



# PIAC NEWSLETTER

January – June 2022

PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE NEWSLETTER | ISSUE 1

## PIAC marks decade of its existence



From left: Osabarimba Kwesi Atta II, Omanhene of the Oguaa Traditional Area, President Nana Addo Dankwa Akufo Addo, President of the Republic of Ghana, Ms Abena Osei-Asare, Deputy Minister for Finance, and Professor Kwame Adom-Frimpong, Chairman of PIAC at the launch of the PIAC@10 anniversary in March last year.

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**By Jessica Acheampong,**  
Communications Officer, PIAC

A decade of existence is no mean achievement and for the Public Interest and Accountability Committee (PIAC), it was a time of reflection on what has transpired in the last 10 years.

The Committee was established on 15th September 2011 with a 3- fold mandate - Compliance Monitoring, Platform

for Public Debate, and Independent Assessment. These, it has carried out effectively in the last decade.

Project inspections, public fora, discussions on key petroleum revenue management issues have characterized the work of the Committee over the last decade. The consistent publication of PIAC's Semi-Annual and Annual Reports has heightened awareness among academia, industry players and the

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### CONNECT WITH PIAC

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# Who we are

The Public Interest and Accountability Committee (PIAC) is an independent statutory body mandated to promote transparency and accountability in the management and use of petroleum revenues in Ghana. The Committee was established under Section 51 of the Petroleum Revenue Management Act (PRMA) 2011 (Act 815).

- **Mandate**

The Accountability Committee has three main objects as outlined in the PRMA;

1. To monitor and evaluate compliance with the Act by government and relevant institutions in the management and use of petroleum revenues;
2. To provide space and platform for the public to debate on whether spending prospects and management and use of revenues conform to development priorities as provided under section 21 (3);

3. To provide independent assessment on the management and use of petroleum revenues to assist parliament and the executive in the oversight and the performance of related functions.

- **Vision**

To fulfil our mandate of ensuring the efficient management and use of petroleum revenues for sustainable development.

- **Mission**

A Statutory Institution committed to ensuring efficient, transparent and accountable management of petroleum revenues to secure the greatest social and economic benefit for the people of Ghana through active engagement with government and citizens. This is accomplished by maintaining a balanced stance, exhibiting high integrity and remaining independent of sectional influences.

**Membership of the Public Interest and Accountability Committee (PIAC)** is drawn from 13 nominating institutions, who serve for either a two-year (renewable) or three-year (non-renewable) tenure.







Some of the Committee Members at the launch of the anniversary.

*Continued from page 1*

general public.

The anniversary was launched on 25th March, 2021 by the President of the Republic, Nana Addo Dankwa Akufo Addo, on the theme, "Strengthening Citizens' Ownership and Understanding of PIAC and its Oversight of Petroleum Revenue Management."

Activities that were carried out during the anniversary period include the organization of fora in the Northern, Middle and Coastal Belts on a decade of petroleum revenue management,

television and radio discussions on PIAC, engagement with Reporting Institutions, and with past PIAC members.

The rest are the publication of a report on assessment of 10 years of petroleum revenue management and use in Ghana, airing of PIAC@10 documentary, engagement with Tertiary Institutions and a public lecture to climax activities.

The Committee also partnered the Ghana National Gas Company (GNGC) for its flagship quiz, 'The Gas Challenge' to help deepen public

understanding of the Petroleum Revenue Management Act (PRMA) and of PIAC.

For PIAC, 10 years was enough to pause and reflect on its existence and fulfilment of its mandate to ensure the efficient and prudent management and use of the country's petroleum revenues.

The next decade for the Committee is one of optimism as it is more poised than ever to continue fulfilling its mandate and live up to its tagline of "Safeguarding Your Petroleum Revenues".

## EDITORIAL BOARD

- Editor-in-Chief** – Mr Eric Defor
- Deputy Editor** – Emerita Professor Elizabeth Ardayfio-Schandorf
- Members** – Hajia Dr Kansawuche Azara Bukari  
Mr Osei Kwadwo Adow  
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- Head of Production** – Ms Jessica Acheampong

Please send all feedback to [secretariat@piacghana.org](mailto:secretariat@piacghana.org)



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# Message from PIAC Chairman

**By Professor Kwame Adom-Frimpong (Chairman)**

Institute of Chartered Accountants, Ghana

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After a decade of its establishment, the Public Interest and Accountability Committee (PIAC), remains a credible source of information on petroleum revenue management and use for citizens. Its Statutory Reports, Semi-Annual and annual, have become a good accountability tool which citizens look forward to.

For the past 10 years, PIAC has played its unique role as a citizens' oversight body, serving as an interface between the Ghanaian public and the managers of petroleum revenues. The social media pages and website have become a great resource for people looking forward to deepening their understanding on issues related to the sector.

To further improve on the transparency and accountability of revenues in the petroleum sector, the Committee is pleased to share its maiden newsletter with you. This is to keep you informed on revenue management issues, as well as on PIAC's activities.

This maiden edition covers significant events and activities by the Committee in 2021.

It is my hope that through the provision of such information readers and stakeholders will be empowered to ask the right questions with regards to petroleum revenue management

**This maiden edition covers significant events and activities by the Committee in 2021.**

and use.

Please do make time to visit our

website for updates on our activities, reports, publications and give us feedback.

We hope that collectively, we can help promote transparency and accountability in the management and use of the country's petroleum revenue.

