



**PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE (PIAC)  
ESTABLISHED UNDER THE PETROLEUM REVENUE MANAGEMENT ACT 2011  
(ACT 815)**

**REPORT ON MANAGEMENT OF PETROLEUM REVENUES FOR YEAR 2013**

**ANNUAL REPORT**

REPUBLIC OF GHANA



PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE (PIAC)  
ESTABLISHED UNDER THE PETROLEUM REVENUE MANAGEMENT ACT, 2011  
(ACT 815)

REPORT ON MANAGEMENT OF PETROLEUM REVENUES FOR  
2013

**ANNUAL REPORT**

# TABLE OF CONTENTS

---

---

TABLE OF CONTENTS .....	i
LIST OF ACRONYMS AND ABBREVIATIONS .....	ii
LIST OF TABLES AND FIGURES.....	v
LIST OF FIGURES .....	vi
FOREWORD .....	vii
EXECUTIVE SUMMARY .....	viii
1. BACKGROUND .....	1
2. UPDATE FROM PREVIOUS REPORTS.....	2
3. DEVELOPMENTS IN THE OIL AND GAS SECTOR IN 2013 .....	7
4. CRUDE OIL PRODUCTION, PRICING AND LIFTING .....	12
5. PETROLEUM RECEIPTS AND UTILISATION IN 2013 .....	18
6. ALLOCATION AND UTILISATION OF 2013 PETROLEUM REVENUE .....	26
7. PROJECTED PETROLEUM REVENUES FOR 2014 .....	51
8. ROLES OF INSTITUTIONS .....	56
9. SUMMARY OF FINDINGS AND RECOMMENDATIONS.....	58
10. PIAC'S ACTIVITIES IN 2013.....	64
11. CONCLUSION .....	69
REFERENCES .....	70
ANNEXURE.....	71

## LIST OF ACRONYMS AND ABBREVIATIONS

---

<b>ABFA</b>	Annual Budget Funding Amount
<b>Bbls</b>	Barrels
<b>Bcf</b>	Billion Cubic Feet
<b>BNI</b>	Bureau of National Investigation
<b>BOG</b>	Bank of Ghana
<b>Bopd</b>	Barrels of Oil Per Day
<b>BR</b>	Benchmark Revenue
<b>CAPI</b>	Carried and Participating Interest
<b>CDB</b>	China Development Bank
<b>CEDECOM</b>	Central Regional Development Commission
<b>CIT</b>	Corporate Income Tax
<b>COLA</b>	Crude Oil Lifting Agreement
<b>DUR</b>	Department of Urban Roads
<b>ECTP</b>	East Cape Three Points
<b>EPA</b>	Environmental Protection Agency
<b>FPSO</b>	Floating Production Storage and Offloading
<b>GEDAP</b>	Ghana Energy Development and Access Programme
<b>GHF</b>	Ghana Heritage Fund
<b>GHF</b>	Ghana Heritage Fund
<b>GLSS</b>	Ghana Living Standard Survey
<b>GNGC</b>	Ghana National Gas Company
<b>GNPC</b>	Ghana National Petroleum Corporation
<b>GOG</b>	Government of Ghana
<b>GPF</b>	Ghana Petroleum Fund

<b>GRA</b>	Ghana Revenue Authority
<b>GRATIS</b>	Ghana Regional Appropriate Technology Industrial Service
<b>GSF</b>	Ghana Stabilisation Fund
<b>GSGDA</b>	Ghana Shared Growth and Development Agenda
<b>GYEEDA</b>	Ghana Youth Employment and Entrepreneurial Agency
<b>HDPE</b>	High Density Polyethylene
<b>IAC</b>	Investment Advisory Committee
<b>KNUST</b>	Kwame Nkrumah University of Science and Technology
<b>LEAP</b>	Livelihood Enhancement Against Poverty
<b>MASLOC</b>	Microfinance and Small Loans Centre
<b>MBSP</b>	Maritime Boundary Special Project
<b>MLNR</b>	Ministry of Land and Natural Resources
<b>MMBO</b>	Million Barrels of Oil
<b>mmBtu</b>	Million British thermal units
<b>MOF</b>	Ministry/Minister of Finance
<b>MOFA</b>	Ministry of Food and Agriculture
<b>MoT</b>	Ministry of Transport
<b>MWRWH</b>	Ministry of Water Resource Works and Housing
<b>NADMO</b>	National Disaster Management Organisation
<b>NES</b>	National Electrification Scheme
<b>NOC</b>	National Oil Company
<b>NYA</b>	National Youth Authority
<b>NYEP</b>	National Youth Employment Programme
<b>o/w</b>	Of which
<b>OCTP</b>	Offshore Cape Three Points
<b>PA</b>	Petroleum Agreement

<b>PHF</b>	Petroleum Holding Fund
<b>PIAC</b>	Public Interest Accountability Committee
<b>POD</b>	Plan of Development
<b>PRMA</b>	Petroleum Revenue Management Act
<b>SDWT</b>	South Deep Water Tano
<b>SGN</b>	Sankofa-GyeNyame
<b>SHEP</b>	Self Help Electrification Programme
<b>SOPCL</b>	Saltpond Offshore Producing Co. Ltd
<b>Tcf</b>	Trillion Cubic Feet
<b>TEN</b>	Tweneboa-Enyenra-Ntomme
<b>WCGIDP</b>	Western Corridor Gas Infrastructure Development Project

## LIST OF TABLES AND FIGURES

---

Table 1: Status of Implementation of Previous Recommendations.....	1
Table 2: CDB and GOG Disbursement to GIP as at September 30, 2013.....	10
Table 3: Jubilee Crude Oil Production: January-December, 2013.....	13
Table 4: Crude Oil Lifting by Ghana Group, 2013.....	14
Table 5: Crude Oil Liftings by Jubilee Partners in 2013.....	15
Table 6: Analysis of the Production and Lifting of Oil from 2011-2013.....	15
Table 7: Crude Oil Lifting by SOPCL.....	16
Table 8: Comparison Between Achieved Jubilee Crude Price and Dated Brent in 2013.....	17
Table 9: Achieved Crude Oil Price for Saltpond Field.....	17
Table 10: Details of the Receipt from the Sale of Jubilee Crude Oil.....	18
Table 11: Breakdown of Jubilee Petroleum Revenues for 2013.....	19
Table 12: Source of 2013 Petroleum Receipts.....	19
Table 13: Payment of Corporate Income Tax Paid In 2013.....	21
Table 14: Payment of Surface Rentals by Petroleum Companies.....	22
Table 15: 2013 Budget Projections versus Outturns.....	23
Table 16: Allocation of 2013 Petroleum Revenue (US\$).....	26
Table 17: Disbursement of 2013 ABFA to Priority Areas.....	29
Table 18: Distribution of ABFA to Priority Areas, 2011-2013.....	29
Table 19: Breakdown of Expenditure and Amortization of Loans for Oil and Gas Infrastructure .....	31
Table 20: Breakdown of ABFA-funded Road Projects, 2011-2013.....	33
Table 21: Breakdown of Other ABFA-funded Infrastructure Projects.....	35
Table 22: BREAKDOWN of ABFA Funding to the Agriculture Sector, 2011-2013.....	38
Table 23: Breakdown of ABFA-funded Capacity Building Interventions, 2011-2013.....	40
Table 24: Utilization of GNPC Share of Jubilee Crude Oil Revenue.....	45
Table 25: GNPC's Expenditure on Other Petroleum Projects.....	46
Table 26: Transfers to the Ghana Petroleum Funds, 2011-2013.....	47
Table 27: Returns on Ghana's Petroleum Funds, 2011-2013.....	48
Table 28: Performance of Ghana Petroleum Funds in 2013.....	50
Table 29: Composition of Projected 2014 Petroleum Receipts.....	51
Table 30: Distribution of Projected 2014 Petroleum Receipts.....	52
Table 31: The Role of Institutions under the Petroleum Revenue Management Act.....	56

## LIST OF FIGURES

---

Figure 1: Picture of the Gas Processing Plant Under Construction.....	11
Figure 2: Jubilee Crude Oil Production, 2010-2013.....	12
Figure 3: Distribution of Petroleum Receipts from 2011-2013 .....	27
Figure 4: Distribution of ABFA by Priority Area from 2011-2013.....	30
Figure 5: Regional Distribution of Road Projects in 2013 .....	33
Figure 6: Regional Distribution of ABFA-Funded Road Projects, 2011-2013.....	34
Figure 7: Regional Breakdown of ABFA-funded Projects, 2011-2013 .....	41
Figure 8: Regional Breakdown of ABFA-Funded Projects without GNGC Capitalization .....	42



## **ACKNOWLEDGEMENTS**

The publication of this Report is made possible by kind courtesy of  
**GIZ (Good Financial Governance).**

Implemented by



## FOREWORD

---

The Public Interest and Accountability Committee (PIAC) has been in existence since September 2011 and in these three years, the Committee has managed to publish two annual reports, (2011 and 2012) and two semi-annual reports (June 2012 and June 2013). The Committee has not been able to meet the statutory target dates for the publication of these reports in the past and continues to struggle to publish the reports on time mainly because of resource constraints.

In spite of this limitation, the PIAC is aware that the Ghanaian public is eager to receive our reports, which some have nicknamed “Following the oil money report”. However, to meet the expectations of the public, the PIAC resolved not to sacrifice the comprehensive and comprehensible nature of its reports and has therefore endeavoured to maintain the standards.

This report covers a broad range of issues associated with petroleum revenue management such as information on production; liftings; total revenues accruing; allocation and utilisation of these revenues by government and the management of the funds set aside in the Ghana Petroleum Funds (Ghana Stabilisation Fund and the Ghana Heritage Fund).

The report also contains an examination of a few other issues and makes observations pertinent to the performance of various institutions charged with responsibilities in the Petroleum Revenue Management Act (PRMA).

Once again, the Committee wishes to acknowledge the immense contribution of the Africa Regional Office of the Natural Resource Governance Institute (formerly Revenue Watch Institute), for their continuous support to the PIAC.

The PIAC also wishes to acknowledge the support of the GIZ Good Governance Project for their sponsorship of some of our programmes and activities including the publication of all PIAC reports since inception.

Finally, the Committee wishes to express its appreciation to the Minister and the Ministry of Finance and other state institutions for their co-operation and assistance.

## EXECUTIVE SUMMARY

---

The Public Interest and Accountability Committee is a statutory committee established under Section 51 of the Petroleum Revenue Management Act 2011 (Act 815) with the following objectives provided in Section 52:

- a. Monitoring and evaluating compliance with the Act by the Government and other relevant institutions in the management and use of petroleum revenues.
- b. Providing a platform for public debate on spending prospects of petroleum revenues in line with development priorities.
- c. Providing an independent assessment on the management and use of revenues.

The Committee is required, under the same law, to issue a report every six months to keep track of how petroleum revenues received during such period are being used and accounted for by the government and various state agencies which have responsibilities to manage the resource. This is the fifth report of the Committee since its inauguration in September 2011, and it contains findings and recommendations relating to management of petroleum revenues during the year 2013.

## KEY FINDINGS AND RECOMMENDATIONS

---

### *PRODUCTION AND MARKETING*

---

1. The actual average daily production of crude oil from the Jubilee field was 99,685 bopd which is 20% higher than the projected average daily production figure of 83,341 bopd used by the Government of Ghana to determine the Benchmark Revenue (BR) for 2013. This variance could have been higher but for the 9-day shutdown of the FPSO for the scheduled maintenance. The actual achieved volume is still below the expected peak daily production of 120,000 bopd.
2. The total volume of crude oil lifted by the Ghana Group in 2013 was 6,793,449 barrels of oil representing 19.09% of total production for the period under reviewed. This was slightly higher than the GoG share of 18.64% (made up of 5% royalties and 13.64%

carrying/participating interest) in the Jubilee project due to stock spill over which is reported year by year.

3. The average achieved price for the Jubilee crude oil for year 2013 of US\$106.95 was 14% higher than the forecast average price used in estimating the Benchmark Revenue.

---

### *PETROLEUM REVENUE RECEIPTS*

---

4. Total petroleum revenues in 2013 was US\$ 846,767,184 converted to yield GH Cedis 1,645,585,763 bringing cumulative revenue received since 2011 to US\$1.833 billion equivalent to GH Cedis 3.291 billion.
5. Actual petroleum revenue exceeded projected revenues by nearly 46%. This raises further questions about the determination of the Benchmark Revenue. The situation has arisen because all the components used in the estimation of the Benchmark Revenues were lower than the actual turnout. Estimated daily production and expected average price per barrel were lower than the actual. This, combined with the low estimated corporate taxes in the year when taxes were rather to be expected, resulted in low Benchmark Revenue used for the budget projections.
6. There were some discrepancies regarding how much money SOPCL ought to have paid into the Petroleum Holding Fund (PHF) as royalties during the period under review. Whereas BoG and GRA reported that an amount of US\$171,040 was paid by SOPCL in royalties for 2013, information from the SOPCL indicates that a slightly higher amount of US\$217,214 ought to have been paid. This implies that SOPCL has an outstanding amount of US\$46,174 due as royalties for 2013 which must be paid.

---

### *ALLOCATION OF PETROLEUM REVENUE*

---

7. The 2013 petroleum revenues were distributed as follows:
  - i. GNPC equity financing and share of CAPI - US\$222.42 million (26.27%)

- ii. ABFA for the national budget - US\$273.20 million (32.26%)
- iii. Ghana Petroleum Funds - US\$351.05 million (41.47%)

8. The GoG complied with the provisions of Section 11(2) by paying all excess petroleum revenues into the GPFs. Compared to previous years therefore; the GPFs in 2013 received US\$77.85 million more than the ABFA. As explained in this report, this unusual situation arose mainly as a result of the underestimation of the Benchmark Revenue, resulting in a situation where the quarterly petroleum revenue receipts exceeded the projected ABFA for each quarter necessitating the obligatory transfer of the excess revenue into the GPFs. This ostensibly led to a move by the government to trigger Section 23 (3) of the PRMA, which allows the Minister of Finance to recommend a cap on the GSF. The process to cap the GSF at US\$ 250 million was announced during the presentation of the 2014 budget statement to Parliament in 2013. A paper detailing PIAC's position on the capping is attached in Appendix 6.

---

### *ALLOCATION OF ABFA*

---

9. In the year 2013, the ABFA was allocated to the four (4) priority areas as follows:

- i. Agricultural modernisation - GH¢13.60 million (2.5%)
- ii. Roads and Other Infrastructure - GH¢ 372.07 million (68.40%)
- iii. Amortisation of Loans for energy sector - GH¢ 137.92 million (25.4%)
- iv. Capacity Building - GH¢ 20.18 million (3.70%)

10. The road sector benefitted the most from the funds allocated from ABFA in 2013 with over GH¢239.23 million disbursed on 63 roads and ancillary works. This brings to 118 the total number of roads supported by ABFA since 2011 at a total cost of GH¢544.92 million. It is to be noted that the share of ABFA allocated to road projects accounted for only 14.1% of road sector budget in 2013 (and is expected to account for 17.9% in 2014) and has therefore been used largely as partial funding for the 'beneficiary road' projects. Also, all the road projects that have benefited from ABFA funding had been started prior to the discovery of oil and the creation of the ABFA under the PRMA and virtually all of them are yet to be completed.

11. The Committee observed that only 3 projects (Anyinam-Konongo, Asankragua-Enchi and Obogu-Ofoase-Gyadem Roads) received ABFA funding for 3 consecutive years between 2011 and 2013 while another 3 received ABFA support for two consecutive years (2011-2012). Nine (9) road projects also received funding for two years (2011 & 2013) but not consecutively.
12. The remaining GH¢132.84 of ABFA allocations to the “Road and Other Infrastructure” priority area in 2013 was spent on infrastructural projects in several sectors including energy, education, water, housing, security and health compared to GH¢159.73 million in 2012. This brings to GH¢293.56 million the total amount of ABFA funding spent on ‘other infrastructure’ projects since 2011.
13. The Committee also observed that all the national agricultural projects/programmes funded with part of the ABFA since 2011 are old interventions that were began before the commercial production of oil in Ghana. Therefore no new national programme in the agricultural sector has been funded from the ABFA allocations to the Ministry of Food and Agriculture.
14. The Capacity Building priority area appears to be a category under which certain expenditure items which may not be related to capacity building have been classified. Approximately GH¢23 million (or 17%) of ABFA earmarked for capacity building from 2011 to 2013 went into consumables (such as ‘goods and services for MoFA and MLNR, NADMO relief items), two million Ghana Cedis (GH¢ 2 million) was used to support the Creative Industry while another GH¢8.1 million was given out as cash transfer under the LEAP. Thirty-five million (GH¢35 million) was allocated to MASLOC while another GH¢19 million has been used to set up Venture Capital Fund and Exim Guarantee Fund. In spite of these, only GH¢8.93 million (representing 6.7%) of the total allocations to the Capacity Building priority area has gone into developing capacity in the oil and gas sector over the 3 year period between 2011 and 2013.
15. In the PIAC 2013 Semi-Annual report, the Committee reported that the GNGC had been paid GH¢40 million out of GH¢69 million leaving an outstanding balance of GH¢29 million, which the GNGC was expecting from the GoG. The PIAC has found that in the information received from the MOF there is a breakdown of an expenditure of GH¢137.27 million

classified under Amortisation of Loans for Oil and Gas Infrastructure which included an amount of GHC72.55 million supposed to have been paid to the GNGC. The Committee's follow-up verification reveals that this amount was not received at the GNGC as at the end of 2013. The MOF has subsequently been asked to re-examine their records and properly disclose under which Priority area the said amount was utilised for in 2013.

16. There is also an aggregated amount of GH¢13.27 million reported to have been paid in two instalments in 2013 that cannot be linked directly to any project. The description given in the list of 2013 ABFA-funded projects simply reads "request for release of the outstanding balance of initial capitalisation" and "initial capitalisation – additional payment".

