was to support the Parliament of Ghana in strengthening their oversight capacity over the emerging petroleum sector. To do this, there needed to be a strong and effective collaboration with civil society actors and media in Ghana.

The Centre provided support to the Mines and Energy Committee, which had oversight of the oil and gas sector; the Public Accounts Committee, which was the key overseer of government spending; the Local Government and Rural Development Committee, which has responsibility of local governance issues, and the Finance Committee, with exclusive scrutiny function over all finance agreements and contracts between the Government of Ghana and other parties.

It was the most comprehensive training and support around issues of extractive governance in Ghana to date.

Upon building a stronger legislature, Ghana was able to achieve quite a few results.



Adoption of the **Petroleum Revenue Management Act** (2011), which is comparable to international standards and was prepared with public consultation to capture citizens' voices.



Support in reviewing a Petroleum Exploration and Production bill; a review that exposed transparency gaps and omission of an independent regulatory agency for supervision of the petroleum sector. The bill was withdrawn, and replaced with the Petroleum Commission bill, leading to the establishment of the Ghana Petroleum Commission.



For the first time, MPs could see mining revenues from the Ghana EITI report findings, showing payments made by mining firms on the one hand, and receipts by government, sub-national and traditional leaders on the other. Now, MPs question their district assemblies and leaders' use of mineral royalties. Today, Ghana is in the process of legislating EITI into law.





The Parliamentary Centre is a Canadian not-for-profit, non-partisan organization, celebrating 45 years in 2013 as one of the leading and longest serving organizations dedicated to the strengthening of parliamentary democracy in Canada and around the world. Its assessments, strategic planning and training programs, combined with research products and networking channels, help legislatures and related stakeholders measure their performance, build capacity, tackle key issues and promote mutual learning.

In short – *our mission is to support legislatures in their lawmaking, oversight and representatives roles to better serve the people they represent.*

Get in touch with us.

T: +1 613 237-0143
F: +1 613 235-8237
E: parlcent@parl.gc.ca
www.parlcent.org

255 Albert Street
Suite 802
Ottawa, ON K1P 6A9



parliamentarycentre

@Parlcent