Thank you.



# Know PIAC Members

Membership of the Public Interest and Accountability Committee (PIAC) is drawn from 13 nominating institutions, who serve for either a two-year (renewable) or three-year (non-renewable) tenure.

Current Members of the Committee as at the end of 2021 are presented in this edition.



**Professor Kwame Adom-Frimpong (Chairman)**  
Institute of Chartered Accountants, Ghana



**Mr. Nasir Alfa Mohammed (Vice Chairman)**  
Ghana Bar Association



**Hajia Dr. Kansawuche Azara Bukari**  
Queenmothers' Association



**Dr. Emmanuel Yamoah Tenkorang**  
Civil Society Organisations/Community-based Organisations



**Mr. Eric Keyman Defor** – Association of Ghana Industries and Ghana Chamber of Commerce and Industries



**Alhaj Ahmad Suleman Anderson**  
Muslim Groups



**Emerita Professor Elizabeth Ardayfio-Schandorf** – Ghana Academy of Arts and Sciences



**Rev. Dr. Christopher Kwame Sokpor**  
Christian Groups



**Mr. Osei Kwadwo Adow**  
Ghana Journalists Association



**M. Bashiru Abdul-Razak**  
Ghana Extractive Industries Transparency Initiative



**Mrs. Mary Karimu**  
Trades Union Congress



**Mrs. Clara Beerli Kasser-Tee**  
Independent Policy Research Think Thanks



**Odeefuo Amoakwa Boadu VIII**  
National House of Chiefs



# Anniversary Corner

PIAC's year-long anniversary was characterized by a number of activities. The spotlight in this edition is on our nationwide fora on a decade of petroleum revenue management and use in Ghana, grouped into the Northern, Middle and Coastal Belts.

At each forum, PIAC showed a video documentary on the 10 years of petroleum production in Ghana, as well as a presentation on how the country has fared in the

management of petroleum revenue in the last 10 years.

Participants had the opportunity to ask questions and also give their suggestions on best ways to manage the country's petroleum revenues.







■ The Northern belt forum, Northern, Upper East, Upper West, Savanna, and North participants from the East Regions.

Over 250 participants were drawn from the Ashanti, Bono, Bono East, Ahafo, and Western North Regions for the Middle Belt forum in Kumasi.



The Coastal Belt was divided into four, with fora held in Ho (Volta), Takoradi (Western), Koforidua (Eastern) and Accra (Greater Accra) Regions.



# Spotlight on PIAC's First Issue Paper

In August 2020, PIAC published its first Issue Paper on the management and use of petroleum revenues.

The paper presented a menu of issues requiring urgent attention and commitment for redress, to help insulate the oil sector from the 'resource curse' phenomenon that characterized the mining sector so as to ensure socio-economic transformation.

## Issue One: **Management and Utilisation of ABFA**

The Petroleum Revenue Management Act (PRMA) provides the framework for which the Annual Budget Funding Amount (ABFA) should be managed and utilised, guided by a long-term national development plan as the default position. However, in the absence of this Plan, Section 21 of the PRMA allows the Minister for Finance to select four (4) out of 12 priority areas for spending in the budget over a three-year period.

One issue raised in the paper had to do with selection of the priority areas. PIAC's assessment of the management and utilisation of the ABFA mechanism over the years, has revealed that even though four priority areas are selected, actual spending normally covers all the 12 listed priority areas within the PRMA. An additional area of concern in the

management and utilisation of the ABFA has been the allocations to the selected priority areas. Though governments over the years have duly selected up to four priority areas, the sectors are not weighted equally, thus resulting in a situation where some priority areas receive a larger percentage of the ABFA than others.

The challenge with the management of the ABFA is not only limited to the amounts allotted to the priority areas but also the thin-spread of projects and the paltry allocations

made to these projects. These in addition to delays in the execution of some projects particularly roads have resulted in substantial cost overruns, running into millions of Ghana Cedis with associated negative effects on value for money and its impact on the socio-economic development of Ghana.

Another worrying trend is the non-utilisation and accounting for the full ABFA allocation even though the entire budgetary amount is disbursed to the ABFA account.

## Issue Two: **Revenue Collection**

Section 3 (1– 5) of the Petroleum Revenue Management Act, 2015 (Act 815) among other things states that petroleum revenues due to the Republic, derived from whatever source, shall be assessed, collected and accounted for by the Ghana Revenue Authority (GRA).

One of the key issues under revenue collection has to do with non-payment and deferred payment. The International Oil Companies (IOCs) have developed the practice of non-payment and deferred payment of Surface Rentals as a petroleum revenue stream. In particular, despite PIAC's findings and recommendations, Oranto/Stone Energy, an IOC, failed to honour its Surface Rental obligation, which stood at US\$67,438.36 in February 2013, and with accumulated penalties, amounted to US\$7.39 million at the end of December 2019. ▶



### ■ Issue Three: **The Management and Utilisation of the Ghana Petroleum Funds**

The Ghana Petroleum Funds (GPFs) comprise the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). The GSF has been set up so that government can draw from the Fund in times of shocks to the economy, or un-anticipated shortfalls in petroleum revenue which necessitates that money be sourced to balance the budget.