---

### *PERFORMANCE OF GPFS*

---

17. The investment returns for the GPFs for year 2013 was US\$2.52 million compared to US\$262,207 in 2012. Of the total returns for year 2013, 55% (US\$1.40 million) is attributed to returns on the GSF while the remaining 45% (US\$1.12 million) is attributed to the GHF.

---

### RECOMMENDATIONS

---

1. The Jubilee Partners should spare no effort to remove whatever bottlenecks that are delaying the attainment of the optimum level of production estimated to be 120,000 bopd. Since the long delay in completing the WCGIDP has been cited as one of the reasons why peak production has not be attained. PIAC recommends an expeditious completion of the project and an equally expeditious tying-in with the offshore pipeline from the Jubilee field to enable immediate evacuation of the associated gas from the Jubilee field.
2. Although the deviation of the actual price of oil from the projected price for this year at 14% is an improvement on the previous year's out-turn, the Ministry of Finance and other stakeholders should be supported and encouraged to attain higher accuracy in price forecasting.
3. Closer attention must be paid to the assumptions that go into the determination of the Benchmark Revenue. This is because, as observed in 2013 and even 2012, any marginal deviations from the actual outturns have serious implications on the quantum of

allocations to the ABFA and the Ghana Petroleum Funds. The closer the projected BMR is to the actual outcome, the more likely it is for the GoG to receive more petroleum revenue to fund the Budget whilst the Ghana Petroleum Funds are also funded for future purposes.

4. Any future proposal to cap the Ghana Stabilisation Funds must be guided by the provisions of the Act governing withdrawal from either the GSF or the GHF and these provisions must be respected.
5. The Government of Ghana should set priorities in the Agriculture Sector for which Petroleum Revenue would be utilised. This will ensure that the impact of such programmes can be visibly acknowledged by stakeholders in the agricultural sector.
6. Similarly, the government should ensure that allocations of the ABFA to road and other infrastructure projects are prioritised to make a meaningful impact in the budget year in which such allocations are made in order that such projects may be completed in a much shorter period of time to avoid any cost escalations.
7. The government should endeavour to focus its expenditure under the capacity building priority area on interventions that will directly enhance the capacity and capabilities of Ghanaians to play a bigger role in the emerging oil and gas industry as envisioned in the Local Content Policy and Regulations.
8. The MoF should provide details of how an amount of GH ¢ 85.82 million (made up of GHC72.55 million and GHC13.27 million) allocated to the 'expenditure and amortisation of loans for oil and gas infrastructure' priority area from the 2013 ABFA was utilised.
9. The PIAC recommends that the Government of Ghana should conduct an immediate evaluation of the effectiveness and impacts of all the projects and programmes that have been funded with revenues from the petroleum sector to help inform the citizenry and also provide the basis for spending allocations in the next priority area review period.
10. In order to prevent the recurrence of spreading ABFA funds thinly over a wide range of projects that make little impact in the economy, the PIAC reiterates recommendation



(iv) in its 2011 Annual report for a long-term national development plan. The Government of Ghana should therefore prioritise and provide the necessary resources for the formulation of a non-partisan long-term National Development Plan to guide the efficient and effective utilisation of petroleum revenue.

11. The Committee wishes to reiterate its call to the Government to provide adequate resources on time for the Committee to effectively carry out its mandate.

# SECTION 1

## 1. BACKGROUND

---

### 1.1 INTRODUCTION

---

The Public Interest and Accountability Committee (PIAC) is required under Section 56 (a) of the Petroleum Revenue Management, 2011 (Act 815), to publish Semi-annual and Annual Reports every year to, among other things, give an independent assessment of the management and use of Petroleum revenues.

In fulfilment of this requirement, the Committee has, since its inauguration in 2011, published four reports – two annual reports for 2011 and 2012 and two semi-annual reports for 2012 and 2013.

The 2013 report is the third PIAC Annual Report and provides an overview of the implementation status of the previous PIAC recommendations; analyses crude oil production and lifting for 2013; authenticates the accuracy or otherwise of petroleum revenues; assesses statutory transfers to the GNPC, the Annual Budget and the Ghana Petroleum Funds from Petroleum Holding Fund as specified by the Act; analyses the utilization of petroleum revenues; and assesses the performance of the petroleum funds.

### 1.2 METHODOLOGY

---

In putting together this report, the Committee employed a combination of internal and external desk research techniques. Secondary data was obtained from stakeholder institutions such as the Ministry of Finance (MOF), the Ghana National Petroleum Corporation (GNPC), the Bank of Ghana (BOG), the Ghana National Gas Company (GNGC) and the Ghana Revenue Authority (GRA) and analysed. Where inconsistencies and discrepancies were observed, follow-up discussions were held with the relevant institutions to clarify issues. In addition references were also made to previous reports published by the PIAC to ascertain status of implementation of some of the key recommendations in those reports.

A draft report was then shared with relevant stakeholder institutions for validation before publication.

## SECTION 2

### 2. UPDATE FROM PREVIOUS REPORTS

---

In order to keep the public abreast of developments with regard to the status of implementation of the key findings and recommendations in the previous PIAC reports, the Committee has always included a section to give updates. Table 1 re-presents selected findings and recommendations from previous reports and indicates whether or not the recommendations have been acted upon or not.

TABLE 1: STATUS OF IMPLEMENTATION OF PREVIOUS RECOMMENDATIONS

Finding	Recommendation	Responsibility	Status	Comment
<b>1. Revenue from stock spill-over(Refer to 2011 PIAC Annual Report)</b>				
<b>No action has yet been taken to incorporate revenues from stock spill-over arising from production from one year to another, into the structure of accounting for all petroleum receipts in estimating the Benchmark Revenue</b>	The Ministry of Finance must take into consideration the movement of stocks at the beginning and end of every production year to enhance the planning process and improve the quarterly projections of petroleum receipts.	Ministry of Finance	The MoF reported in its 2013 Reconciliation Report on the Ghana Petroleum Holding Fund that the proceeds from the 16 <sup>th</sup> lifting carried out in December 20, 2013 was to be accounted for as part of 2014 revenue accordingly reported on it in the Petroleum Receipts and Distribution Report for Quarter 1 of 2014	PIAC's recommendation for the MoF to prepare a report explaining why liftings sometimes exceed production figures in a particular year has not been implemented. However, PIAC has taken the liberty to prepare the requested report both in the 2013 Semi-Annual and Annual Reports. This will be a regular feature of subsequent reports
<b>2. Petroleum Income Tax(Refer to 2011 PIAC Annual Report)</b>				
<b>The inclusion of corporate taxes in expected petroleum receipts in 2012 (just as in 2011) has had the effect of distorting the</b>	The MOF must endeavour to improve the accuracy and reliability of its forecasting	Ministry of Finance	Relevant corporate taxes are now being assessed and paid.  This is no longer a major issue as the companies are now in a tax paying position	Actual Corporate Income taxes exceeded the projected estimates by nearly 300%. The reason for such a difference needs to be examined by the GRA to ensure that projections

<p><b>Benchmark Revenue determination and subsequently the distribution of actual revenues during the period under review.</b></p>				<p>of Corporate Taxes used for the determination of the Benchmark Revenue are more realistic.</p>
<p><b>3. Utilisation of ABFA(Refer to 2012 PIAC Annual Report)</b></p>				
<p><b>The Ministry of Finance does not seem to have implemented the plan of expenditure from petroleum revenue approved by Parliament in the 2012 budget.</b></p>	<p>1) MOF must consider utilizing a dedicated account to receive the ABFA from the PHF at the Bank of Ghana</p> <p>2) The MOF must take immediate steps to publish a more detailed report on how the ABFA approved by Parliament was disbursed and give more information on expenditure on priority areas such as Loan Repayment and Capacity Building in the report</p>	<p>Ministry of Finance</p>	<p>1) Action has been taken on this recommendation</p> <p>2) Details of ABFA expenditure yet to be published. However, PIAC has finally obtained a copy of the list of projects, which is attached to this report</p> <p>3) Judging from the list ABFA-funded projects (see Appendixes3-6), the PIAC is of the view that the ABFA has been stretched too thinly on several projects thereby minimising its impacts, contrary to the provisions of Section 21 (5).</p>	<p>1) No further comment</p> <p>2) Details of the ABFA-funded projects have been published in this report.</p>

	3) The MOF must comply with the provisions of Section 21 (4) and (5) in spending of petroleum revenues designated as the ABFA.			
<b>4. Transfers into the Ghana Petroleum Funds(Refer to 2012 PIAC Annual Report)</b>				
<b>In 2012 actual transfers to the GPFs fell short of target by 82%. This is due to the MOF's interpretation of section23 (b) of Act 815 as requiring only the excess revenue collection over quarterly ABFA to be transferred to the GPFs.</b>	Parliament should amend the section of the Act on the GPFs for better clarity.	Parliament	Action to amend sections of the Act is pending	The tables turned in 2013 whereby more money had to be paid into the GPF due to the fact that the actual receipts consistently exceeded the quarterly ABFA for every quarter. This led to a proposal by the MoF to introduce a cap of US\$250 million on the GSF.
<b>5. Investment of the Ghana Petroleum Funds(Refer to 2012 PIAC Annual Report)</b>				
<b>The investment of the GPFs has not as yet yielded high returns, which is of a great concern to the PIAC since a continuation of this trend is likely to</b>	The Government must release the Policy and Guidelines to assist the Fund Managers to better manage these funds as required by the PRMA, 2011	Investment Advisory Committee &Ministry of Finance	Action is yet to be taken	The PIAC in its 2013 Semi-Annual Report urged the MoF and the IAC to expedite action on this recommendation. The Minister acknowledges this fact (of low returns on investment) in

slow the growth of the Funds, especially the GHF				the 2014 Budget
<b>6. Enactment of Regulations(Refer to 2012 PIAC Annual Report)</b>				
<b>After three years of the coming into force of Act 815, the regulations that will help with the implementation of the law are long overdue.</b>	The PIAC calls for expedited action to be taken to complete the drafting of the regulations for the approval of Parliament.	Ministry of Finance	The regulations are being worked on.	The process towards the development of the Regulations has been suspended pending the amendment of relevant provisions of the PRMA.
<b>7. Legislation on funding for the PIAC(Refer to 2011 PIAC Annual Report)</b>				
<b>There is no provision in Act 815 for the funding of the PIAC and the Petroleum Commission.</b>	A section of the Act must be introduced to cater for the funding of the PIAC and the Petroleum Commission to enable them carry out their respective mandates.	Ministry of Finance	Action to amend sections of the Act is pending.	The PIAC expects to see a provision in the final amendment of the Act
<b>8. SOPCL Reporting (Refer to 2012 PIAC Semi-Annual Report)</b>				
<b>SOPCL has not been reporting transactions in the right format as is being done by the Jubilee</b>	The quantity of crude oil lifted from the Saltpond fields and their sales price should be provided in the public	Saltpond Offshore Producing Co. Ltd (SOPCL)	SOPCL submitted a copy of it unedited account for 2013 to PIAC which provided information on liftings and	There are still some discrepancies in the figure produced by SOPCL vis-à-vis those provided by the MoF and GNPC. Further

partners	reports in the right format to facilitate monitoring of petroleum receipts		sales prices, among other things.	clarification is being sought.
<b>10. Completion of Ghana National Gas Project (Refer to 2013 Semi-Annual Report)</b>				
<b>The time table for the completion of the Ghana National Gas project has not been adhered to and completion date has kept on changing</b>	The government should act expeditiously to remove all the bottlenecks (especially those relating to funding) that are delaying the completion and commissioning of the Ghana Gas project.	GNGC and GoG	All outstanding disbursements were paid during the last half of year. This notwithstanding, the project is yet to be completed due to 9-month delay in the release of the CDB loans and loss of cargo in transit.	Project expected to be completed and commissioned in the second half of 2014
<b>11. Determination of Benchmark Revenues (Refer to 2013 Semi-Annual Report)</b>				
<b>There is a wide discrepancy between the projected Benchmark Revenue used in the 2013 Budget and the actual amount realised. This has had the effect of limiting the amount that could have been placed in the ABFA to support</b>	The MoF and other institutions that provide input for the estimation of the Benchmark Revenue must make every effort to improve the outcome of the projections.	MoF/GRA	Projected crude oil production figures and prices for 2014 appear to be closer to the actual end of year figures and thus likely to help minimize the widening discrepancies between projected and actual revenues.	



government spending.				
<b>12. Ghana Petroleum Funds (Refer to 2013 Semi-Annual Report</b>				
<b>There are discrepancies in the figures reported by the Bank of Ghana and the Ministry of Finance (MoF) on the Ghana Petroleum Funds.</b>	There is the need for reconciliation by the Ministry of Finance and the Bank of Ghana to ensure that the difference in the Ghana Petroleum Funds is accounted for in the ensuing period.	MoF/BOG	The end of year figures from the reports of the two organisations are in agreement.	No further comment

## SECTION 3

### 3. DEVELOPMENTS IN THE OIL AND GAS SECTOR IN 2013

---

#### 3.1 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

---

There were some major developments in Ghana's upstream petroleum sector in 2013 that have gone a long way to enhance the country's position as an emerging oil producer in Africa.

The US\$1.1 billion Jubilee Phase 1A expansion project – consisting of five production wells and three water injectors, which is designed to increase production and recover additional reserves – has been adjudged a huge success by the Jubilee partners. Three of the Phase 1A production wells were completed and brought on stream during the period under review. This, coupled with the successful outcome of Phase 1 well maintenance programme in 2012, led to an increase in the daily average gross production from 71,998 barrels of oil per day (bopd) in December 2012 to 99,685 bopd in December 2013. In spite of this significant progress made, the Jubilee Field has not hit the Floating Production Storage and Offloading (FPSO) full capacity of 120,000 bopd due to constraints imposed largely by the handling of associated gas.

Similarly, significant progress was made on the Tweneboa-Enyera-Ntomme (TEN) development project in 2013 following the approval of the Plan of Development (PoD) by the Minister for Energy and Petroleum on 29<sup>th</sup> May, 2013. The approval paved the way for the development of the second major oilfield in Ghana. The TEN field has estimated recoverable reserves of 245 million barrels (mmbbls) of oil and 365 billion cubic feet (bcf) of gas. Development of the TEN Project will require the drilling and completion of up to 24 development wells which will be connected through subsea infrastructure to a new FPSO vessel, to be moored in water depth of approximately 1,500 metres. The overall cost of the TEN Project is estimated to be US\$4.9 billion, excluding the FPSO lease costs.

All major contracts, including those for the conversion of the new FPSO and subsea infrastructure, were awarded in 2013 and a rig (West Leo) has been secured to carry out the drilling and completion of the development wells. In October 2013, a trading tanker (Centennial Jewel) arrived in the Jurong Shipyard in Singapore, where work has begun for its conversion into the TEN FPSO. The appraisal of the TEN fields was completed in 2013 with the drilling of the

Enyenra-6A well. The project is on target to deliver first oil in mid-2016 which will be followed by a steady ramp up to an expected FPSO gross production capacity of 80,000 bopd (Tullow, 2014).

Technical appraisal work was completed on the Offshore Cape Three Points (OCTP) Block, Sankofa-GyeNyame (SGN) discovery, confirming combined oil and gas reserves of 116 million barrels (MMBO) and 1.11 Trillion Cubic Feet (TCF). Commercial assessment on the Sankofa-GyeNyame gas discoveries was also conducted. The OCTP partners were expected to re-submit their PoD to the Minister for Energy and Petroleum at end of May, 2014 after their first PoD was rejected on technical ground. It is expected that first oil from SGN will be in the fourth quarter 2016 and first gas twelve months after first oil (fourth quarter 2017).

Two (2) new Petroleum Agreements (PAs) were ratified by Parliament after approval by Cabinet. These are the PA with AGM Petroleum Ghana Limited and Exploration and Production Company Limited (Explorco), a subsidiary of GNPC, over the South Deep Water Tano (SDWT) block and the PA with Cola Natural Resources over the East Cape Three Points (ECTP) block. The AGM-Explorco PA incorporates a significant commercial arrangement following the establishment of Explorco as a subsidiary of GNPC. The agreement gives Ghana and GNPC a stronger position in exploration and production than the country has held in past oil and gas agreements. This is because, not only will the agreement increase the share of the resources and net revenues that would accrue to the country, but also will also make GNPC a Joint Operator for the first time.

The GNPC exercised a back-in option for additional 5% of the OCTP exploration license thereby increasing its stake by 5% from 15% to 20% during the period under review. Similarly, GNPC upped its total interest by the same margin to 20% from 15% under a new Petroleum Agreement negotiated with Vanco Ghana Limited and LUKOIL Overseas Ghana Limited. This new agreement was signed to replace the existing petroleum agreement with the two companies covering the Cape Three Points Deepwater Block (CTPDB), which expired at the end of April 2013. The new agreement allows Vanco and LUKOIL to continue the exploration of the area, during which new 3D seismic and additional drilling activities are planned. It also provides GNPC and the government of Ghana with significant commercial benefits such as higher royalty, increased GNPC participation and vests ownership of associated gas in the State.

Two (2) new discoveries (Cob and PN-1 – See Table 1) were made by GNPC and its partners during the early part of 2013 bringing to 23 the total number of discoveries made since Jubilee as shown in Appendix 1.

## 3.2 WESTERN CORRIDOR GAS INFRASTRUCTURE DEVELOPMENT PROJECT (WCGIDP)

---

The Ghana National Gas Company Limited (GNGC) continued with the implementation of the early phase of the Western Corridor Gas Infrastructure Development Project (WCGIDP). This phase of the project involves the installation of a 45km Shallow Water Pipeline, 111km Onshore Pipeline and a 150 million standard cubic feet per day (mmscf/d) Joules-Thompson (J-T) gas processing plant, including an LPG and condensate loading gantry near Atuabo in the Ellembelle District of the Western Region. When the project is completed, the GNGC is expected to initially supply up to 120 million British thermal units (mmBtu) of lean gas per day to the Volta River Authority to fuel the thermal plants at Aboadze. The WCGIDP is estimated to cost US\$1 billion to be financed by US\$850 million from the China Development Bank (CDB) and a counterpart funding of US\$150 million under the US\$3 billion CDB Master Facility Agreement with the Government of Ghana (GoG).