Following the amendment of the PRMA in 2015, the Minister for Finance has discretion, subject to Parliamentary approval, to place a cap on how much must remain in the GSF

as necessitated by macroeconomic conditions. This is a loophole. Despite the provision to check the possibility of abuse by the introduction of Parliamentary oversight, this has not successfully curtailed the arbitrariness in the determination of caps and the use of excess funds.

### Issue Four: **Challenges associated with the implementation of the PRMA**

Among the myriad of challenges that confront the effective implementation of the PRMA is the recurrence of wrongful lodgment of petroleum revenues/receipts into Ghana Revenue Authority (GRA) accounts, contrary to the dictates of the PRMA.

The recurring non-compliance of the MoF to the PRMA requirement to spend at least 70 percent of the ABFA on Public Investment Expenditure is another challenge. Although the Ministry has been complying during budgeting, in actual expenditure, there has been non-compliance.

### **Conclusion**

Being mindful of the fact that petroleum is a finite resource, PIAC will continue to work with government and other relevant stakeholders to ensure the efficient management and use of both the resource and revenue.

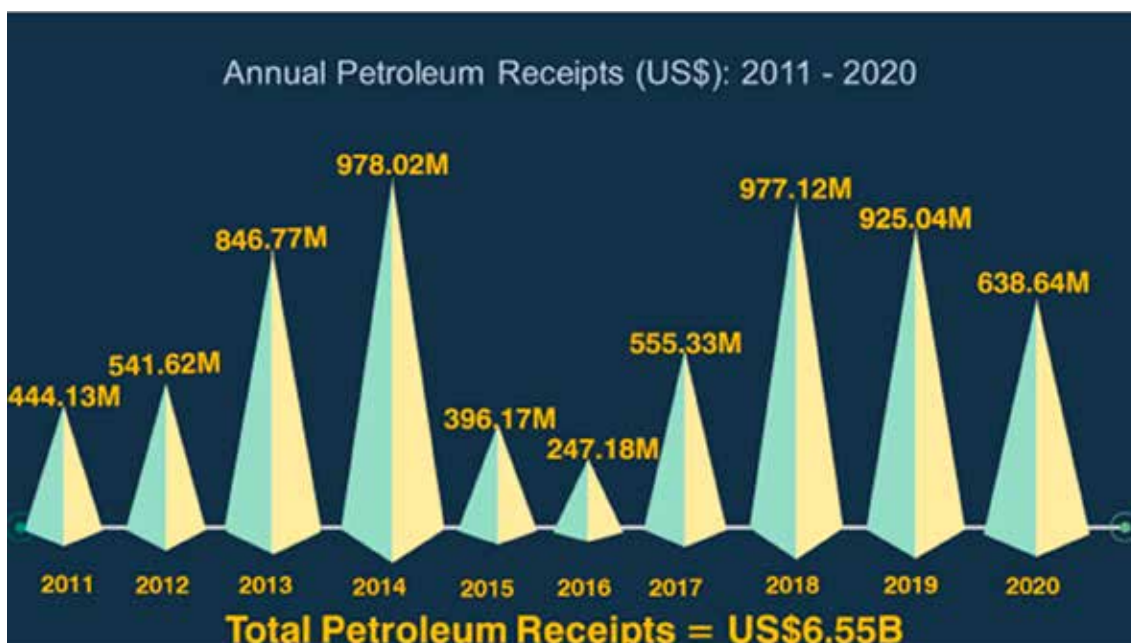
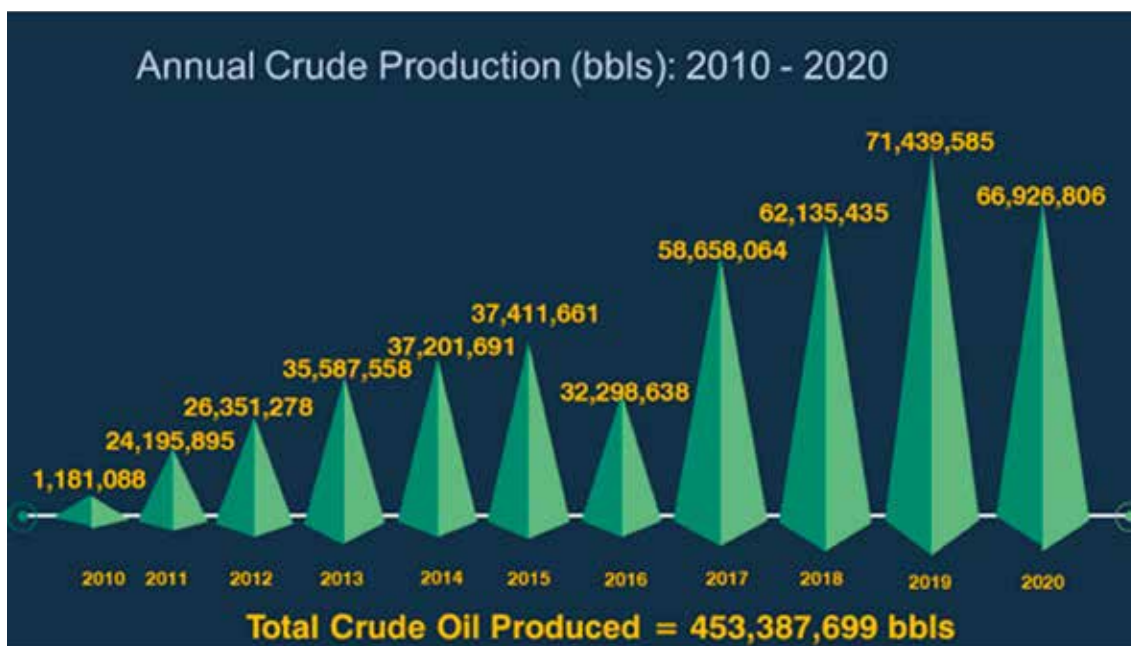


# Petroleum production over 10 years

Commercial oil production in Ghana started in December 2010 in the Jubilee Field. Two other Fields – Tweneboa Enyenra and Ntomme (TEN) and the Sankofa Gye Nyame came on stream later to serve as the three

main oil producing Fields in Ghana.