The WCGIDP, which was expected to be completed during the third quarter of 2013 (and subsequently revised to December 2013), encountered a number of challenges that have delayed its completion date. Notable among the constraints faced by the WCGIDP in 2013 was the delay in the disbursement of the CDB loan, which have been attributed to amendments to the initial CDB loan agreement (GNGC, 2014).

As reported in the PIAC's 2013 Semi-Annual report, nearly 60% (US\$342.3 million) of the four staged Construction Phase disbursement requests remained outstanding as at 30th June 2013. During the third quarter of 2013 however, the outstanding disbursements together with two new disbursement requests were honoured bringing to US\$598.95 million total disbursements made as at end of September, 2013. Table 2 below provides the details of the disbursement. Table 2 shows that US\$509.1 million (approximately 60%) of the component of the CDB facility earmarked for the WCGIDP had been released by the end of the 3<sup>rd</sup> Quarter of 2013 with the GOG contributing US\$89.4 million in matching fund.

TABLE 2:CDB AND GOG DISBURSEMENT TO GIP AS AT SEPTEMBER 30, 2013

Disbursement Request	Request Issued (US\$)	CDB – 85% (US\$)	GOG – 15% (US\$)	Payment Date	Total Paid (US\$)
No. 1	226,700,000	192,695,000	34,005,000	14- Nov-12	226,700,000
No. 2	116,794,125	99,275,006	17,519,118	10-Jul-13	116,794,125
No. 3	81,477,003	69,255,453	12,221,550	10-Jul-13	81,477,003
No. 4	29,984,778	25,487,062	4,497,716	10-Jul-13	29,984,778
No. 5	23,667,205	20,117,124	3,550,080	10-Jul-13	23,667,205
No. 6	120,322,350	102,273,997	18,048,352	30-Aug-13	
<b>TOTAL</b>	<b>598,945,463</b>	<b>509,103,643</b>	<b>89,841,819</b>		<b>598,945,463</b>

Source: Ministry of Finance, 2014

However, two disbursement requests totalling US\$58,357,184.66 are yet to be paid as at the end of December, 2013. According to the GNGC, the delays in payment can be attributed to amendments to the initial CBD loan agreement and late payments of loan fees and charges by the Government of Ghana (GNGC, 2014b).

Another bottleneck that delayed the completion of the WCGIDP was the highly publicized reported loss of some construction materials on the South African high seas<sup>1</sup>.

As at December 2013 the Onshore Pipeline project and the Offshore Pipeline were on average 96% complete while the entire Gas Processing Plant was 67% complete as December 2013. The average percentage completion of the entire WCGIDP project during the last quarter of 2013

---

<sup>1</sup> According to GNGC, Vessel Feng Huang Song, which was carrying some components of the Gas Processing Plant, experienced terrible weather during ocean transit leading to the loss of 30 pieces of spherical tank plates and other critical accessories while the remaining 22 pieces of plates and supporting trays were seriously damaged (GNGC, 2014b)

was 78.37%. The project was expected to reach mechanical completion by 31st March 2014 and pre-commissioning by July 2014 (GNGC, 2014).

**FIGURE 1: PICTURE OF THE GAS PROCESSING PLANT UNDER CONSTRUCTION**



The on-going delays in the completion of the WCGIDP project created a number of gas handling challenges for the Jubilee field operator for which a number of options were considered by the Jubilee partners during the course of the period under review. A third injection well drilled in the 4<sup>th</sup> quarter of 2013 failed to yield the desired result thereby kick-starting discussions with the Government of Ghana on other alternatives, including limited flaring in 2014. At the time of writing this report, the Environmental Protection Agency (EPA) had granted the Jubilee Operator – Tullow Ghana – a permit to flare up to 500 million standard cubic feet per month from June till October, 2014 when the WCGIDP is expected to be completed. The EPA's permission is reported to have been granted following a 'no objection' from the Ministry of Energy and Petroleum contrary to its much-touted "no gas flaring policy".

## SECTION 4

### 4. CRUDE OIL PRODUCTION, PRICING AND LIFTING

#### 4.1 JUBILEE CRUDE OIL PRODUCTION

The total crude oil produced from the Jubilee Field for 2013 was 35,587,558 barrels, (an average of 99,685 bopd) compared to 2012 total production of 26,351,278 barrels (an average of 71,998 bopd). This represents an increase of 35% over the previous year's production and brings total production since inception in 2010 to 87,354,761 barrels. Figure 2 shows crude oil production pattern from 2010-2013.

FIGURE 2: JUBILEE CRUDE OIL PRODUCTION, 2010-2013

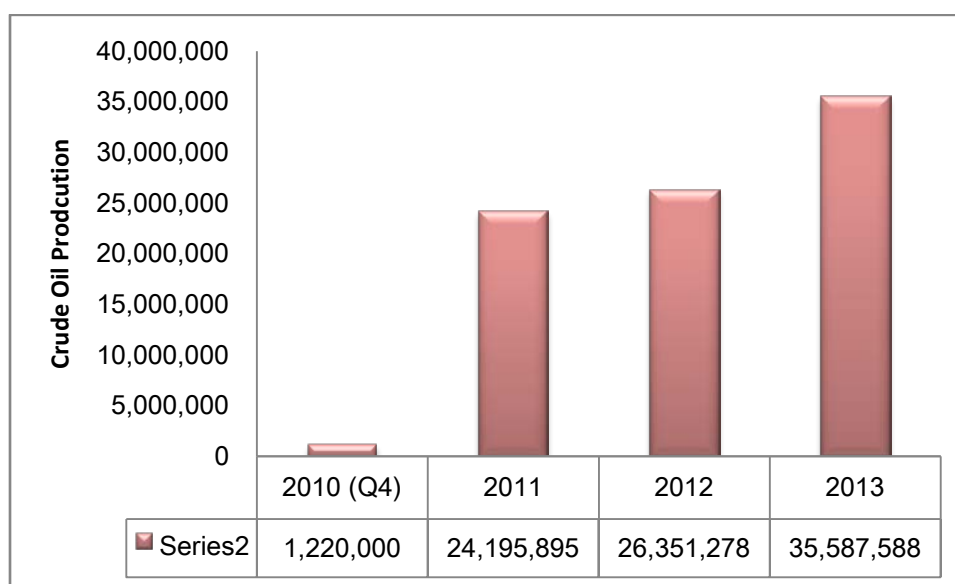


Table 3, on the other hand, shows the average daily and total monthly production of crude oil from the Jubilee field from January to December 2013. As indicated in the Table 3 daily average crude oil production at the Jubilee field fluctuated between 100,000 bopd and 107,000 bopd during the first half of 2013 peaking at 107,177 in June and thereafter began to decline during the second half of the year with lowest daily average production of 89,194 bopd being recorded in November 2013. The month of September witnessed the lowest monthly production during the period under review because of a nine-day shutdown for planned maintenance of the FPSO that took place from 20th to 28th September, 2013 (GNPC, 2014). According to Tullow Ghana, field production

was negatively impacted during the second half of 2013 due to a number of unplanned shutdowns of the FPSO's water injection system.

TABLE 3: JUBILEE CRUDE OIL PRODUCTION: JANUARY-DECEMBER, 2013

MONTH	DAILY AVERAGE PRODUCTION (BBLs)	PRODUCTION DAYS	QTY PRODUCED (BBLs)
Jan-2013	106,721	31	3,308,336
Feb-2013	103,795	28	2,906,270
Mar-2013	100,349	31	3,110,805
Apr-2013	106,458	30	3,193,753
May-2013	103,891	31	3,220,614
Jun-2013	107,177	30	3,215,309
Jul-2013	98,918	31	3,066,449
Aug-2013	96,445	31	2,989,810
Sep-2013	93,153	22	2,049,361
Oct-2013	94,952	31	2,943,500
Nov-2013	89,194	30	2,675,807
Dec-2013	93,791	31	2,907,514
<b>TOTAL</b>			<b>35,587,558</b>

Source: GNPC/Ministry of Finance, 2014

#### 4.1.1 COST OF PRODUCTION AT JUBILEE OILFIELD

The total cost of production for the year 2013 made up of operational costs, development costs and overheads was US\$345, 474,395. Therefore the average production cost reported by the Jubilee field operator was US\$9.71 per barrel. For the same period in 2012, the average production cost was US\$16.11, indicating a significant (40.72%) improvement in production cost.

#### 4.2 SALTPOND FIELD CRUDE PRODUCTION

Unlike the Jubilee field, information on the operations at the Saltpond field is rather inadequate. From the limited information that has been gathered from various reports, total net production by SOPCL was 76, 995 barrels compared to 77,374 produced in year 2012 representing a slight drop in production of 0.5%. According to SOPCL, total available stock for 2013 was 85,406 barrels, representing the sum of the 2013 production volume of 76,995 barrels and 8,411 barrels of stock carried over from 2012.



## Findings/Highlight(s):

The actual average daily production was 99,685 bopd which is 20% higher than the projected average daily production figure of 83,341 bopd used by the Government of Ghana to determine the Benchmark Revenue (BR) for 2013. This variance could have been higher but for the 9-day shutdown for the scheduled maintenance of the FPSO. The actual achieved volume is still below the projected peak daily production of 120,000 bopd.

### 4.3 CRUDE OIL LIFTINGS

#### 4.3.1 JUBILEE FIELD

There were 36 liftings of crude oil cargoes from the Jubilee field in 2013 totalling 35,120,302 barrels of oil (see Appendix 2). In accordance with the Jubilee field Crude Oil Lifting Agreement (COLA), the GNPC lifted seven (7) parcels of crude oil on behalf of the State (Ghana Group) totalling 6,793,449 barrels of oil as shown in Table 4. This brings to 15,654,672 barrels of oil lifted by the Ghana Group between 2011 and 2013. It is important to point out that the 1<sup>st</sup> lifting of 2013 of 995,550 barrels of oil was largely 2012 stock carried over to 2013. The seventh and last lifting of 917,189 barrels was carried out on 20th December, 2013, but proceeds from sale would not be due until 21st January, 2014 and therefore would be accounted for as part of 2014 receipts.

TABLE 4: CRUDE OIL LIFTING BY GHANA GROUP, 2013

PERIOD	LIFTING INFORMATION		
	NUMBER	DATE	VOLUME (barrels)
1ST QUARTER	10 <sup>th</sup>	4-Jan-13	995,550
	11 <sup>th</sup>	1-Mar-13	996,201
2ND QUARTER	12 <sup>th</sup>	21-Apr-13	995,520
	13 <sup>th</sup>	23-Jun-13	995,685
3RD QUARTER	14 <sup>th</sup>	11-Aug-13	994,966
4TH QUARTER	15 <sup>th</sup>	1-Nov-13	898,338
	16 <sup>th</sup>	20-Dec-13	917,189
<b>TOTAL</b>			<b>6,793,449</b>

Source: MOF/GNPC, 2014

### 4.3.2 LIFTINGS BY JUBILEE PARTNERS

Total liftings by the rest of the Jubilee partners in 2013 amounted to 28,326,853MMBO representing 79.60% of total production during the period under review as shown in Table 5

**TABLE 5: CRUDE OIL LIFTINGS BY JUBILEE PARTNERS IN 2013**

<b>Name of Company</b>	<b>Total Liftings (million barrels of oil)</b>	<b>Percentage of Total Production</b>
<b>Tullow Ghana Limited</b>	11,688,665	32.84
<b>Anadarko &amp; Sabre Oil and Gas</b>	8,860,245	24.90
<b>Kosmos</b>	7,777,943	21.86
<b>Ghana Group</b>	6,793,449	19.09
<b>TOTAL</b>	<b>35,120,302</b>	<b>98.69</b>

Source: GNPC, 2014

The analysis in Table 6 shows that, at the beginning of 2013, there was accumulated stock of 0.92 million barrels of oil. Production for the year was 35.59 million barrels, so total volume of oil available was 36.51 million barrels out of which 35.12 million barrels (representing 98.69% of production in 2013) were lifted in 2013 leaving stock of 1.39 million barrels. Cumulatively, 87.39 million barrels have been produced since the last quarter of 2010 when operations began.

**TABLE 6: ANALYSIS OF THE PRODUCTION AND LIFTING OF OIL FROM 2011-2013**

<b>Year</b>	<b>Annual Production (mmbls)</b>	<b>Cumulative production (mmbls)</b>	<b>Total Availability (mmbls)</b>	<b>Total Liftings (mmbls)</b>	<b>Stock carried forward (mmbls)</b>
<b>2010</b>	1.20	1.20	1.20	0	1.20
<b>2011</b>	24.20	25.40	25.40	24.45	0.95
<b>2012</b>	26.40	51.80	27.35	26.43	0.92
<b>2013</b>	35.59	87.39	36.51	35.12	1.39

Source: PIAC, 2014

---

### 4.3.3 SALTPOND FIELD

---

A total of 73,548 barrels of oil was lifted in 2013 by the SOPCL (Table 7) compared to 102,911 in 2012, representing a decline of 28.53%.

**TABLE 7: CRUDE OIL LIFTING BY SOPCL**

Period	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Quantity (Barrels of Oil)	20,738	22,988	14,607	15,215	73,548

Source: SOPCL, 2014

#### Finding(s)/Highlights:

1. The total volume of crude oil lifted by the Ghana Group in 2013 from the Jubilee field was 6,793,449 barrels of oil representing 19.09% of total production for the period under review. This was slightly higher than the GoG share of 18.64% (made up of 5% royalties and 13.64% carrying/participating interest) in the Jubilee project due stock spill over as reported above.
2. There was a decline of 28.53% in the volume of oil lifted from the Saltpond Oil field in 2013 compared to 2012.

---

### 4.4 CRUDE OIL PRICING

---

The average achieved Jubilee crude oil price<sup>2</sup> for 2013 was US\$107.519 per barrel against a projected price of US\$94.36 per barrel. The achieved price compares favourably with the average Dated Brent price of US\$108.261 per barrel during the period that the GNPC liftings took place as shown in Table 8.

---

<sup>2</sup> Achieved price means the price at which the Ghana Group liftings were sold.

TABLE 8: COMPARISON BETWEEN ACHIEVED JUBILEE CRUDE PRICE AND DATED BRENT IN 2013

PERIOD		QTR 1		QTR 2		QTR 3	QTR 4		
LIFTING INFORMATION	NUMBER	10th	11 <sup>th</sup>	12 <sup>th</sup>	13th	14 <sup>th</sup>	15th	AVERAGE PRICE	
	DATE	4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	1-Nov-13		
	DATED BRENT PRICE (USD)	112.93	109.24	102.88	103.11	110.96	108.08		107.87
	ACHIEVED SELLING PRICE (US\$)	113.17	108.62	99.04	103.74	111.66	105.44		106.95

Source: Ministry of Finance and US EIA, 2014

The average gross selling price obtainable for the sale of crude oil from the Saltpond field in 2013 was US\$106.45 per barrel as shown in Table 9. However, the Saltpond crude oil was sold at a discount of US\$8 per barrel yielding a net selling price of US\$96.45 per barrel.

TABLE 9: ACHIEVED CRUDE OIL PRICE FOR SALTPOND FIELD

Period	QTR 1	QTR 2	QTR 3	QTR 4	Average Selling Price
Price (Mean Platt – US\$/Bbl)	111.99	101.18	107.50	105.83	106.45
Discount (US\$/Bbl)	8	8	8	8	8
Net Price (US\$/Bbl)	103.99	93.18	99.50	97.83	98.45

Source: SOPCL, 2014

#### Finding(s)/Highlight(s):

The achieved price of 106.95 was slightly below the average Dated Brent price of US\$108.261 per barrel during the period that the GNPC liftings took place. However, the average realized price was nearly 14% higher than the forecast price used in estimating the Benchmark Revenue.

## SECTION 5

### 5. PETROLEUM RECEIPTS AND UTILISATION IN 2013

#### 5.1 OVERVIEW OF PETROLEUM RECEIPTS

The sale of six (out of seven<sup>3</sup>) cargoes of crude oil lifted from the Jubilee field (totalling 5,876,260) on the international market yielded an amount of **US\$628.58 million (GH¢1,221.97)** as shown in Table 10.

**TABLE 10: DETAILS OF THE RECEIPT FROM THE SALE OF JUBILEE CRUDE OIL**

Item	Unit	1st Qtr		2nd Qtr		3rd Qtr	4th Qtr	
Date of Lifting	dd/mm/y	4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	1-Nov-13	Total
Lifting		10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	15th Lifting	
Volume of Lift	barrels	995,550	996,201	995,520	995,685	994,966	898,338	<b>5,876,260</b>
Selling Price	US\$	113.171	108.620	99.038	103.744	111.656	105.440	
Value of Lift	US\$	112,667,389	108,207,353	98,594,310	103,296,345	111,093,924	94,720,759	<b>628,580,078</b>
	GH¢	<b>212,118,893</b>	<b>205,610,201</b>	<b>188,773,595</b>	<b>201,272,928</b>	<b>217,294,160</b>	<b>196,900,777</b>	<b>1,221,970,554</b>

Source: Ministry of Finance, 2014

Total amount realized from the sale of Ghana's share of Jubilee crude oil consists of royalties (of 5% of total production) and the carried and participating interest (CAPI)(of 13.64%) as shown in Table 11 below.

<sup>3</sup> Although the 7<sup>th</sup> Lifting (16<sup>th</sup> overall) involving 917,189 barrels of oil was undertaken on December 20, 2013 the proceeds from the sale were not due until January 20, 2014 so the Ministry of Finance did not add it to the petroleum receipt for 2013.