In this edition, we provide a highlight of annual crude oil production, and revenue accrued since oil production started.





# PIAC holds engagements in Northern and Oti Regions

As part of its mandate to provide a platform for public debate on spending prospects of petroleum revenues in line with development priorities, the Committee held two Regional engagements in Tamale and

Nkwanta.

Both fora provided an opportunity for PIAC to present highlights of its 2020 Annual Report, which focused on oil and gas production, the revenue accrued, and its utilization,

as well as the key findings and recommendations. Citizens who were present at each of the meetings also had the opportunity to ask questions and give their feedback to PIAC.



# Benchmarked and Actual Petroleum Receipts:

## A Comparative Analysis over the last 10 years

**By David Sefa Adjei,**  
Economic Policy Analyst, PIAC

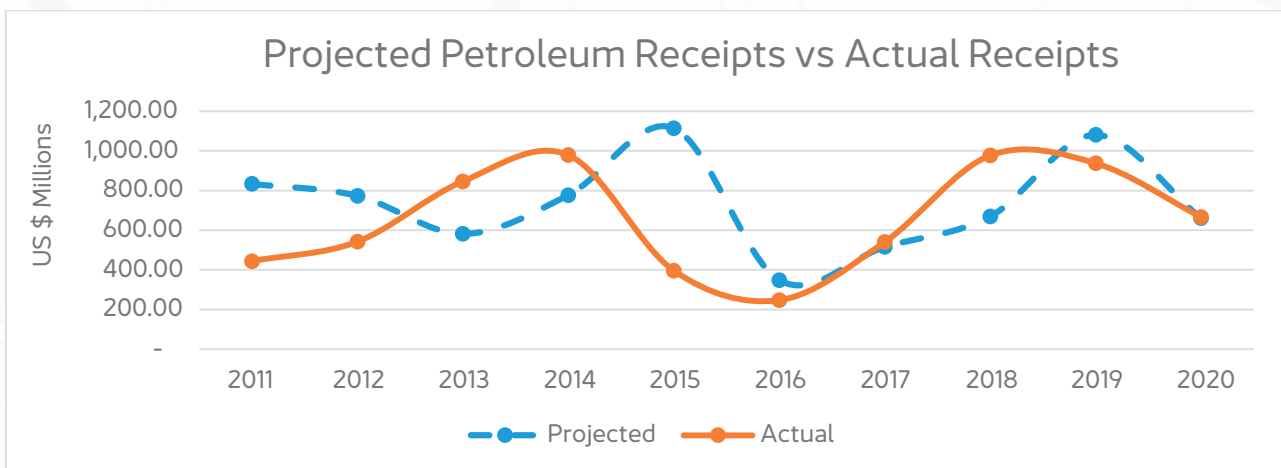
The discovery of oil in 2007 led Ghana to establish mechanisms and infrastructure to produce the resource and benefit from the revenues that will accrue from it. This included the promulgation of the Petroleum Revenue Management Act, 2011 (Act 815), as amended (PRMA), that spelt out rules for collection, allocation and management of petroleum revenues in a responsible, transparent, accountable and sustainable manner for the benefit of the citizens of Ghana. The PRMA also spelt out the formula for estimating the benchmark petroleum revenues part of which is

used to fund the national budget.

The PRMA defines Benchmark Revenue for each financial year as the sum of expected revenue from crude oil, expected gas royalties and the expected dividends from the National Oil Company (NOC). The Law also stated the formula for computation of the expected revenue from crude oil production and gas royalties. The expected crude oil revenue is estimated using the actual and expected unit price of crude oil derived from a seven-year moving average being the four years immediately prior to the current financial year, the current financial year itself and two years' projection immediately following the current financial year according to the PRMA. The expected

gas royalty shall also be calculated on the basis of anticipated royalties on associated gas derived from a seven-year moving average, the seven years being the four years immediately prior to the current financial year, the current financial year and two years immediately following the current financial year. For the purpose of this article, the Benchmark Revenue and actual receipts entail only crude oil receipts.

The expected quantity of crude oil to be produced is also derived over a three-year horizon where the three years are the one immediately preceding, the current financial year, and the projection of the year ahead. Thus, the projected revenues are a product of the derived unit price and





**Table 1: Projected and Actual Petroleum Receipts from 2011 – 2020 (US\$)**

Year	Projected	Actual	Variance (%)
2011	833,855,817.00	444,124,724.00	-88%
2012	773,727,604.00	541,977,890.00	-43%
2013	581,721,691.00	846,413,034.00	31%
2014	776,999,703.00	978,886,410.00	21%
2015	1,114,499,596.00	396,172,909.00	-181%
2016	348,416,689.34	247,175,394.26	-41%
2017	515,674,244.44	540,411,436.00	5%
2018	669,407,901.85	977,124,929.30	31%
2019	1,080,740,000.00	937,582,203.83	-15%
2020	660,450,000.00	666,390,000.00	1%

Source: PIAC Construct based on Ministry of Finance Annual Petroleum Reports

- expected quantity of crude oil for any given year. The Act also makes provision for the estimated revenues to be revised if it becomes evident that unexpected petroleum price movements or production conditions are likely to result in gross over-projection or under-projection of the Benchmark petroleum revenues.