TABLE 11: BREAKDOWN OF JUBILEE PETROLEUM REVENUES FOR 2013

REVENUE TYPE	SHARE OF REVENUE	NO. OF BARRELS	OF VALUE US\$
<b>Royalty</b>	5%	1,636,039	175,006,166.47
<b>Carried Interest</b>	10%	3,108,475	332,511,716.30
<b>Participating Interest</b>	3.64%	1,131,746	121,062,195.72
<b>Total</b>		<b>5,876,260.00</b>	<b>628,580,078.49</b>

Source: GRA, 2014

In addition to the revenues from royalties and CAPI, the GoG also received US\$216.99 million (GH¢421.34 million) in Corporate Income Tax (CIT), US\$800,000 in Surface Rentals and US\$403,276 in royalties from Saltpond Field as shown in Table 12 below.

TABLE 12: SOURCE OF 2013 PETROLEUM RECEIPTS

Sources of 2013 Petroleum Receipts in US Dollars (US\$)							
Item	1st Qtr		2nd Qtr		3rd Qtr	4th Qtr	Total
Date of Lifting	4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	1-Nov-13	
	10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	15th Lifting	
Royalties from Jubilee	31,368,307	30,126,566	27,450,149	28,759,267	30,930,231	26,371,694	175,006,213
Carried and Participating Interest	81,299,082	78,080,787	71,144,161	74,537,078	80,163,693	68,349,065	453,573,866
Surface Rentals	121,914	80,821	466,964	128,634	-	-	798,332
Royalties from Saltpond <sup>4</sup>	232,236	16,985	43,501	-	110,554	-	403,276
Corporate Income	40,210,	-	78,854,	53,152,	-	44,768,	216,985,

<sup>4</sup>The figure for royalties indicated in the first quarter of US\$232,236 does not agree with that provided by the GRA, GNPC and confirmed by SOPCL. Subsequently the total royalties received by GoG for year 2013 should be US\$171,040. The MoF however explains that the amount of US\$232,236 was in respect of Saltpond royalties paid in 2012 but reflected in 2013.

Tax	100		807	025		566	498
<b>Total Petroleum Receipts</b>	<b>153,231,638</b>	<b>108,305,158</b>	<b>177,959,582</b>	<b>156,577,003</b>	<b>111,204,478</b>	<b>139,489,325</b>	<b>846,767,184</b>
<b>Sources of 2013 Petroleum Receipts in Ghana Cedi (GH¢)</b>							
<b>Item</b>	<b>1st Qtr</b>		<b>2nd Qtr</b>		<b>3rd Qtr</b>	<b>4th Qtr</b>	<b>Total</b>
Date of Lifting	4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	1-Nov-13	
Number	10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	15th Lifting	
Royalties from Jubilee	59,057,112	57,243,487	52,556,055	56,037,431	60,496,438	54,820,158	340,210,682
Carried and Participating Interest	153,061,781	148,361,303	136,212,610	145,235,497	156,792,167	142,080,619	881,743,978
Surface Rentals	228,757	152,199	896,871	248,944		-	1,526,771
Royalties from Saltpond	436,881	31,978	83,289	-	216,166	-	768,314
Corporate Income Tax	75,699,533	-	151,517,018	103,617,713		90,501,754	421,336,018
<b>Total Petroleum Receipts</b>	<b>288,484,065</b>	<b>205,788,968</b>	<b>341,265,843</b>	<b>305,139,584</b>	<b>217,504,772</b>	<b>287,402,531</b>	<b>1,645,585,763</b>

Source: Ministry of Finance, 2014

Table 12 indicates that total petroleum receipts from all revenue sources amounted to US\$846.77 million (GH¢1,645.59 million) compared to the 2012 actual receipts of US\$541.62 million (GH¢979.32 million) representing an increase of 56.3% in revenue from the petroleum sector. The total revenue that has been received by the GoG from the petroleum sector since commercial production of oil in December 2010 is US\$1.833 billion.

## 5.2 ANALYSIS OF PETROLEUM REVENUES

### 5.2.1 CARRIED AND PARTICIPATING INTEREST (CAPI)

From Table 12 above, revenues accruing from CAPI (US\$453,573,866) accounted for the largest share of petroleum revenue in 2013 just as has been the case since 2011. However, the share of CAPI's contribution to petroleum revenue declined significantly from around 72% in 2011 and 2012 to approximately 54% in 2013. The decline in the share of CAPI in 2013 is partly due to the better-than-expected performance of revenues from Corporate Income Tax (CIT), which for the first time made significant contribution to total petroleum revenue.

## 5.2.2 CORPORATE INCOME TAX

Approximately US\$217 million (representing 25.63%) was paid in CIT by the Jubilee Partners during the period under review compared to budget estimate of US\$55.9 million. This is the first time since oil production began in 2010 that this component of petroleum revenue has been received by the GoG. Table 13 gives the details of the CIT payments by the Jubilee Partners.

**TABLE 13: PAYMENT OF CORPORATE INCOME TAX PAID IN 2013**

COMPANY	YEAR & PERIOD	AMOUNT US\$
<b>TULLOW</b>	2012 - Q4	<b>40,210,099.56</b>
<b>TULLOW</b>	2013 - Q1	39,026,706.00
<b>KOSMOS</b>	2013 - Q1	15,921,230.00
<b>ANADARKO</b>	2013 - Q1	23,906,871.00
<b>CIT SUB-TOTAL (a)</b>		<b>78,854,807.00</b>
<b>TULLOW</b>	2013 - Q2	17,986,677.00
<b>KOSMOS</b>	2013 - Q2	20,862,618.00
<b>ANADARKO</b>	2013 - Q2	14,302,730.00
<b>CIT SUB-TOTAL (b)</b>		<b>53,152,025.00</b>
<b>TULLOW</b>	2013 - Q3	9,685,889.00
<b>KOSMOS</b>	2013 - Q3	18,220,994.00
<b>ANADARKO</b>	2013 - Q3	16,861,683.00
<b>CIT SUB-TOTAL (c)</b>		<b>44,768,566.00</b>
<b>TOTAL 1 (a+b+c)</b>		<b>216,985,497.56</b>

Source: GRA, 2014

As shown in Table 13, Tullow Ghana paid the highest CIT of US\$106.9 million representing 49.3% of total CIT received in 2013 with Kosmos and Anadarko each paying US\$55 million. Approximately 38% (US\$40.2 million) of the total CIT paid by Tullow Ghana was in respect of taxes assessed for the 4th Quarter of 2012 but paid in the first quarter of 2013.

## 5.2.3 ROYALTIES



From Table 12 above, a total of US\$175,409,489 was received in royalties with virtually the entire amount being royalties from the Jubilee field. Royalties due from Saltpond for year 2013 was US\$217,214 out of which US\$171,040 (GH¢331,433) was paid leaving a balance of US\$46,174 outstanding representing 21.25% of the Saltpond Royalties due in 2013. It is also important to point out that the total receipts from royalties include an amount of US\$232,236 paid in 2012 as royalties from the Saltpond field but reflected in Quarter 1 of 2013.

#### 5.2.4 SURFACE RENTALS

A total of US\$798,332 (GH¢1,526,771) was paid into the Petroleum Holding Fund (PHF) as Surface Rentals in 2013 by the upstream petroleum companies. Out of the above amount, US\$676,418.33 (representing approximately 85%) was paid by 7 companies in relation to their operations during the reporting period as shown in Table 14:

**TABLE 14: PAYMENT OF SURFACE RENTALS BY PETROLEUM COMPANIES**

Value Date	Ordering Institution	Amount Paid (US\$)	Total Payment (US\$)
04-Jan-13		121,914	121,914
11-Feb-13	Kosmos Energy PLC	16,965.90	16,965.90
22-Feb-13	Tullow Ghana Limited	63,866.95	116,358.75
25-Jun-13		52,491.80	
06-May-13	Ophir Ghana (Accra) Limited	60,000.00	60,000.00
13-May-13	Hess Ghana Exploration Limited	82,189.73	82,189.73
23-May-13	Eni Ghana Exploration and Production Ltd	285,457.53	324,219.17
23-May-13		38,761.64	
28-May-13	Lukoil Overseas Ghana Ltd	76,141.78	76,141.78
13-May-13	Saltpond Offshore Producing Company Ltd.	555.00	555.00
<b>Total</b>			<b>676,418.33</b>

Source: MoF/GRA/BOG, 2014

The remaining US\$121,914 (15%) represents surface rental received in 2012 but reported in 2013 as a result of lags between actual receipts and reporting periods (MoF, 2014). According to the BOG, a surface rental bill dated February 21, 2013 for US\$67,438.36 was outstanding in the name of Oranto/Stone Energy at the end December 2013 (BoG, 2014).

### 5.3 PETROLEUM RECEIPTS VERSUS BUDGET PROJECTIONS

Table 15 shows a comparison of government budgetary projections for 2013 against the outturns.

TABLE 15: 2013 BUDGET PROJECTIONS VERSUS OUTTURNS

ITEM	GH¢			US\$		
	Budget	Actual	Variance	Budget	Actual	Variance
	Jan-Dec	Jan-Dec		Jan-Dec	Jan-Dec	
<b>Royalties</b>	277,379,240	340,978,996	63,599,756	143,719,814	175,409,489	31,689,675
<b>o/w Jubilee Royalties</b>	276,985,882	340,210,682	63,224,800	143,516,001	175,006,213	31,490,212
<b>o/w Saltpond</b>	393,358	768,314	374,956	203,812	403,276	199,464
<b>Carried and Participating Interest</b>	717,880,557	881,743,978	163,863,421	371,958,838	453,573,866	81,615,028
<b>Corporate Income Tax</b>	107,812,193	421,336,018	313,523,825	55,861,240	216,985,498	161,124,258
<b>Surface Rentals</b>	814,072	1,526,771	712,699	421,799	798,332	376,533
<b>Gas Receipt</b>	18,836,800	-	(18,836,800)	9,760,000	-	(9,760,000)
<b>Total Petroleum Receipts</b>	<b>1,122,722,863</b>	<b>1,645,585,763</b>	<b>522,862,901</b>	<b>581,721,690</b>	<b>846,767,184</b>	<b>265,045,494</b>

Source: MoF, 2014

From Table 15, all the major sources of petroleum revenue exceeded their projections in 2013, except receipts from gas operations, which were not realized because the WCGIDP is yet to be completed, and Saltpond Royalties, which fell below its target. The higher-than-projected revenue outturns resulted in actual petroleum revenues exceeding expected revenues by US\$265.05 million (GH¢522.86 million) representing a deviation of approximately 46%.

The MoF has attributed the huge deviation between its budgetary estimates and the actual receipts to “increased crude oil production and the receipt of CIT for the first time since oil production began”.

The PIAC can appreciate why the MoF may have come up with lower estimates of petroleum revenues following two consecutive years of over-estimation in 2011 and 2012. However, the Committee believes that the MoF was rather too conservative since the prevailing conditions backed by the benefit of hindsight after two years of production pointed to a better outlook for 2013 than was captured in the budget estimates.

#### **Finding(s)/Highlights:**

1. Actual petroleum receipts exceeded projected revenues by nearly 46%.
2. Total actual petroleum revenue received as at the end of the first half of the year was US\$596,073,381, compared to the projected revenue of US\$581,721,690 for the entire year 2013. This raises further questions about the determination of the Benchmark Revenue. The situation has arisen because all the components used in the estimation of the Benchmark Revenues were lower than the actual turnout. Estimated average daily production and expected average price per barrel were lower than the actual. Besides, estimate of corporate taxes for the year was 25.7% of the actual collection resulting in a low Benchmark Revenue which was used for the 2013 budget.
3. For the third consecutive year, there was overspill of petroleum revenues from one reporting period into another thereby creating a situation whereby CIT and surface rentals that were part of 2012 petroleum receipts were paid in 2013 (and hence treated as part of 2013 revenue) while parts of 2013 revenues (7<sup>th</sup> lifting) was not received till early January 2014 and thus treated as part of 2014 revenues.

4. There were some discrepancies regarding how much money was paid by SOPCL into the Petroleum Holding Fund (PHF) as royalties. Whereas the BoG and GRA reported that an amount of US\$171,040 was paid by SOPCL in royalties for 2013, the SOPCL reported a slightly higher amount of US\$217,214. This implies that SOPCL has an outstanding amount of US\$46,174 due as royalties for 2013 which must be paid.

## SECTION 6

### 6. ALLOCATION AND UTILISATION OF 2013 PETROLEUM REVENUE

#### 6.1 INTRODUCTION

The allocation of petroleum revenue is guided by the relevant provisions of PRMA. In 2011, the Parliament of Ghana approved an allocation of 40% of the Carried and Participating Interest, net of Equity Financing Costs, for GNPC. Government revenue is made of the remaining 60% of CAPI, Corporate Income Tax, Royalties and Surface Rental. Out of Government's share of petroleum revenue, 70% is designated as the Annual Budget Funding Amount (ABFA) while the remaining 30% is transferred into the Ghana Petroleum Funds (GPFs). The Ghana Heritage Fund and the Ghana Stabilization Fund attract 30% and 70%, respectively, of the total receipts into the GPFs.

#### 6.2 DISTRIBUTION OF PETROLEUM REVENUE IN 2013

In keeping with the above provisions, the 2013 petroleum receipts were distributed as shown in Tables 16.

TABLE 16: ALLOCATION OF 2013 PETROLEUM REVENUE (US\$)

Allocations	Amount (Million US\$)	Amount (Million GH¢)
<b>Transfer to GNPC</b>	<b>222.42</b>	<b>437.60</b>
<i>o/w Equity Financing</i>	68.32	134.67
<i>o/w CAPI</i>	154.10	302.93
<b>Net Receipt to GoG</b>	<b>634.35</b>	<b>1,230.51</b>
<i>o/w ABFA</i>	273.20	543.78
<i>o/w Transfers to GPFs</i>	<b>351.05</b>	<b>686.54</b>
<i>o/w GSF</i>	245.73	480.71
<i>o/w GHF</i>	105.31	206.02

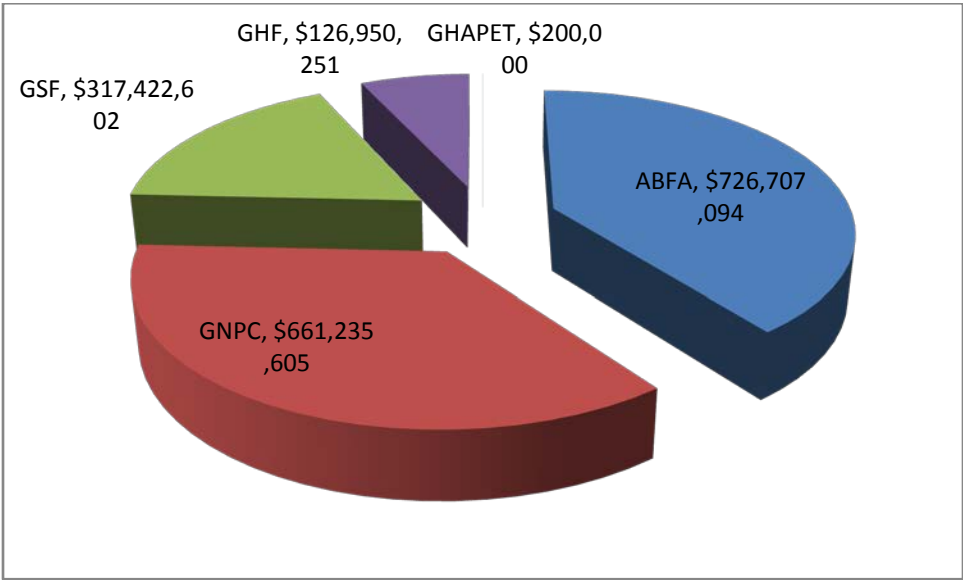
Source: Ministry of Finance, 2014

Tables 16 indicates that US\$222.42 million (GH¢437.60 million) of the total petroleum receipts (representing 26.27%) went to GNPC of which US\$68.32 million (GH¢134.67 million) was in respect of its Equity Financing Costs while US\$154.10 million (GH¢302.93 million) was for its share of the net CAPI. The net amount received by the GoG for the year 2013 therefore was US\$624.35 million (GH¢1,230.51 million). From this total, the ABFA received US\$273.20 million (GH¢543.78 million), representing 32.26% of total petroleum receipts while the GPFs received US\$351.05 million (GH¢686.54 million), representing 41.47%. Of the amount transferred to the GPFs, the Ghana Stabilisation Fund (GSF) received US\$245.73 million (GH¢480.71 million) while the Ghana Heritage Fund (GHF) received US\$105.31 million (GH¢206.02 million).

### 6.3 PETROLEUM REVENUE ALLOCATION FROM 2011-2013

The revenues accruing to GoG from the petroleum sector in 2013 bring to US\$1.833 billion total petroleum revenue since the onset of oil production in Ghana. Out of the amount, the ABFA has received a total of US\$726.7 million representing 39.66%; the GNPC has received a total amount of US\$661.2 representing 36.08%; while GSF and GHFs have each received an amount of US\$317.42 (17.32%) and US\$126.95 (6.93%) respectively as shown in Figure 3 below.

**FIGURE 3: DISTRIBUTION OF PETROLEUM RECEIPTS FROM 2011-2013**



Source: Bank of Ghana, 2014

## Finding(s)/Highlights:

1. Total petroleum revenue in 2013 was US\$ 846,767,184 bringing cumulative revenue received since 2011 to US\$1.833 billion;
2. In 2013, the GPFs received more funds (US\$351.04 million) than the ABFA (US\$273.12).
3. The GoG complied with the provisions of Section 11(2) by paying all excess petroleum revenues in the GPFs.

---

## 6.2 UTILIZATION OF 2013 ABFA ALLOCATION

---

---

### 6.2.1 INTRODUCTION

---

Section 21(5) of the PRMA requires the Minister of Finance to prioritise not more than four areas to benefit from the use of the ABFA, in the absence of a long term national development plan, with the view to maximising the impact of petroleum revenues. Section 21(6) further mandates initial prioritization to remain in force for a minimum of 3 years before it would be subject to review. Accordingly, Parliament in 2011 approved the use of the ABFA for the following four priority areas for the period 2011- 2013.

- Expenditure and Amortisation of Loans for Oil and Gas Infrastructure;
- Agriculture Modernisation;
- Roads and Other Infrastructure; and
- Capacity Building (including Oil and Gas).

---

### 6.2.2 UTILISATION OF 2013 ABFA

---

In 2013, the proportion of petroleum revenues allocated to the ABFA of GH¢543.78 million (US\$273.20 million) was disbursed to the same four priority areas as listed above. Out of the total amount disbursed, an amount of GH¢372.07 million, representing 68.42%, was spent on Roads and Other Infrastructure while Amortization of Loans for Oil and Gas Infrastructure received GH¢137.92 million representing 25.4%. Agriculture Modernization received GH¢13.60 million or 2.5%, with the remaining GH¢20.18 million, representing 3.71% , being spent on Capacity Building as shown in Table 17.

TABLE 17: DISBURSEMENT OF 2013 ABFA TO PRIORITY AREAS

S/N	Priority Area	Amount (GH¢)	Percentage (%)
1	Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	137,920,847	25.4
2	Agriculture Modernisation	13,604,329	2.5
3	Road and Other Infrastructure	372,074,147	68.42
4	Capacity Building (including Oil and Gas	20,183,359	3.71
	<b>TOTAL</b>	<b>543,782,682</b>	<b>100</b>

Source: Ministry of Finance, 2014

Table 18 on the other hand shows the total amount expended on each of the priority areas from 2011-2013.

TABLE 18: DISTRIBUTION OF ABFA TO PRIORITY AREAS, 2011-2013

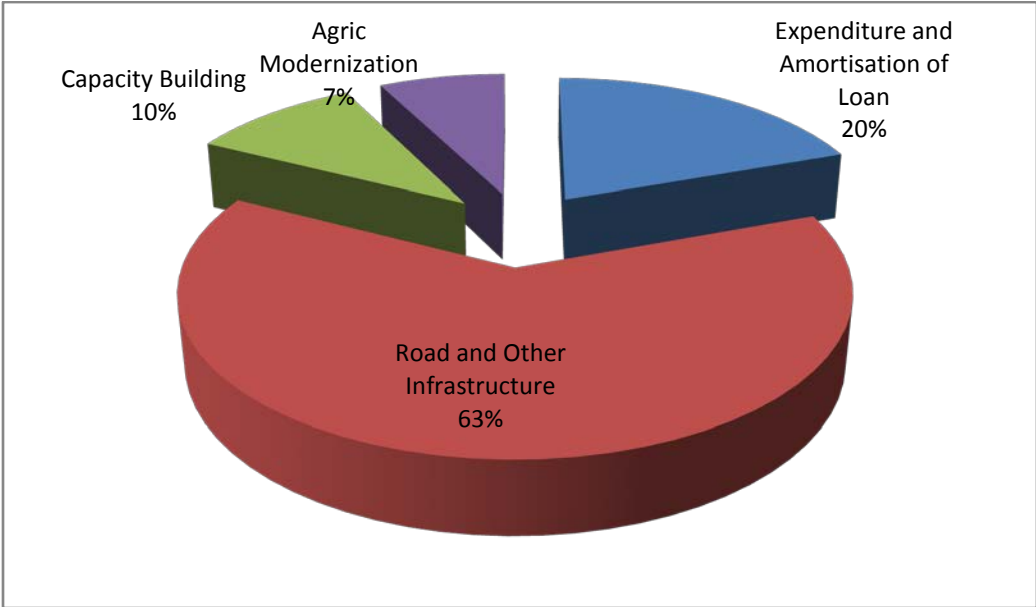
S/N	Priority Area	2011	2012	2013	TOTAL	%
		Amount (GH¢)	Amount (GH¢)	Amount (GH¢)		
1	Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	20,000,000	100,000,000	137,920,847	257,920,847	19.51
2	Agriculture Modernisation	13,147,652	72,471,824	13,604,329	99,224,805	7.50
3	Road and Other Infrastructure	227,641,768	232,403,269	372,074,147	832,119,184	62.94
4	Capacity Building (including Oil and Gas	750,000	111,959,738	20,183,359	132,893,097	10.05
	<b>TOTAL</b>	<b>261,539,420</b>	<b>516,834,831</b>	<b>543,782,682</b>	<b>1,322,156,933</b>	<b>100</b>

Source: Ministry of Finance, 2012-2014



Table 18 and Figure 4 indicate that nearly 63% of the disbursements from the ABFA have gone into Road and Other Infrastructure with another 20% going into Expenditure and Amortization of Loans for Oil and Gas Infrastructure. The remaining ABFA disbursements have gone to support Capacity Building interventions (10%) and the Agricultural Sector (7.5%) towards modernizing the sector. The distribution of ABFA so far is consistent with provisions of Section 21(4) of the PRMA which specifies that a minimum of 70% of each year's ABFA should be used for public investment expenditures either in accordance with a long-term national development plan (where it exists) or the priority areas listed in Section 21(3) of the PRMA.

**FIGURE 4: DISTRIBUTION OF ABFA BY PRIORITY AREA FROM 2011-2013**



### 6.3 DETAILED ANALYSIS OF ABFA-FUNDED PROJECTS/PROGRAMMES

The PIAC was not able to carry out detailed analysis of the projects funded by the ABFA in the past mainly because it did not have access to the full list of the projects. The closest the Committee came to providing some details on the ABFA funded projects was in 2011 when it reported on a list of 17 roads that had been constructed together with a list of programmes/projects implemented under agriculture modernization that had been partly funded by the ABFA. Thus, the Committee in the past two editions of its annual report had been compelled to restrict its reporting on the ABFA to the headline-broad categories of the four priority areas that have received budgetary support through the ABFA. The situation this year is however different and the PIAC has obtained from the Ministry of Finance the full list of the ABFA-funded

projects for the period 2011-2013. The analysis in this section will therefore focus on a discussion of the projects from 2011-2013 with emphasis on 2013 projects.

### 6.3.1 EXPENDITURE AND AMORTISATION OF LOANS FOR OIL AND GAS INFRASTRUCTURE

As shown in Figure 4 above, approximately 20% of the ABFA (GH¢257.92 million) has been used to cover costs associated with loan(s) contracted to develop oil and gas infrastructure between 2011 and 2013. Table 19 gives the breakdown of expenses incurred under the “Expenditure and Amortisation of Loans for Oil and Gas Infrastructure” priority area from 2011 to 2013.

**TABLE 19: BREAKDOWN OF EXPENDITURE AND AMORTIZATION OF LOANS FOR OIL AND GAS INFRASTRUCTURE**

Description of Expenditure	2011	2012	2013	Total (GH¢)
	Amount (GH¢)	Amount (GH¢)	Amount (GH¢)	
Initial set up of Ghana National Gas Company Limited	20,000,000	-	72,553,427	92,552,427
Matching Fund for China Development Bank (CDB) Projects	-	100,000,000	-	100,000,000
Interest Payment on CDB loan	-	-	18,042,151	18,042,151
Unclassified Expenditure <sup>5</sup>	-	-	47,325,268	47,325,268
<b>TOTAL</b>	<b>20,000,000</b>	<b>100,000,000</b>	<b>137,920,846</b>	<b>257,920,846</b>

Source: PIAC’s Construct based on MoF Data, 2014

Table 19 indicates that a total of GH¢137.92 million went into Expenditure and Amortization of Loans for Oil and Gas Infrastructure in 2013 with GH¢119.88 million (representing 87%) reported

<sup>5</sup> There were no project details assigned to this expenditure in the list provided by the Ministry of Finance.

to have been disbursed to the GNGC as part of its initial set up cost and the remaining GH¢18.04 million (13%) paid as interest on the CDB loan.

**Finding(s)/Highlight(s):**

1. In the PIAC 2013 Semi-Annual, the Committee reported that the GNGC had been paid GH¢40 million out of the GH¢69 million leaving an outstanding balance of GH¢29 million, which the GNGC was expecting from the GoG. In the second half of the year, the GNGC has indicated that the company did not receive any more funds from the Government of Ghana in 2013 contrary to what MoF information provided to PIAC indicates. The Ministry is called upon to check their records and correct the serious anomaly.
2. Approximately GH¢257.9 million of the ABFA has been spent on the WCGIDP over the 3-year period less the amount of GH¢85.82 million to be clarified.

---

### 6.3.2 ROAD AND OTHER INFRASTRUCTURE

---

During the period under review(2013), over GH¢372 million (representing 68.42%) of the ABFA went to support projects under the “road and other infrastructure” priority area. This brings the total expenditure in this category since 2011 to GH¢832.12 million representing approximately 63% of all ABFA disbursements as indicated in Table 18 and Figure 4above.

Of the GH¢832.12 million spent on road and other infrastructure between 2011 and 2013, GH¢544.92million (representing 65%) has been spent constructing, rehabilitating, upgrading, resurfacing a total of one hundred and eighteen (118) roads and road related ancillary works (such as repairs to bridges, other structures and drainage works). Table 20 gives the annual breakdown of the number of road projects from 2011-2013 and their associated cost while the full list of road projects is attached in Appendix 3.

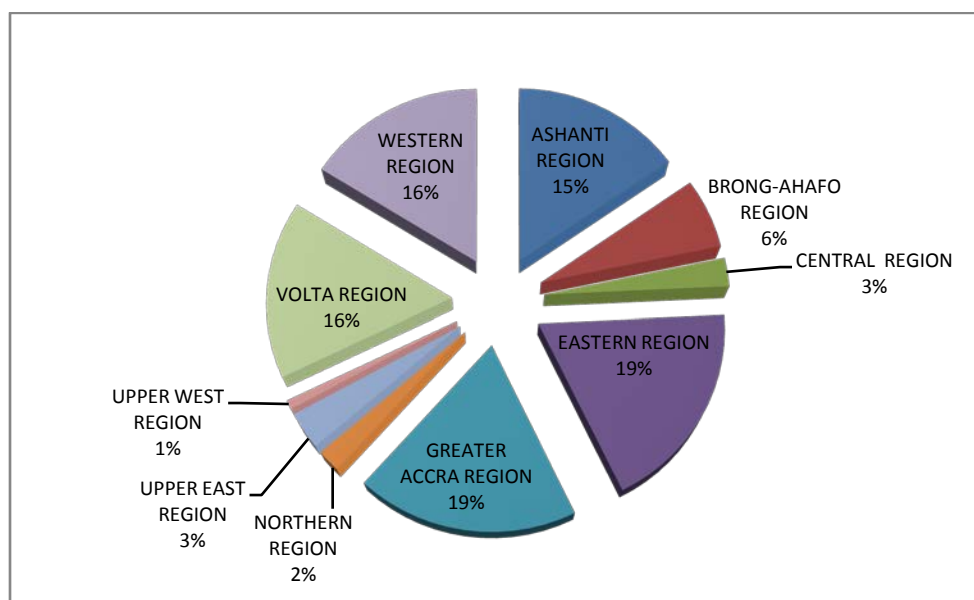
**TABLE 20: BREAKDOWN OF ABFA-FUNDED ROAD PROJECTS, 2011-2013**

Year	Number of Projects	Amount Spent (GH¢)
2011	35	227,627,298.10
2012	20	78,054,398.91
2013	63	239,233,427.54
<b>TOTAL</b>	<b>118</b>	<b>544,915,124.55</b>

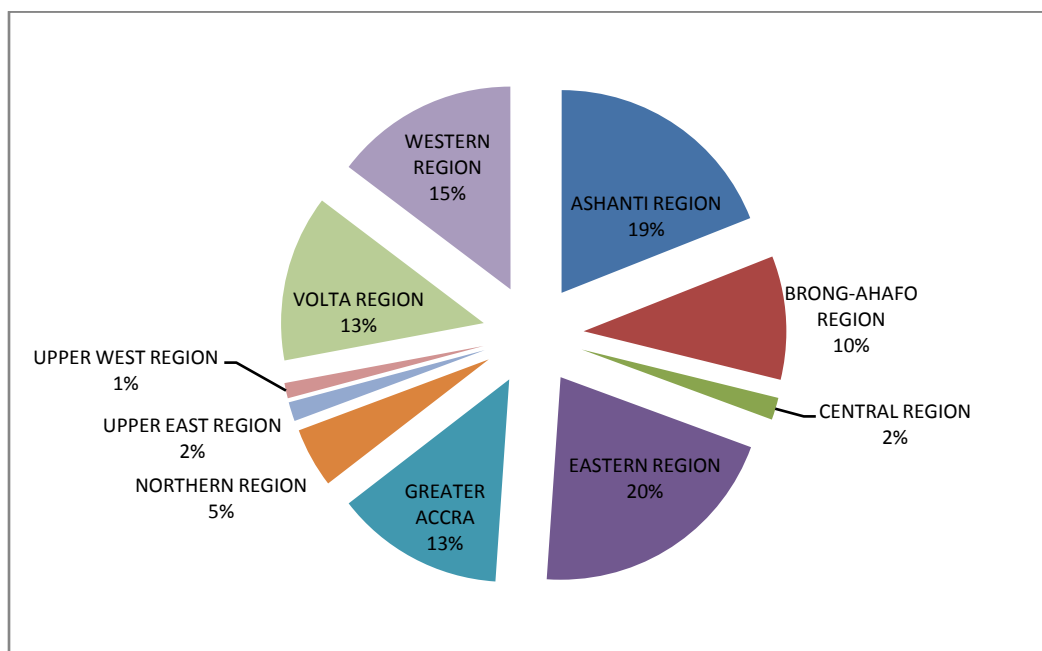
Source: PIAC’s Construct based on MoF Data, 2014

Table 20 shows that GH¢239.23 million was spent on 63 roads and ancillary works in 2013 compared to GH¢42.89 and GH¢227.62 spent on roads in 2012 and 2011 respectively. Figure 5 gives the regional breakdown of road projects funded by the ABFA in 2013 while Figure 6 shows the distribution of road projects over a 3-year period spanning 2011 and 2013.

**FIGURE 5: REGIONAL DISTRIBUTION OF ROAD PROJECTS IN 2013**



**FIGURE 6: REGIONAL DISTRIBUTION OF ABFA-FUNDED ROAD PROJECTS, 2011-2013**



**Finding(s)/Highlight(s):**

1. The share of ABFA allocated to road projects accounted for 14.1% of the road sector budget in 2013 (and is expected to account for 17.9% in 2014). The ABFA has therefore been used largely as partial funding for the ‘beneficiary road’ projects.
2. The ABFA has been used to fund 118 road projects throughout Ghana between 2011 and 2013.
3. All the road projects that have benefited from ABFA funding had been started prior to the discovery of oil and the creation of the ABFA under the PRMA and virtually all are yet to be completed.
4. Twenty one (21) road projects out of the 118 (representing 17.8%) benefited from multi-year funding from the ABFA. Out of the 21, only 3 projects (Anyinam-Konongo, Asankragua-Enchiand Obogu-Ofoase-Gyadem Roads) received ABFA funding for 3 consecutive years between 2011 and 2013 while another 3 received ABFA support for two consecutive years (2011-2012). Nine (9) road projects also received funding for two years (2011 & 2013) but not consecutively.

### 6.3.3 OTHER INFRASTRUCTURE PROJECTS

The remaining GH¢287.20 (35%) of ABFA allocations to the “Road and Other Infrastructure” priority area has been spent on infrastructural projects in several sectors including energy, education, water, housing, security and health as shown in Table 19. The full list of other infrastructure projects funded with ABFA is attached in Appendix 4.

**TABLE 21: BREAKDOWN OF OTHER ABFA-FUNDED INFRASTRUCTURE PROJECTS**

Sector	2011	2012	2013	Total	% share of allocation to sector
Energy	-	30,000,000	96,395,046	126,395,046	43.06
Security	-	15,400,000	4,312,135	19,712,135	6.71
Works and Housing	-	37,491,936	1,607,219	26,748,211	13.32
Education	-	4,083,116	7,505,481	11,588,597	3.95
Water	-	2,812,560	-	2,812,560	0.96
Health	-	435,236	-	435,263	0.15
Railway	-	11,348,266	10,741,550	22,089,816	7.52
Water Transport	-	43,159,827	-	43,159,827	14.70
Others	-	15,00,000 <sup>6</sup>	13,265,838 <sup>7</sup>	40,616,782	9.63
<b>TOTAL</b>	-	<b>159,730,941</b>	<b>133,827,269</b>	<b>293,558,237</b>	<b>100</b>

Source: PIAC’s Construct, 2014 (based on data from MoF, 2011-2013)

<sup>6</sup> This represents an amount of GH¢15,000,000 paid for Management and Logistical Service under the Coastal Zone Development Project (ECOBRIGADE).

<sup>7</sup> Two payments described as ‘Request for the release of the outstanding balance on initial capitalization requirement’ and ‘Initial Capitalisation – Additional Payment’ in 2013.

Table 21 reveals that GH¢133.83 million was spent on other infrastructural projects in 2013 compared to GH¢159.73 in 2012. The Table also shows that the entire ABFA allocation to the road and other infrastructure category in 2011 went into road projects hence the blanks in the 2011 column. The energy sector received the second largest share of the ABFA-investments after road infrastructure with an amount of GH¢126.40 million (or 15.19%) being used to support projects/programmes in the sector from 2012-2013. Of this amount, GH¢100.15 million was spent on various electrification projects, (as counterpart funding for Phase 4 of the Self-Help Electrification Programme (SHEP 4)/ National Electrification Scheme (NES) loans, for procurement of electrical materials, and payment of consultants under the GEDAP project) while another GH¢22.99 million was spent on the Bui Hydroelectric Project (as matching-fund for additional loan and payment for compensation for the construction of transmission lines). The remaining GH¢3.25 million was spent on street-lighting projects in the Western and Greater Accra Regions.