For half of the decade, actual petroleum receipts did not meet the projected annual estimations as shown in the graph. The two indicators displayed a mixed trend of actual and projected revenues.

The first two years of crude oil production did not see Ghana attaining its target revenues where production was being ramped up after first production in 2010. The period where

actual petroleum receipts surpassed projected revenues spanned five years (2013, 2014, 2017, 2018 and 2020). On average, Ghana achieved an 18 percent increase over the projected revenues. These periods were an interplay of high crude oil prices and increased petroleum output. The year 2020 witnessed the global impact of the COVID-19 pandemic which was characterised by low crude oil prices and significantly affected estimated revenues. This led to a revision of the estimated revenues from US\$1.57 billion to US\$660.45 million.

In the remaining five years, Ghana was unable to reach its target (2011, 2012, 2015, 2016 and 2019) due to low prevailing crude oil prices as well as production challenges. The nation missed the projected revenues by an average of 47 percent, excluding 2015 where the year saw crude oil prices persistently falling below the

benchmark price. Despite the revision of the projected receipts in 2015, actual receipts still fell short.

The national budget allocation from petroleum revenues are based on the projected revenues. Thus, it is essential for the country to estimate the optimal level of projected petroleum revenues as well as attain these targets to meet the planned expenditure. The inability to reach the budget estimates will imply failure to fully execute planned projects with petroleum revenues or withdrawal from the Ghana Stabilisation Fund (GSF) to meet such expenditure. After a decade of implementing the benchmark revenue mechanism, a wider discussion of the formula for estimating Ghana's benchmark petroleum revenues would be encouraged to evaluate its efficiency and recommendations if need be.

# Highlights of 2021 Semi-Annual (H1) Report

In line with its mandate, PIAC publishes two statutory reports each year – a Semi Annual and Annual Report on the management and use of petroleum revenues. The 2021 Semi Annual report is the 10th Semi- Annual, and 20th in all, published by the Committee.

Highlights of the report are captured below:



Oil Production

**27,767,859** bbls



Gas Production

**127,496** mmscf



Total Revenue

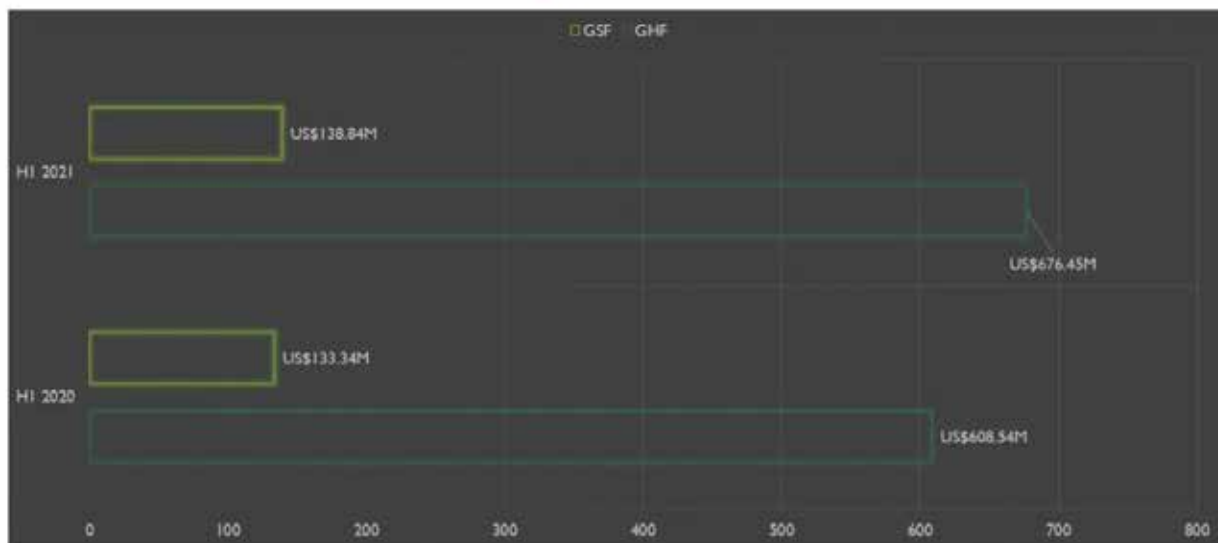
**US\$350,316,618**

## Distribution from Petroleum Holding Fund (PHF) Allocation in first half of 2021

	US\$(m)	%
ABFA	175.22	50.02
GNPC	98.34	28.07
GHF	23.03	6.57
GSF	53.73	15.34
<b>TOTAL</b>	<b>350.32</b>	<b>100</b>



## TOTAL RESERVES OF THE GHANA PETROLEUM FUNDS AS AT JUNE 30, 2021



### FINDINGS

- ▶ Following the decision of the Supreme Court of Ghana in the case of Kpodo and Another versus Attorney General in 2019 that the District Assemblies Common Fund (DACF) be added to the recipients of the Annual Budget Funding Amount to receive five (5) percent, an amount of GH¢129.26 million has been allocated to the Fund for 2021. This will ensure direct implementation and monitoring of projects at the sub-national level.
- ▶ In the first two quarters of 2021 there was no disbursement of the ABFA to the DACF.
- ▶ Instead of withdrawing funds from the Ghana Stabilisation Fund, the Government utilised an amount of GH¢40.17 million from the Treasury Main Account to shore up the ABFA in the first quarter, contrary to Section 9 of the PRMA.
- ▶ Despite withdrawals from the GSF, the reserves of the GPFs increased by 9.90 percent in H1 2021 over the reserves for the same period in 2020.
- ▶ Even though there was an increase in the net profit on investment of the GPFs, compared to the same period of 2020 the year to date yields of both the GSF and GHF reduced. The H1 2021 yield of the GHF was down by 2.13 percent as compared to a gain of 5.28 percent in H1 2020 while for the GSF, the H1 2021 yield of 0.03 percent was lower than the 0.39 percent for the same period of 2020.
- ▶ The Earmarked Funds Capping Realignment Act, 2017, which

discontinued allocations to the Ghana Infrastructure Investment Fund (GIIF) for infrastructural development has been amended to restore funding to the GIIF.

- ▶ For H1 2021 the average price achieved by the Ghana Group was higher than the government's average estimated benchmark price.

### RECOMMENDATIONS

- ▶ PIAC recommends to the Ministry of Finance that, there is the need for the decision of the Supreme Court of Ghana on the inclusion of the DACF as a beneficiary of the ABFA, to find expression in the PRMA, which is being reviewed, with the necessary provisions as is the case with the ABFA and GIIF. This will enhance direct implementation and monitoring of ABFA funded projects at the sub-national level.
- ▶ Even though the PRMA allows the Minister for Finance to place a cap on the GSF, the Fund should be grown to serve its purpose of shoring up shortfalls in the Budget.

# PIAC's 2021 Activity Report

PIAC's activities in the last year comprised engagement with the media, tertiary institutions, reporting and stakeholder institutions, annual general assembly and engagement with past Committee Members.

## • Launch of PIAC 2020 Annual Report

PIAC, as mandated by Section 56 of the PRMA, is required to publish its annual reports by 15th March of the ensuing year. In fulfilment of its mandate, PIAC released its 2020 Annual Report, the 19th in the series of statutory reports on 21st April 2021. The first Chairman of the Committee, Maj. (Rtd) Daniel Ablorh-Quarcoo launched the Report. Highlights of the Report were presented by the Chairman of the Committee, Prof. Kwame Adom-Frimpong.



Maj. (Rtd) Daniel Ablorh-Quarcoo (Left), launching the 2020 Annual Report in conjunction with The PIAC Chair (Middle) and the Association of Queen Mothers' representative on the Committee

## • Editors' Forum

The editors' forum, held in Koforidua, was attended by senior editors, some Committee members and Secretariat staff of PIAC. This was to share with stakeholders PIAC's 2020 Annual Report, as well as address all concerns and questions arising from it and leverage the capacities of senior editors and news editors as key constituent members of PIAC to disseminate the report.



The PIAC Chair presenting the highlights of the PIAC 2020 Annual Report to Senior Editors of the Media

## • Engagement with Morning Show Hosts and Producers

As part of PIAC's media engagement, this activity was held to have journalists and presenters, who are primarily Morning Show Hosts or Producers on different media platforms, to effectively interrogate and communicate the findings and recommendations of PIAC Reports.



Some of the participants in the meeting.

## • Engagements with Institute of Financial and Economic Journalists (IFEJ) and other media

The engagement with journalists, comprising members of the IFEJ and other media who report on PIAC activities, took place in Accra. Discussions centered on PIAC's first Issue Paper on the management and use of petroleum revenues, as well as PIAC's 2020 Annual and 2021 Semi-Annual Reports.



A group picture of the media participants with PIAC Members and staff.



**Engagement with Independent Policy Research Think Tanks**

PIAC, apart from engaging with stakeholder institutions, meets with some of its constituent bodies in the course of each year. The meeting with the Think Tanks sought to discuss the recently published PIAC 2020 Annual Report, take a look at the successes and lessons learnt in Ghana's 10 years of petroleum production, and solicit feedback on ways to ensure the advancement of the workings of the Committee.



Professor Akosua Darkwah, the past representative of Think Tanks on PIAC making a presentation at the engagement. Looking on is Professor Kwame Adom-Frimpong, Chairman of PIAC.

**PIAC General Assembly**

PIAC in 2019 instituted an annual engagement with its reporting entities to facilitate the implementation of its recommendations. The engagement also gives an opportunity to update constituent bodies on the workings of the Committee, and on the management and use of Ghana's petroleum revenues.

This year's Annual General Meeting (AGM), which assembled all 13 of the Committee's constituent bodies, is the third in the series. It was to offer members of the constituent bodies further insight on many aspects of the Committee's work as it marks 10 years of its establishment.



Some of the participants in the meeting.