The amount of money (GH¢43.16 million) spent on water transport was disbursed to the Volta Lake Transport Enhancement Project (GH¢40 million) and the procurement of 3 units 50-seater passenger HDPE ferries (GH¢3.16 million) to ply the Volta Lake while the investments that went into the railway sector was used for the renovation of segments of the Accra-Tema line (together with the various stations along the route) (GH¢20.19) and the Takoradi-Sekondi line (GH¢1.94). The infrastructure projects grouped under 'works and housing' include GH¢11.12 million spent on 12 market projects in the Ashanti, Northern, Upper East and Upper West regions in 2012, office structures for Ministries of Transport (MoT), Water Resources Works and Housing (MWRWH) and Department of Urban Roads (DUR) in Techiman, (GH¢2.43 million), GH¢7.20 million used in constructing housing units for the Bureau of National Investigation (BNI) and other housing projects in the Volta Region and payments totalling GH¢12.35 million made to CEDECOM, GRATIS and the National Flood Control Programme.

The expenditure under the 'security' category went into the construction and equipping of the Ankaful Maximum Security Prison (GH¢19.31 million) as well as the rehabilitation of the Adukrom Prison (GH¢400,000) while the expenditure under the 'education' category went into the construction of 71 six and three-units classroom blocks around the country (GH¢10.13 million) and the construction of Teaching Hospital Administrative block at KNUST (GH¢1.36 million).

## Highlights/Finding(s):

1. A total of GH¢133.83 million was spent on 'other infrastructure' projects in 2013 compared with GH¢159.73 million in 2012 with the majority of the 2013 investments (72%) going to the energy sector.
2. There is an aggregated amount of GH¢13.27 million (reported to have been paid in two instalments) spent in 2013 that cannot be linked directly to any project. The description given in the list of 2013 ABFA-funded projects simply reads "request for release of the outstanding balance of initial capitalisation" and "initial capitalisation – additional payment".
3. Allocations to key sectors such as Education, Health and Water accounted for 5.06% of ABFA disbursements to 'other infrastructure' projects over the period 2012-2013.
4. An amount of GH¢342,585 was spent in 2012 to develop a railway Master Plan for Ghana. Although this amount might be relatively insignificant when compared to the total ABFA funding, this is a commendable step forward.
5. Consultancy fee charged or paid on the Mampongten Jubilee Market project of GH¢1.07 million in 2012, constituted nearly 31% of the total project cost of GH¢3.48 million.
6. An amount of GH¢15 million was used to clear arrears for management and logistical services under the Coastal Zone Development Project (ECOBRIGADE) even though the allocations were meant for infrastructural projects.

---

### 6.3.4 AGRICULTURE MODERNISATION

---

As indicated in Table 18 above, a total sum of GH¢99.22 million (representing 7.5% of the ABFA) has been used to support various initiatives and interventions aimed at modernizing Ghana's agricultural sector from 2011-2013. Table 22 gives the breakdown of the various broad areas in the agriculture sector which benefited from the ABFA while Appendix 5 provides the full list of ABFA-funded projects in the Agriculture Sector.



**TABLE 22: BREAKDOWN OF ABFA FUNDING TO THE AGRICULTURE SECTOR, 2011-2013**

Expenditure Category/Year	2011 (Amount GH¢)	2012 Amount (GH¢)	2013 Amount (GH¢)	Total Amount (GH¢)	Share of ABFA to Category
Support for National Programmes/Projects	13,147,652	50,192,200	-	63,339,852	63.83%
Construction/Rehabilitation of Irrigation Infrastructure	-	4,207,327	12,181,918	16,389,245	16.52%
Procurement of Equipment and Supplies		17,248,000	-	17,248,000	17.38%
Construction and/or rehabilitation of infrastructure and furnishing at/of agricultural institutions		825,296	1,206,615	2,031,911	2.05%
Consultancy for Proposed Ghana-India Fertilizer Plant	-	-	215,794	215,794	
<b>TOTAL</b>	<b>13,147,652</b>	<b>72,472,823</b>	<b>13,604,328</b>	<b>99,224,803</b>	<b>100</b>

Source: PIAC's Construct, 2014 (Based on Data Received from MoF, 2011-2014)

From Table 22, 64% of the ABFA funds allocated for agricultural modernization has gone to partly support national programmes and projects such as the National Fertilizer Subsidy Programme, the Youth in Agriculture Programme, the Tsetse Project, Inland Rice Development Programme, Root and Tuber Improvement Programme, and the National Forestry Development Programme. It is important to stress that majority of these programmes/project had been in existence long before the discovery of oil in Ghana. Approximately 17.38% and 16.52% of the ABFA support to the agriculture sector was used to construct and/or furnish facilities in agric-related institutions as well as for the construction and rehabilitation of irrigation systems respectively.

## Finding(s)/Highlights:

1. Only GH¢13.60 million (2.5%) of ABFA allocations of GH¢543.78 million in 2013 went into the agriculture sector compared to 14% of GH¢561.83 million in 2012 and 5% of GH¢261.54 million in 2011.
2. Virtually all the national agricultural projects/programmes funded with part of the ABFA are old interventions that predate the commercial production of oil in Ghana.
3. All the nine projects and programmes that were selected in 2011 were dropped and a new set of existing projects/projects introduced in 2012.
4. Although some combine harvesters were procured in 2012 and irrigation schemes constructed/rehabilitated (which strangely is classified under “other infrastructure”), the interventions being pursued in agriculture, in the opinion of the members of the public who have made contributions at PIAC public forums, are not adequate to bring about the accelerated modernisation of agriculture envisioned by the Ghana Shared Growth and Development Agenda (GSGDA).

---

### 6.3.5 CAPACITY BUILDING (INCLUDING OIL AND GAS)

---

Approximately GH¢133 million (representing 10% of ABFA-funding) has been used for various capacity building interventions since 2011 as shown in Table 23.

In Table 23, GH¢20.18 million of the 2013 ABFA of GH¢543.78 million (representing 3.7%) was allocated to the Capacity Building priority area compared to GH¢111.96 million (21.7%) of GH¢516.83 million disbursed in 2012. Table 23 also indicates that GH¢12 million (60%) of ABFA earmarked for building capacity in 2013 was put into loanable funds such as the Venture Capital Fund and Exim Guarantee Fund compared to GH¢47 million invested into the same funds as well as the Microfinance and Small Loans Centre (MASLOC) in 2012. Another GH¢30 million (or 22.57%) of the ABFA allocations for Capacity Building was used to fund components of the National Youth Employment Programme (NYEP)/Ghana Youth Employment and Entrepreneurial Agency (GYEEDA) modules in 2012 while GH¢13.74 million (or 10.33%) was used to pay for goods and services procured by two Ministries – Ministry of Food and Agriculture and Agriculture (GH¢11.95 million) and Ministry of Lands and Natural Resources (GH¢1.79 million) in 2012.

TABLE 23: BREAKDOWN OF ABFA-FUNDED CAPACITY BUILDING INTERVENTIONS, 2011-2013

Year	Intervention	Amount in (GH¢)	TOTAL
2011	Counterpart funding for World Bank Sponsored Capacity Development Programme in Oil and Gas at KNUST	750,000	750,000
2012	Support for skills training in road maintenance	4,092,048.00	111,959,738.49
	NYA – dissemination of National Youth Policy in Youth Health, HIV/AIDS and Conflict Prevention and peace building	445,300.00	
	NYA – Organisation of work camps throughout the ten regions	303,000.00	
	Training of 5000 persons with disabilities in ICT, mobile phone and computer repairs and assembling	10,000,000.00	
	Support for the Creative Industry	2,000,000.00	
	Livelihood Enhancement Against Poverty (LEAP)	8,100,000.00	
	Min. Lands and Natural Resources for the implementation of Goods and Services for 2012	1,790,000.00	
	MASLOC Loanable Fund	35,000,000.00	
	Activities under the Ghana Living Standards Survey (GLSS6)	5,373,418.00	
	Financial Support to Venture Capital Fund	5,000,000.00	
	Recapitalization and Rights Issue for Exim Guarantee Company Ghana Ltd.	2,000,000.00	
	Goods and Services for 1st, 2nd, and 3rd Quarters for MOFA	11,948,020.49	
	NADMO-Relief Items	10,000,000.00	
	Funds for NYEP	15,907,952.00	
	2013	Financial Support to Venture Capital Fund	
Exim Guarantee Fund		2,000,000.00	
Petroleum Commission Support		8,183,359.42	
<b>GRAND TOTAL</b>			<b>132,893,097.91</b>

Source: Ministry of Finance, 2014

#### Findings/Highlights:

1. The Capacity Building priority area appears to be a category under which some expenditure which may not be related to capacity building has been classified. The impact of some of these expenditures is difficult to assess;

2. Only GH¢8.93 million (representing 6.7%) of the total allocations to the Capacity Building priority area has gone into developing capacity in the oil and gas sector over the 3 year period between 2011 and 2013;
3. Approximately GH¢23 million (or 17%) of ABFA earmarked for Capacity Building between 2011-2013 went into consumables (such as 'goods and services for MoFA and MLNR, NADMO relief items);
4. Two million Ghana cedis (GH¢ 2 million) was used to support the Creative Industry while another GH¢8.1 million was given out as cash transfer under the LEAP;
5. Thirty-five million (GH¢35 million) have been pumped into MASLOC while another GH¢19 million has been used to set up Venture Capital Fund and Exim Guarantee Fund;
6. The Petroleum Commission received support of US\$ 8.18 million in 2013.

### 6.3.6 REGIONAL DISTRIBUTION OF ABFA SUPPORTED INITIATIVES, 2011-2013

Section 21(2c) of the PRMA requires that the ABFA be used, inter alia, 'to undertake even and balanced development of the regions. Figure 7 gives the regional breakdown of various ABFA-funded projects/programmes/initiatives between 2011 and 2013.

**FIGURE 7: REGIONAL BREAKDOWN OF ABFA-FUNDED PROJECTS, 2011-2013**

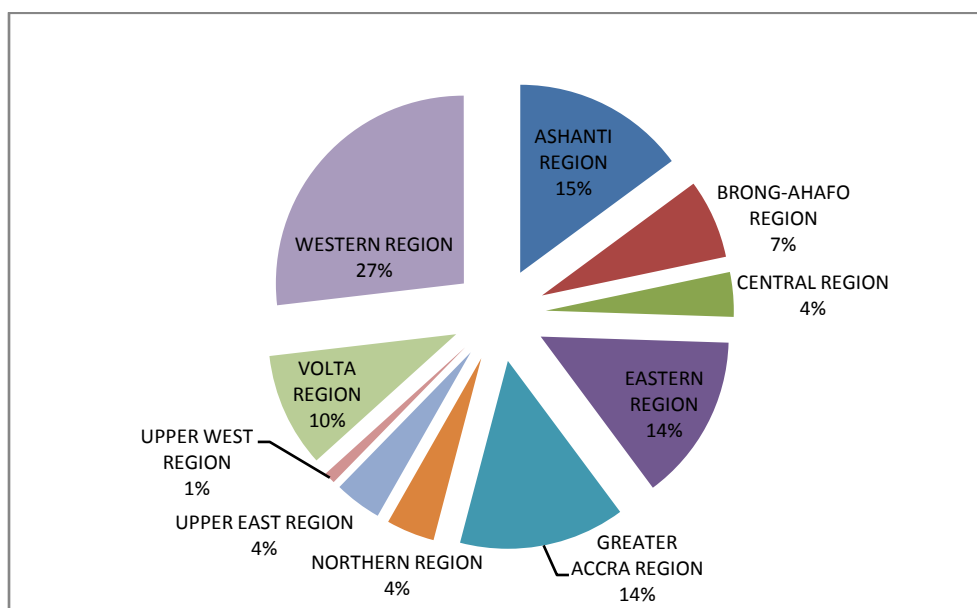
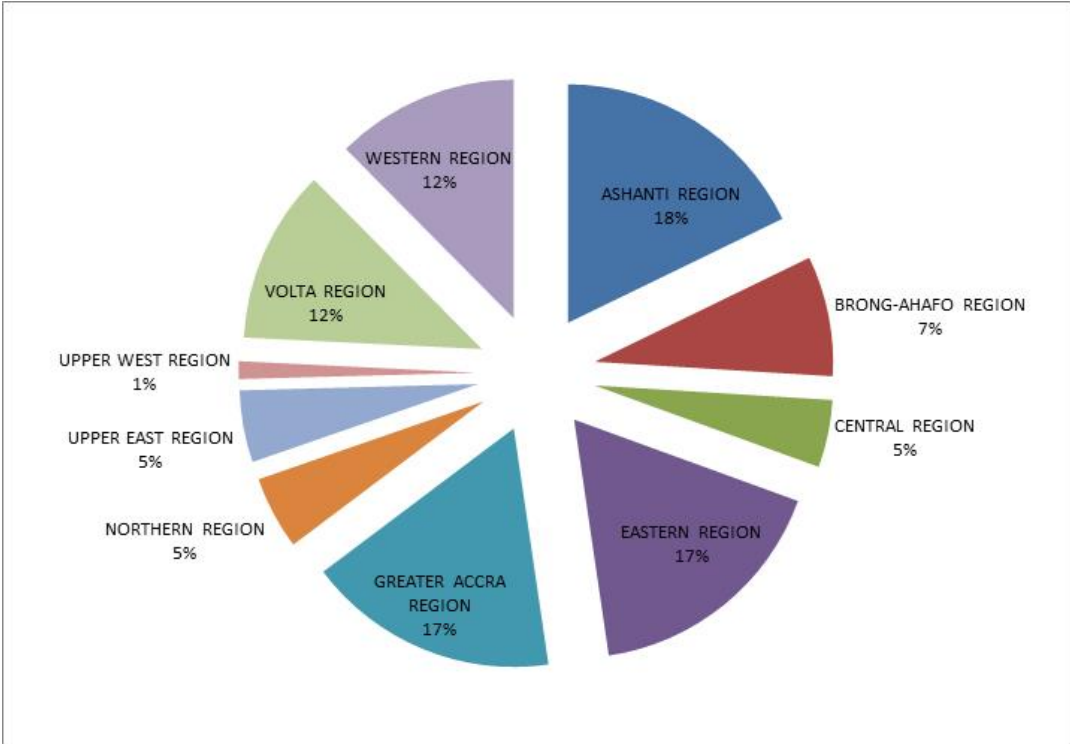


Figure 7 shows that the Western Region has received the largest share of spending allocations from ABFA (27%) over the 3 year period. The Western Region is followed by Ashanti (15%),

Eastern and Greater Accra (14%) and the Volta Region (10%). It must be stressed however that it is difficult to make categorical judgements about the above distribution pattern because some of the projects cut across regional boundaries and benefit more than one region because of the nature of the project. For example the Ghana Gas project is a national project which will benefit the entire nation even though it is located in the Western Region. The Accra – Kumasi highway is another example of cross regional investment which will benefit regions in the northern sector of the country.

**FIGURE 8: REGIONAL BREAKDOWN OF ABFA-FUNDED PROJECTS WITHOUT GNCG CAPITALIZATION**



**6.3.5 GENERAL OBSERVATIONS ON THE UTILIZATION OF ABFA**

Section 21 of the PRMA specifies the purpose of the ABFA as well as the areas of the economy where the ABFA could be used to support. According to Section 21 (1), the ABFA is part of the national budget and its use and expenditure are subject to the same budgetary processes that are necessary to **ensure efficient allocation, responsible use and effective monitoring of expenditure**. Section 21(2) stipulates that the ABFA shall be used to achieve the following:

- a. Maximize the rate of economic development;
- b. Promote equality of economic opportunities with a view to ensure well-being of the citizens;

- c. To undertake even and balanced development of the regions; and,
- d. Guided by a medium-term expenditure framework aligned with a long-term national development plan

It is clear from the two provisions of the PRMA cited above that it has always been the intention of the framers of the Act that the revenues from petroleum would be used efficiently and responsibly so as to help maximize its impacts on the socio-economic development of Ghana. The PIAC is concerned that the laudable objectives that the ABFA was created to achieve may not have been realized after its preliminary analyses of the list of projects funded thus far with the ABFA. The following are some of the reasons underpinning the PIAC's concern:

- It took the PIAC nearly 3-years to obtain detailed list of projects that have benefited from ABFA resources despite the fact that repeated requests had been sent to the MoF. However, as can be seen from the annexures, the descriptions given to the majority of the projects are a bit ambiguous making it difficult for one to understand at a glance what the projects are really about. This, the Committee believes, does not promote effective monitoring of expenditure as espoused by Section 21 (1) of the PRMA;
- The ABFA inflows have been allocated to support projects in virtually all the sectors of the economy. Indeed a critical scrutiny of the ABFA-funded projects shows that the ABFA has been used to fund projects in all the 12 areas listed in Section 21 (3) contrary to the provisions of Section 21 (5) which enjoin the Minister not to prioritize more than 4 of the projects at every point in time. The ABFA has thus been stretched too thinly among too many projects rendering it less effective and impactful;
- The share of the ABFA that have gone into the productive (economic) sectors of the economy (such as agriculture and industry) compared to the infrastructural sector is disproportionately small;
- It would be extremely difficult (if not impossible) for the impacts of the ABFA-funded projects to be evaluated given that the ABFA has largely been used as partial or counterpart funding for the interventions thereby compounding the attribution challenge associated with impact evaluations.

## 6.4 UTILIZATION OF GNPC 2013 ALLOCATIONS

---

Table 18 above indicates that the GNPC received an amount of US\$222.42 million in 2013 as equity financing and its share of net proceeds compared to US\$230.99 million in 2012. Out of this amount, the GNPC utilized US\$142.39 million (representing 64%) to cover the cost of its operations leaving US\$80.03 million unutilized as shown in Table 24 below.

Table 24 indicates that US\$76.27 million (representing 34.3% of the 2013 allocation) was used to fund the Jubilee Equity Financing Cost, comprising development, production, lifting costs and in-house costs. This compares favourably to the 2012 actual equity financing cost of US\$125.82 million. The initial allocation for this item in GNPC's 2013 budget was US\$97.91 million resulting in a favourable variance of US\$21.64 million. According to the GNPC, the main reason accounting for the lower than budgeted amount, was that a planned expenditure involving the drilling of 3 Phase 1A wells and their subsea infrastructural work was postponed due to technical reasons.