**Engagement with Tertiary Students**

PIAC in 2021 instituted an engagement with tertiary institutions, as part of efforts to streamline communication between Industry and Academia on current developments in the petroleum industry to influence the management and use of the resource. The Committee engaged students of the University of Professional Studies, Accra (UPSA) and the All Nations University, Koforidua (ANU) on the management and use of petroleum revenues over the past decade.



**Engagement with Past Members**

The Committee, since its inception in 2011, has had a number of Members drawn from the 13 nominating institutions for varied terms. While there have been constant attempts to engage the Past Members at various levels, the 10th anniversary provided the opportunity to bring them all under one roof in what was informally described as a "Homecoming."



Some of the past Committee Members with Secretariat Staff after the engagement.

# Project Inspections

As part of fulfilling its independent assessment mandate, PIAC carried out visits to project sites to inspect work done on oil revenue funded projects. Highlights of some projects visited during PIAC’s inspection in 2021 are captured below:

- **Bitumen Surfacing of (6km) Kakpalyili – Yong Road (Northern Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHc2,377,935.14	2018	Clearing of the road surface, filling, sub-base, base, and extensive concrete drains, first primer seal and second primer seal had been completed. In the course of the project, some defects were detected but these were yet to be corrected as at the time of the visit. Outstanding works on the road are the line markings and project sign post.





- **Completion of Housing Component under the Major Rehabilitation and Upgrading of Tamale Teaching Hospital Housing Project Phase 1 (Northern Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHc1,000,000.00	2019	<p>i. The project comprises a 5-bedroom bungalow for the Chief Executive Officer (CEO) of the Hospital, and three flats to be used as staff quarters for nurses. The 5-bedroom bungalow has been constructed but the project was yet to be handed over as at the time of PIAC's visit as the Ministry of Health suggested that a fence wall be built around the building. Following this suggestion and the lack of funds to build the wall, the Facility has been lying idle and has developed some visible deterioration. The contractor told the Team that the building had been in that state for the past three years.</p> <p>ii. The construction work also covered three other flats, with eight bedrooms each, earmarked for staff. The construction of these flats, which started in 2011, were expected to help ease the accommodation pressure for staff. However, as at the time of PIAC's visit, two were yet to be completed. The third flat, which was completed, was officially handed over to the Hospital during PIAC's visit.</p>



- **Construction of 2 Storey Bedroom Nurses Quarters at Breman West SDA Hospital in the Suame Constituency (Ashanti Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢179,999.04	2020	Although the project was 90 per cent complete and was habitable at the time of the visit, it had not been handed over to the hospital for use. The hospital management is however in discussion with the Municipal Assembly and the MP to put the facility to use.





# Anniversary forum on 10 years of petroleum revenue management ends in Accra

The last in the series of fora on 10 years of petroleum revenue management held as part of the PIAC@10 Anniversary, was held on Thursday, 9th December, 2021, at the GNAT Hall, in Accra.

PIAC's presentation started with a video documentary on the 10 years of petroleum production in Ghana, followed by a presentation by the Chairman of PIAC, Professor Kwame Adom-Frimpong, on the 2021 semi-annual report of the Committee.

Participants had the opportunity to ask questions and also give their suggestions on best ways to manage the country's petroleum revenues. Some of these questions have been highlighted below:

- Is there any alternate plan to shore up funding for the Free Senior High School policy considering the volatile nature of petroleum revenues?
- What is the country's readiness to protect the host communities producing oil?
- Why is the country still recording high petroleum prices when it is producing oil in commercial quantities?
- Is there a long-term national development plan?
- Are oil revenues being used to support old projects started prior to oil production?
- What is the status of the Ghana Heritage Fund (GHF)?
- Can PIAC provide details of some of the shoddy projects carried out with petroleum revenues?
- What actions does PIAC take after projects started with petroleum funds are stalled?
- Is PIAC in a position to make recommendations on the inclusion of provisions regarding the use of allocations to the DACF in the PRMA?
- Does PIAC think it needs powers to deal with infractions regarding the use of petroleum revenue?





# The PIAC story so far

**By Isaac Dwamena,**  
Coordinator, PIAC

Ghana announced the discovery of oil and gas in commercial quantities off her coast in 2007, fifty years after independence. This was a major milestone after a long period of sporadic exploration and drilling activities starting in the late 1800s. Following optimistic pronouncements that Ghana would soon see rapid development with billions of dollars of revenues expected, civil society started advocating for the establishment of a legal and institutional framework that would guide the management, investment and utilisation, of the revenue to accrue to the state. This was informed by the need to avoid the experiences of other petroleum producing countries in the sub-region and the trajectory of Ghana's own mining sub-sector.

The advocacy led to the drafting of the Petroleum Revenue Management Bill, which had embedded in it, the Public Interest and Accountability Committee (PIAC), an independent body to ensure transparency, accountability, and citizen engagement in the upstream petroleum value chain. This lesson emerged from Ghana's experience of managing mineral revenues after more than one hundred years as a major gold exporter, with little to show for development impact. It is therefore accurate for one to say that the creation of this special entity

was largely a civil society initiative. Although it was to be created to complement and assist Parliament in the fulfilment of its constitutional mandate of providing oversight of Ghana's petroleum revenue, PIAC was viewed with concern by Parliament as it was perceived to be a duplication of parliamentary oversight. PIAC's mandate as provided for by the Petroleum Revenue Management Act, 2011 (Act 815) reflects the compromise that had to be reached.