The next major expenditure incurred by GNPC in 2013 was a US\$31.34 million payment to BNP Paribas in respect of amount owed on letters of credit issued for the supply of ten (10) cargoes of crude oil delivered to Tema Oil Refinery (TOR) for processing from December 2009 to May, 2011 and which TOR has failed or been unable to pay back. According to GNPC, it had to settle the debt owed BNP Paribas whilst awaiting repayment from TOR, to avoid escalation of interest charges and potential negative impact on the country's credit rating internationally (GNPC, 2014).

TABLE 24: UTILIZATION OF GNPC SHARE OF JUBILEE CRUDE OIL REVENUE

		2011 (US\$)	2012 (US\$) JAN – DEC	Expenditure as % of Receipts	JAN – DEC 2013	
SRN	<u>RECEIPTS FROM JUBILEE PROCEEDS</u>				<u>Amount</u>	<u>Expenditure as % of Receipts</u>
1	Level A Receipts (Equity Financing)		124,630,628		68,319,783	30.7%
2	Level B Receipts (40% of net proceeds)		106,319,298		154,101,633.02	69.3%
3	<b>Total Amount Received:- (A)</b>		<b>230,949,926</b>	<b>100%</b>	<b>222,421,416.20</b>	<b>100.0%</b>
SRN	<u>USES OF AMOUNTS ALLOCATED:-</u>					
4	Jubilee Equity Financing Cost	132,484,815	125,824,747	54.5%	76,268,194.80	34.3%
5	Acquisition, processing and interpretation of 2,612 km 2 of 3D Seismic Data for the South West Deep Tano Block	20,315,185				
6	TEN Project Cost				3,027,153.21	1.4%
7	Petroleum Projects Other than Jubilee TEN % Sankofa Gye Nyame Projects		10,784,028	4.7%	9,922,975.26	4.5%
8	Gas projects related Costs	28,119,624	5,587,779	2.4%		
9	Staff Costs	7,661,475	9,013,162	3.9%	9,695,076.70	4.4%
10	General operational and administrative Capital expenditure	9,383,204	16,269,839	7.0%	9,819,889.50	4.4%
11	BNP Paribas				31,337,309.53	14.1%
12	Amount appropriated by Bank of Ghana as Transfer charges		1,796,156	0.8%	2,323,269.07	1.0%
13	<b>Total Expenditure:- (B)</b>		<b>169,275,711</b>	<b>73.3%</b>	<b>142,393,867.06</b>	<b>64.0%</b>
14	Total Cash-yet-to-Spend (Committed to Projects):- <b>(C=A-B)</b>		61,674,215	26.7%	80,027,549.14	36.0%
15	<b>Total Expenditure &amp; Cash on Hand (D=B+C)</b>	<b>207,964,302</b>	<b>230,949,926</b>	<b>100%</b>		
16	<b>Add: Cash B/Fwd. (01.01.2013) (D)</b>				61,674,215.00	
17	<b>Total Cash-Available:- (E=C+D)</b>				<b>141,701,764.14</b>	



Table 25 provides the details of the expenditure incurred by the GNPC on petroleum projects other than the Jubilee, TEN and SGN projects in 2013.

TABLE 25: GNPC'S EXPENDITURE ON OTHER PETROLEUM PROJECTS

<b><u>PETROLEUM PROJECTS</u></b>	<b><u>Amount (US\$)</u></b>
South Deep waterTano	1,894,356
Voltaian Basin Project	1,305,036
North & South Tano	1,267,581
Hess Block	3,024,781
Ultra Deep Water Keta	411,984
Reservoir Characterisation	294,728
ICT Upgrade & Expansion	154,006
Research and Technology Centre	39,994
Organisational Development Project	44,189
Petroleum Project Consultancy	332,220
Maritime Boundary Special Project	1,154,134
<b>Total Amount (US\$)</b>	<b>9,922,975</b>

Source: GNPC, 2014

It is important to point out that majority of the projects listed above were part of projects the GNPC listed in its 2012 report to Parliament and the PIAC as 'committed projects for which the unutilized amount of US\$61.67 million was to be used. However, a notable addition to the list is the Maritime Boundary Special Project (MBSP). According to the GNPC, the MBSP is a special project for "the defence of Ghana's Continental shelf at the United Nations and to set up the MBSP Secretariat". Although an amount of US\$0.95 million was initially budgeted for the MBSP, actual expenditure on MBSP for 2013, was US\$1.15million. The amount was used to establish the MBSP secretariat as well as engaging the requisite personnel to defend Ghana's maritime boundaries issues.

## Findings/Highlights:

1. For two years running, the GNPC did not fully utilize the allocated funds: therefore the accumulated surplus funds increased from US\$61.67 million (26.7% of total allocations) in 2012 to US\$80.03 million (or 36% of its allocations) in 2013 making a total of US\$141.7 million as at the end of 2013. The GNPC has explained to the PIAC that the accumulated funds have been earmarked for capital investment projects that could not commence during the period under review as result of various technical reasons.

## 6.5 ALLOCATIONS TO GHANA PETROLEUM FUND

As indicated in Table 16 above, a total of US\$351.05 million was transferred to the GPFs in 2013. Of this amount US\$245.73 million, representing 70% was lodged in the GSF with the remaining US\$105.31 million (or 30%) going into GHF. By the end of 2013, the total GPFs had a balance of US\$447.16 million, out of which GSF had US\$319.04 million and GHF, US\$128.13 million, as shown in Table 26.

TABLE 26: TRANSFERS TO THE GHANA PETROLEUM FUNDS, 2011-2013

Allocation from Benchmark Revenue	2011	2012	2013	Total
	Amount in US\$	Amount in US\$	Amount in US\$	Amount in US\$
<b>GPFs</b>	69,205,354	24,119,354	351,048,145	444,372,853
<b>o/w Stabilization Fund</b>	54,805,353	16,883,548	245,733,702	317,422,603
<b>o/w Heritage Fund</b>	14,400,002	7,235,806	105,314,444	126,950,252

Source: Ministry of Finance, 2014

### 6.5.1 PERFORMANCE OF THE GHANA PETROLEUM FUNDS

According to the Bank of Ghana, the GPFs earned a net return on investment of approximately US\$2.52 million in 2013, up from US\$0.26 million in 2012. Of this amount, the

GHF earned a net return of US\$1.12 million, up from US\$0.06 million in 2012 while the GSF earned US\$1.40 million, an increase from US\$0.21 million as shown in Table 27 below.

**TABLE 27: RETURNS ON GHANA'S PETROLEUM FUNDS, 2011-2013**

<b>Ghana Stabilization Fund (US\$)</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Opening Book Value	-	54,810,031.75	71,898,587.68
Receipt during the year	54,805,352.83	16,883,547.53	245,733,701.71
<b>Income from Investments</b>	<b>4,679.02</b>	<b>214,049.37</b>	<b>1,413,340.50</b>
Bank Charges	-	(9,040.97)	(11,476.73)
<b>Closing Book Value</b>	<b>54,810,031.85</b>	<b>71,898,587</b>	<b>319,034,153.16</b>
<b>Ghana Heritage Fund</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Opening Book Value	-	14,401,216.33	21,694,221.10
Receipts During the Year	14,400,001.65	7,235,806.08	105,314,443.59
Income from Investment	1,214.68	60,208.75	1,126,763.61
Bank Charges	-	(3,010.03)	(9,485.91)
<b>Closing Book Value</b>	<b>14,401,216.33</b>	<b>21,694,221.10</b>	<b>128,125,942.39</b>
<b>Combined Funds (GSF &amp; GHF)</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Opening Book Value	-	69,211,248.05	93,592,808.78
Receipt during the Year	69,205,354.48	24,119,353.61	351,048,145.30
Income from Investments	5,893.70	274,258.12	2,540,104.11
Bank Charges	-	(12,051.00)	(20,962.64)
<b>Closing Book Value</b>	<b>69,211,248.18</b>	<b>93,592,808.78</b>	<b>447,160,095.55</b>

Source: Bank of Ghana, 2014

### Findings:

1. The allocations of excess funds into the GSF and the GHF were done in accordance with the PRMA.
2. The GPFs received US\$77.85 million more than the ABFA. As explained in this report, this unusual situation arose mainly as a result of the underestimation of the Benchmark Revenue, resulting in a situation where the quarterly petroleum revenue receipts exceeded the projected ABFA for each quarter necessitating the obligatory transfer of the excess revenue into the GPFs.
3. This situation ostensibly led to a move by the government to trigger Section 23 (3) of the PRMA, which allows the Minister of Finance to recommend a cap on the GSF. The process to cap the GSF at US\$250 million was announced during the presentation of the 2014 budget statement to Parliament in 2013. A paper detailing the position of the PIAC on the capping of the GSF is attached in Appendix 6.
4. The GPFs gained US\$2.52 million returns on investments compared to US\$262,207.12 in 2012. Approximately 55.5% of the returns on the GPF investments (US\$1.40 million) is attributed to returns on the GSF with the GHF contributing the remaining 44.5% (US\$1.12 million).
5. The GPFs yielded a 0.48% return on investments during the second half of 2013 compared to 0.30 recorded during the first half of year.
6. The GHF fared better than the GSF during the second half of 2013 yielding a return on investment of US\$948,438 compared to US\$786,325 earned by the GSF, which had a higher initial investment outlay as shown in Table 28 below.

**TABLE 28: PERFORMANCE OF GHANA PETROLEUM FUNDS IN 2013**

Period	GSF	GHF	Total
	Return on Investment (US\$)	Return on Investment (US\$)	
<b>1<sup>st</sup> Half of Year</b>	615,538.16	168,839.14	784,377.30
<b>2<sup>nd</sup> Half of Year</b>	786,325.61	948,438.56	1,734,764.17
<b>TOTAL</b>	1,401,863.77	1,117,277.70	2,519,141

Source: Bank of Ghana, 2014

## SECTION 7

### 7. PROJECTED PETROLEUM REVENUES FOR 2014

The budget forecast for the GoG for 2014 indicates that it expects to receive approximately US\$777 million (GH¢1,709.40 million) in petroleum revenue; approximately 34% more than the 2013 budget estimates but 8% lower than 2013 actual petroleum receipts. The 2014 budget estimate is based on projected total quantity of crude oil of 33,955,644 barrels (i.e. 93,029 barrels per day) and crude oil price of US\$93.3373 per barrel.

TABLE 29: COMPOSITION OF PROJECTED 2014 PETROLEUM RECEIPTS

ITEM	AMOUNT	
	GH¢	US\$
<b>TOTAL PETROLEUM RECEIPTS</b>	<b>1,709,399,346</b>	<b>776,999,703</b>
<b>Royalties</b>	<b>349,399,499</b>	<b>158,817,954</b>
<i>o/w Jubilee Royalties</i>	348,626,140	158,466,427
<i>o/w Saltpond Royalties</i>	773,359	351,527
<b>Carried and Participating Interest</b>	<b>903,554,813</b>	<b>410,706,733</b>
<b>Corporate Taxes</b>	411,925,576	187,238,898
<b>Surface Rentals</b>	1,751,457	796,117
<b>Gas Receipts</b>	42,768,000	19,440,000

Source: Ministry of Finance, 2014

Table 30 indicates how the GoG proposed to allocate the petroleum revenues expected to accrue in 2014 in accordance with the PRMA.

TABLE 30: DISTRIBUTION OF PROJECTED 2014 PETROLEUM RECEIPTS

ITEM	2014	
	GH¢	US\$
<b>ALLOCATION OF PETROLEUM RECEIPTS</b>	<b>1,585,312,493</b>	<b>776,999,703</b>
<b>Transfer to National Oil Company (NOC)</b>	392,982,224	192,610,020
o/w Equity Financing	202,275,342	99,140,000
o/w 30% share of Net Carried & Participating Interest	190,706,882	93,470,020
<b>Benchmark Revenue (BR)</b>	<b>1,192,330,269</b>	<b>584,389,683</b>
o/w Annual Budget Funding Amount	834,631,189	409,072,778
o/w Transfer to the Ghana Petroleum Funds	357,699,081	175,316,905
o/w Ghana Stabilization Fund	250,389,357	122,721,833
o/w Ghana Heritage Fund	107,309,724	52,595,071

Source: Ministry of Finance, 2014

## 7.1 OBSERVATIONS ON THE PROJECTED REVENUES FOR 2014

The Committee has observed that, compared to 2011, 2012 and 2013, the underlying factors used in the determination of the Benchmark Revenue for 2014 (i.e. the production volumes and price projections) were closer to the year-end values for 2013.

However the PIAC is of the view that the estimates are likely to be lower than the out turn due to the following reasons:

1. The factors of average daily production and expected prices used in the estimation of the Benchmark Revenue were rather conservative relative to the constraints of the provisions of the PRMA.
2. There are also serious doubts about the US\$19.44 million expected revenues from sale of gas given the delays in the completion WCGDIP.

## 7.2 PROPOSED REVIEW OF THE IMPLEMENTATION OF THE PRMA

In the 2014 Budget Statement presented to the Parliament of Ghana, the Minister of Finance proposed a number of policy initiatives in relation to aspects of the PRMA that needed to be changed after 3 years of implementation. The following are the relevant proposals put forth by the Minister:

1. **Transfer to the GNPC:** A downward revision of the 40% share of Carried and Participating Interest, net of Equity Financing Cost, to 30% – in view of the increase in volumes of crude oil exports.
2. **ABFA and Petroleum Funds:**
  - a. retention of the 70% allocation of the Benchmark Revenue for ABFA and 30% for the GPFs and,
  - b. link the Stabilization (excess)/ABFA and the proposed Ghana Infrastructure Fund (GIF).
3. **Four Priority Areas of Expenditure:** Maintain the existing four (4) priority areas, already approved by Parliament, for the 2011-13 fiscal years.
4. **Cap on the GSF:** Introduce a cap of US\$250 million on the GSF in line with Section 23(3) and (4) of the PRMA, and the excess amount utilized for debt repayment and setting up the Contingency Fund (envisaged under the Constitution). This amount will be reviewed from time to time and recommendations made to Cabinet and Parliament as would be necessitated by macroeconomic conditions, as provided for in the PRMA. The proposed cap is informed by the following:
  - a. The fact that payment into the GSF exceeded that of the ABFA in 2013 contrary to the spirit of the PRMA, which specifies a transfer ratio of 70%, 21% and 9% of the net petroleum receipts to the ABFA, GSF and GHF, respectively.
  - b. Low return on the GSF investments: The investment income on the GSF has been low, compared with the borrowing costs for infrastructure projects. In order to ensure value for money, the excess transfers to the GSF will be used for loan repayment in order to free capital for infrastructure development
5. **Setting up of the Contingency Fund:** Establish the Contingency Fund as provided for in the Constitution, to receive part of the excess transfers into the GSF once the cap is attained, in line with Section 23(4) of the PRMA. An amount of GH¢50 million from the excess of the cap on the GSF was proposed to initiate the setting up of the Contingency Fund to meet urgent or unforeseen need for expenditure for which no other provision has been made.
6. **Review of the PRMA:** Present the following issues requiring legislative review to Parliament in 2014:



- a. ***Petroleum Benchmark Revenue:*** Review the formula for estimating the Petroleum benchmark revenue to provide more robust estimates due to the fact that the *formula has consistently led to an underestimation of petroleum prices and volumes*, leading to excessive transfers into the Ghana Petroleum Funds and underfunding of the ABFA;
- b. ***Qualifying Instruments:*** Explore the possibility of reviewing the range of instruments for investment of the GPFs based on the advice of the Investment Advisory Committee (IAC) in accordance with Section 27(2) of the PRMA which allows for a review of the range of instruments designated as qualifying instruments for the investment of the accumulated funds in the GPFs after every three years or sooner. Consequently, the MoF proposes to review Section 61 of the PRMA to include higher yielding instruments based on an approved list of guidelines in the investment policy.
- c. ***PIAC Membership:*** Correct the apparent contradictions in Section 54(1) of the PRMA which states that the membership of PIAC shall be eleven but goes on to enumerate thirteen slots to be filled.

### 7.3 PIAC'S OBSERVATIONS ON THE PROPOSAL

---

1. **Reduction in GNPC Share of Petroleum Revenue:** The Committee supports the proposal to reduce GNPC's share of petroleum revenue from 40% to 30%. As observed earlier on in Section 6.4 of this report, the GNPC already has nearly US\$150 million of accumulated funds on its books. Secondly due to increase in revenue, the reduction should not affect the GNPC's ability to meet its financial obligations in the future since it will be receiving 30% of a larger revenue base.
2. **Maintaining the Priority Areas:** As expressed in Section 6.3.5 of this report, the PIAC has some concerns regarding the allocation and utilization of the ABFA over the past 3 years, which it believes has affected the ABFA's effectiveness, efficiency and impact as a revenue allocation mechanism. This is the view of a cross-section of the Ghanaian society who have expressed similar sentiments during the public forums organised by the PIAC. Some members of the public demanded that more petroleum revenues should be allocated to the health and education sectors.

The Committee has however, taken note of the government's decision to devote the 2014 ABFA expenditure to only a few capital projects in the medium term and fully supports the deployment of the 2014 ABFA expenditure for the implementation

of only six projects as well as completing 'pipeline infrastructure projects' as shown in Appendix 7.

3. **Cap on GSF:** The Committee disagrees with the arguments underpinning the Minister's proposal to introduce a cap on the GSF. In presenting the proposal to Parliament, the Minister of Finance cited the fact that the GPFs received more disbursements than the ABFA in 2013 as one of the reasons why the GSF had to be capped and sought to 'blame' the situation on the provisions of Section 11(2) which requires that all petroleum revenue in excess of the quarterly ABFA be transferred into the GPFs.

However, the PIAC finds nothing wrong with the said provisions of the Act per se but rather attributes the situation where more petroleum revenues were saved than spent during the year under review to what, the Committee believes, is poor forecasting of the key parameters used in estimating the Benchmark Revenue. As highlighted in Section 5.3, actual petroleum revenue exceeded the projected revenues by 46% giving rise to the scenario whereby the total projected revenues had been realised by end of the 2nd Quarter of 2013. In the opinion of the PIAC, the inability of the MoF to get its petroleum revenue forecast as close to the outturn as possible cannot be used as a basis for imposing a ceiling on the GSF, which has been established for a very specific purpose. The full position paper on the cap is attached in Appendix 6 of the report.