The Petroleum Revenue Management Act (PRMA), 2011, (Act 815) came into force on the 11th of April 2011 and the Public Interest and Accountability Committee (PIAC) was inaugurated on the 15th September 2011. The Committee is made up of thirteen members, who are appointed by the Minister of Finance, and is supported by a secretariat.

As the Act made no provision for funding, the Committee started off without office space, secretariat staff and funds to procure basic meeting logistics, pay allowances for Committee members and fulfil its obligations of publishing statutory reports on time and engaging the public. PIAC was effectively immobilised at birth.

PIAC is the only institution of its kind not only in the upstream petroleum sector but also in the entire country and this uniqueness created identity crises for PIAC as some saw it as an NGO and others as a potential nuisance for whom

providing financial support implied 'arming one's enemy'. It is interesting to note that the Committee faced a law suit from Lushann Eternit Energy Limited (LIEC), operators of Saltpond Offshore Producing Co. Ltd challenging its mandate when PIAC called for the company to be audited. While conceding that the Ministry of Finance made efforts at meeting the financial needs of the Committee from its allocated funds, the efforts were inadequate. PIAC operated from the conference room of the Natural Resource Governance Institute (NRGI), until it moved into a rented office only to be ejected in 2014 for non-payment of rent.



The first Committee Members of PIAC

It recruited its first full time secretariat staff in December 2012 and the second two years later.

To augment the staff strength of the secretariat, NRCI seconded an employee to provide administrative support, organized capacity building programmes for the Committee, and made efforts at raising funds for it. GIZ, on its part, initially supported the Committee in the production of the statutory reports and regional public engagements, and later added support with engagements between PIAC and Parliament, and the Media. Oxfam America and the World Bank also provided resources. .

The Committee struggled to get stakeholders to honour requests for information for the statutory reports, which contributed to missed timelines. In the midst of these difficulties, PIAC has successfully produced its mandatory semi-annual and annual reports since 2011. The technical nature of the reports was said to have made it difficult for the general public to understand and appreciate its content. Over time, improved working relations between PIAC and its stakeholders have led to significant improvement in responses to PIAC requests for data. The coming into force of the PRMA Regulations has given a further boost to data requisition with the provision that data requests from PIAC for the production of its statutory reports shall be honoured in not more than fifteen days upon receipt of the request. PIAC has now produced ten semi-annual and 10 annual reports and the almost 2-year gap in meeting the statutory timeline has been reduced to about 2 weeks, with about 50% of its recommendations implemented.

Though PIAC's work was in essence to assist Parliament exercise stronger oversight of the resource and its

revenue, procedures to realise this took time to be established as PIAC annual reports for 2012 and 2013 were neither laid before the house nor referred to a designated parliamentary committee for consideration. The Committee's first report was laid before the house in 2014 and this has continued till today when the Finance Committee of Parliament meets PIAC on its annual reports with relevant stakeholders in attendance. PIAC also gets to be present when the Public Accounts Committee receives the report of the Auditor-General on the audit of the Ghana Petroleum Funds.

PIAC held its first regional public engagement in Takoradi in the Western Region and the second in Kumasi in the Ashanti Region with good attendance indicating the level of interest of citizens in oil and gas issues. The Committee has now undertaken 16 regional public engagements and 130 district engagements to provide updates to citizens and receive their feedback in accordance with the PRMA. It also engages its stakeholders on regular basis not only to improve its operations but also to collaborate on implementing its recommendations. PIAC now regularly engages the media, reporting entities, its member institutions and maintains a strong relations with its past members.

The Committee kept on with its mandate with the support of a thin secretariat staff until 2015 when additional staff were recruited through funding from DFID/GOGIG, which was made possible by the efforts of NRCI. The funding enabled the Committee to conduct organizational assessment, develop a strategic plan, put in place administrative and financial systems, carry out capacity building programmes for both Secretariat staff and Members. GIZ funded the development of a communications

strategy and continues to support activities to date. The Government donated a vehicle to the Committee to help it in its public outreach activities and also supported in renting a place for an office. In 2019, PIAC moved into its permanent office premises acquired in 2018 in East Legon in Accra. These important interventions repositioned the Committee to execute its mandate and improve efficiency.

Through the advocacy of some media houses and civil society organisations, the PRMA was amended in 2015 to provide funding for PIAC from the Annual Budget Funding Amount (ABFA). With the ending of DFID/GOGIG funding in 2020, PIAC is currently fully funded by the Government of Ghana. These developments impacted positively on the capacity and operations of the Committee leading to the production of its statutory reports internally.

In 2016, the Committee started with the inspection of petroleum revenue funded projects and has as of 2021, inspected 150 projects, including monitoring the implementation of the free senior high school programme.

The Committee is currently in the process of developing its second strategic plan towards building on past gains in the execution of its mandate. There have been calls for the extension of the Committee's mandate to include mineral revenues. Others have called for the amendment of the PRMA to give PIAC more powers to enforce its recommendations and extend the frontiers of transparency and accountability in the management and use of petroleum revenues in Ghana. Processes for a second amendment to the PRMA are underway and it is yet to be seen how PIAC's mandate would be affected by the proposed amendments.



## Public Interest and Accountability Committee



*PIAC ... Safeguarding Your Petroleum Revenues*

**Theme for 10th Anniversary:**

**“Strengthening Citizens’ Ownership and Understanding of PIAC  
and its Oversight of Petroleum Revenue Management”**

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