4. **Revision of the formula for estimating the benchmark revenue:** Whilst the Committee appreciates that the strict application of the formula for projecting the price of oil as provided in the law has caused a few problems, especially because of Ghana's relatively short history of oil production (less than seven years), a complete overhaul is not the answer. The Committee therefore advocates the use of other proven and more reliable crude oil price estimation in the interim.

The PIAC is also of the view that use of the average quantity of crude oil for three years to estimate daily production figures could be problematic given that production is expected to increase year on year until peak production is achieved.

## SECTION 8

### 8. ROLES OF INSTITUTIONS

**TABLE 31: THE ROLE OF INSTITUTIONS UNDER THE PETROLEUM REVENUE MANAGEMENT ACT**

Section	Provisions of Act 815	Status
<b>MINISTER OF FINANCE</b>		
17	Benchmark Revenue - not later than September 1st of each year estimate and certify the Benchmark Revenue using the formula set out in the schedule.	Benchmark Revenue has been determined and believed to have been independently certified as required by law following the publication of an advert eliciting interested consultants to apply and undertake the job.
25d	The Minister of Finance and Economic Planning shall enter into an Operation Management Agreement with the Bank of Ghana for the operational management of the Ghana Petroleum Funds	The Agreement has been concluded and signed.
48(1)	The Minister of Finance and Economic Planning to submit an annual report on the Petroleum Funds as part of the annual presentation of the budget statement and economic policies to Parliament	The Minister presented a comprehensive report to Parliament as part of the 2013 Budget and followed it up with a Reconciliation Report during the 1 <sup>st</sup> Quarter of 2014
8(1)	The records of petroleum receipts in whatever form, to be simultaneously published by the Minister in the <i>Gazette</i> and in at least two state-owned daily Newspapers, within thirty calendar days after the end of the applicable quarter.	Report has been variously published in the National dailies and on the website of the Ministry of Finance
8(3)	The Minister to publish the total petroleum output lifted and the reference price in the same manner as provided in subsections (1) and (2).	Report has been variously published in the national dailies, other newspapers (such as the Business and Financial Times) and on the website of the Ministry of Finance
60	The Minister by legislative instrument makes Regulation for the effective performance of the Act.	Regulations drafted and were being finalized until its suspension following the GoG's decision to amend aspects of the PRMA.

25a	Develop an investment policy for the investment of the Ghana Petroleum Funds	
<b>THE AUDITOR GENERAL</b>		
46(2)	The Auditor-General not later than three months after the receipt of the financial statements and other relevant documents submit the audited report to Parliament.	The Auditor General has completed an audit of the Petroleum Funds for the period ended December 31, 2012
46(4)	The Auditor-General shall publish the reports on the Petroleum Funds within thirty days after submission to Parliament	The Report has not yet been published
<b>THE BANK OF GHANA (BOG)</b>		
28(1)	Bank of Ghana Report on the Ghana Petroleum Funds to the Minister and the Investment Advisory Committee Quarterly	The Bank of Ghana has been reporting to the Minister and the Investment Advisory Committee
28(2)	Bank of Ghana report to Parliament and publication in 2 National Dailies not later than 15th Feb and 15 August each year	The Bank of Ghana published 2 semi-annual reports in 2013
<b>GHANA REVENUE AUTHORITY (GRA)</b>		
3(1)	Authority to assess and collect petroleum revenue due the Republic of Ghana	The GRA has been exercising this authority
<b>GHANA NATIONAL PETROLEUM CORPORATION (GNPC)</b>		
7(3)b	Approve the programme of activities of the National Oil Company for 2011	Parliament approved the GNPC's programme for 2012
<b>INVESTMENT ADVISORY COMMITTEE (IAC)</b>		
40(1)	The Investment Advisory Committee to submit quarterly information reports on the performance of the Ghana Stabilization Fund and the Ghana Heritage Fund to the Minister not later than thirty working days after the receipt of quarterly reports from the Bank of Ghana in accordance with the reporting requirements of the Bank of Ghana IAC	The Committee submitted quarterly reports to the Minister of Finance in 2012
7(3)b	Submit programme of activities to Parliament	Submitted its programme to Parliament through Minister of Energy

## SECTION 9

### 9. SUMMARY OF FINDINGS AND RECOMMENDATIONS

---

---

#### *PRODUCTION AND MARKETING*

---

1. The actual average daily production of crude oil from the Jubilee field was 99,685 bopd which is 20% higher than the projected average daily production figure of 83,341 used by the Government of Ghana to determine the Benchmark Revenue (BR) for 2013. This variance could have been higher but for the 9-day shutdown of the FPSO for the scheduled maintenance. The actual achieved volume is still below the projected peak daily production of 120,000 bopd.
2. The total volume of crude oil lifted by the Ghana Group in 2013 was 6,793,449 barrels of oil representing 19.09% of total production for the period under reviewed. This was slightly higher than the GoG share of 18.64% (made up of 5% royalties and 13.64% carrying/participating interest) in the Jubilee project due to stock spill over which is reported year by year.
3. The average achieved price for the Jubilee crude oil for year 2013 of US\$106.95 was about 14% higher than the forecast average price used in estimating the Benchmark Revenue.

#### *PETROLEUM REVENUE RECEIPTS*

---

4. Total petroleum revenues in 2013 was US\$ 846,767,184 ( GH¢ 1,645,585,763) bringing cumulative revenue received since 2011 to US\$1.833 billion (equivalent to GH¢ 3.291billion)
5. Actual petroleum revenue exceeded projected revenues by nearly 46%. This raises further questions about the determination of the Benchmark Revenue. The situation has arisen because all the components used in the estimation of the Benchmark Revenues were lower than the actual turnout. Estimated daily production and expected average price per barrel were lower than the actual. This, combined with the low estimated corporate taxes in the year when taxes were rather to be expected, resulted in low Benchmark Revenue used for the budget projections.

6. There were some discrepancies regarding how much money SOPCL ought to have paid into the Petroleum Holding Fund (PHF) as royalties during the period under review. Whereas BoG and GRA reported that an amount of US\$171,040 was paid by SOPCL in royalties for 2013, information from the SOPCL indicates that a slightly higher amount of US\$217,214 ought to have been paid. This implies that SOPCL has an outstanding amount of US\$46,174 due as royalties for 2013 which must be paid.

---

### *ALLOCATION OF PETROLEUM REVENUE*

---

7. The 2013 petroleum revenues were distributed as follows:

i. GNPC equity financing and share of CAPI	US\$222.42 million representing 26.27%
ii. ABFA for the national budget	US\$273.20 million representing 32.26%
iii. Ghana Petroleum Funds	US\$351.05 million representing 41.47%

8. The GoG complied with the provisions of Section 11(2) by paying all excess petroleum revenues into the GPFs. Compared to previous years therefore; the GPFs in 2013 received US\$77.85 million more than the ABFA. As explained in this report, this unusual situation arose mainly as a result of the underestimation of the Benchmark Revenue, resulting in a situation where the quarterly petroleum revenue receipts exceeded the projected ABFA for each quarter necessitating the obligatory transfer of the excess revenue into the GPFs. This ostensibly led to a move by the government to trigger Section 23 (3) of the PRMA, which allows the Minister of Finance to recommend a cap on the GSF. The process to cap the GSF at US\$ 250 million was announced during the presentation of the 2014 budget statement to Parliament in 2013. A paper detailing PIAC's position on the capping is attached in Appendix 6.

---

### *ALLOCATION OF ABFA*

---

9. In the year 2013, the ABFA was allocated to the four (4) priority areas as follows:

i. Agriculture Modernisation	GH¢ 13.60 million - 2.5%
ii. Roads and Other Infrastructure	GH¢ 372.07 million - 68.40%

iii. Amortisation of Loans for Energy Sector	GH¢ 137.92 million – 25.4%
iv. Capacity Building	GH¢ 20.18 million – 3.70%

10. The road sector benefitted the most from the funds allocated from ABFA in 2013 with over GH¢239.23 million of disbursed on 63 roads and ancillary works. This brings to 118 the total number of roads supported by ABFA since 2011 at a total cost of GH¢544.92 million. It is to be noted that the share of ABFA allocated to road projects accounted for only 14.1% of road sector budget in 2013 (and is expected to account for 17.9% in 2014) and has therefore been used largely as partial funding for the ‘beneficiary road’ projects. Also, all the road projects that have benefited from ABFA funding had been started prior to the discovery of oil and the creation of the ABFA under the PRMA and virtually all of them are yet to be completed.

11. The Committee found that only 3 projects (Anyinam-Konongo, Asankragua-Enchi and Obogu-Ofoase-Gyadem Roads) received ABFA funding for 3 consecutive years between 2011 and 2013 while another 3 received ABFA support for two consecutive years (2011-2012). Nine (9) road projects also received funding for two years (2011 & 2013) but not consecutively.

12. The remaining GH¢132.84 of ABFA allocations to the “Road and Other Infrastructure” priority area in 2013 was spent on infrastructural projects in several sectors including energy, education, water, housing, security and health compared to GH¢159.73 million in 2012. This brings to GH¢293.56 million the total amount of ABFA funding spent on ‘other infrastructure’ projects since 2011.

13. The Committee also found that all the national agricultural projects/programmes funded with part of the ABFA since 2011 are old interventions that were began before the commercial production of oil in Ghana.

14. The expenditure under the Capacity Building priority area appears to be a category under which some expenditure which may not be related to capacity building has been classified. The impact of some of these expenditures is difficult to assess. Only GH¢8.93 million (representing 6.7%) of the total allocations to the Capacity Building priority area has gone into developing capacity in the oil and gas sector over the 3 year period between 2011 and 2013.

15. Approximately GH¢23 million (or 17%) of ABFA earmarked for Capacity Building from 2011 to 2013 went into consumables (such as 'goods and services for MoFA and MLNR, NADMO relief items), Two million Ghana Cedis (GH¢ 2 million) was used to support the Creative Industry while another GH¢8.1 million was given out as cash transfer under the LEAP. Thirty-five million (GH¢35 million) was allocated to MASLOC while another GH¢19 million has been used to set up Venture Capital Fund and Exim Guarantee Fund.
16. In the PIAC 2013 Semi-Annual report, the Committee reported that the GNGC had been paid GH¢40 million out of GH¢69 million leaving an outstanding balance of GH¢29 million, which the GNGC was expecting from the GoG. The PIAC has found that in the information received from the MOF there is a breakdown of an expenditure of GH¢137.27 million classified under Amortisation of Loans for Oil and Gas Infrastructure which included an amount of GH¢72.55 million supposed to have been paid to the GNGC. The Committee's follow-up verification reveals that this amount was not received at the GNGC as at the end of 2013. The MOF has subsequently been asked to re-examine their records and properly disclose under which Priority area the said amount was utilised for in 2013.
17. There is an aggregated amount of GH¢13.27 million (reported to have been paid in two instalments) spent in 2013 that cannot be linked directly to any project. The description given in the list of 2013 ABFA-funded projects simply reads "request for release of the outstanding balance of initial capitalisation" and "initial capitalisation – additional payment".

---

### *PERFORMANCE OF GPFS*

---

18. The investment returns for the GPFs for year 2013 was US\$2.52 million compared to US\$274,258 in 2012. Of the total returns for year 2013, 56% (US\$1.40 million) is attributed to returns on the GSF while the remaining 44% (US\$1.12 million) is attributed to the GHF.

---

### RECOMMENDATIONS

---

1. The Jubilee Partners should spare no effort to remove whatever bottlenecks that are delaying the attainment of the optimum level of production estimated to be 120,000 bopd. Since the long delay in completing the WCGIDP has been cited as one of the



reasons why peak production has not be attained, PIAC recommends an expeditious completion of the project and an equally expeditious tying-in with the offshore pipeline from the Jubilee field to enable immediate evacuation of the associated gas from the Jubilee field.

2. Although the deviation of the actual price of oil from the projected price for this year at 14% is an improvement on the previous year's out-turn, the Bank of Ghana should be supported and encouraged to attain higher accuracy in price forecasting.
3. Closer attention should be paid to the assumptions that go into the determination of the Benchmark Revenue. This is because, as observed in 2013 and even 2012, any marginal deviations from the actual outturns have serious implications on the quantum of allocations to the ABFA and the Ghana Petroleum Funds. The closer the projected BMR is to the actual outcome, the more likely it is for the GoG to receive more petroleum revenue to fund the Budget whilst the Ghana Petroleum Funds are also funded for future purposes.
4. Any future proposal to cap the Ghana Stabilisation Funds should be guided by the specific rules governing withdrawal from either the GSF or the GHF and these rules must be respected.
5. The Government of Ghana should set priorities in the Agriculture Sector for which Petroleum Revenue would be utilised. This will ensure that the impact of such programmes can be visibly acknowledged by stakeholders in the agricultural sector.
6. Similarly, the government should ensure that allocations of the ABFA to road and other infrastructure projects are sufficient to make a meaningful impact in the budget year in which such allocations are made in order that such projects may be completed in a much shorter time. This will save the nation from the problem of cost escalation which extended project durations inevitably occasions.
7. The government should endeavour to focus its expenditure under the capacity building priority area on interventions that will directly enhance the capacity and capabilities of Ghanaians to play a bigger role in the emerging oil and gas industry as envisioned in the Local Content Policy and Regulations
8. The MoF should provide details of how an amount of GH ¢ 85.82 million (made up of GHC72.55 million and GHC13.27 million) allocated to the 'expenditure and

amortisation of loans for oil and gas infrastructure' priority area from the 2013 ABFA was utilised.

9. The PIAC recommends that the Government of Ghana should conduct an immediate evaluation of the effectiveness and impacts of all the projects and programmes that have been funded with revenues from the petroleum sector to help inform the citizenry and also provide the basis for spending allocations in the future.
  
10. In order to prevent the recurrence of spreading ABFA funds thinly over a wide range of projects that make little impact in the economy, the PIAC reiterates recommendation iv in the 2011 Annual report for a long-term national development plan. The Government of Ghana should therefore prioritise and provide the necessary resources for the formulation of a bipartisan long-term National Development Plan to guide the efficient and effective utilisation of petroleum revenue.

## SECTION 10

### 10. PIAC'S ACTIVITIES IN 2013

---

The Public Interest and Accountability Committee embarked on various activities in 2013 in pursuit of its mandate in accordance with the PRMA. Below is a summary of the activities and programmes for the period under review.

---

#### RELOCATION TO RENTED OFFICE PREMISES AT ASYLUM DOWN

---

In October 2013, the PIAC moved into its rented office premises at Asylum Down in Accra. Since its inauguration in 2011, the Committee had been operating from the offices of the Natural Resource Governance Institute (formerly Revenue Watch Institute). The new office space is being gradually furnished to enable the Secretariat assist the Committee in its work.

---

#### FINANCING PIAC PROGRAMS AND ACTIVITIES

---

For the first time since its establishment, the Committee had its budget incorporated in the national budget and funds were allocated for some of the activities of the Committee. However, these funds were received by the PIAC in December, 2013. The PIAC is grateful to the Ministry of Finance for this all-important development.

---

#### MEMBERSHIP

---

The membership of the Committee remained at thirteen and they all participated in the business of the Committee except for the nominee of the Academy of Arts and Sciences Professor P. K. Buah-Bassuah who could not participate fully in the business of the Committee because he is yet to be sworn-in by the Minister of Finance. It is worth mentioning that 14th September 2013 marked the end of the term of nominees with two year term. These were:

1. Major Daniel Ablorh-Quarcoo (Rtd) - Institute of Chartered Accountants Ghana
2. Osabarimba Kwesi Atta II Oguuahen - National House of Chiefs
3. Naa Ayiekailey Nanobeng - Association of Queen Mothers
4. Mr. Yaw Owusu Addo - Ghana Journalists Association
5. Mr. Kwabena Nyarko-Otoo - Trades Union Congress
6. Mr. Kwame Adjei-Djan - Ghana Bar Association

The terms of these members have since been renewed by their nominating institutions waiting to be sworn-in by the Minister of Finance in accordance with the Act. Mr. Kwabena Nyarko-Otoo of the TUC however, has travelled outside Ghana for further studies. The TUC is expected to replace him in 2014.

---

### MEETINGS

---

The Committee had a total of 6 regular meetings. In addition to the regular bi-monthly meetings, there were a number of other sub-committee meetings during the year as follows:

- Technical Sub-Committee – 8 meetings
- Legal Sub-Committee – 2 meetings

---

### NOTABLE EVENTS

---

The following are some of some of the notable events and activities of the PIAC in the year under review:

- Publication of 2012 Semi Annual Report
- Publication of 2012 Annual Report
- Organisation of Public Meeting in Ho, Volta Region
- Visit to the Ghana National Gas Company Limited project site
- Meeting with the Parliamentary Select Committee on Finance

---

### CHALLENGES

---

As a young institution, the PIAC has had its fair share of challenges some of which have negatively impacted the extent of progress it has made in the pursuit of its mandate.

The PIAC was worst hit by financial challenges in the year 2013. For the greater part of the year, the Committee operated with no funding for any of its planned programmes and activities. Not only were Secretariat staff and Committee members not paid any remuneration but also operations came to a halt for about six months.

The lack of funds for most part of the year led to the PIAC having only one public meeting throughout the year.

It also could not fulfil one of its core mandates of providing space and platform to the public to debate priority spending for the next three years as the current one came to an end in September, 2013.

Going forward, it is the hope of the Committee that the resource constraint which seriously limits the extent of the execution of its core mandate under the PRMA will be a thing of the past.





## 11. CONCLUSION

---

The year 2013 marks a significant milestone in Ghana's quest to ensure transparency and accountability in the management of petroleum revenue. Among other things, it is the end of the first of phase of spending priorities selected by the Minister of Finance in 2011 to be funded from the Annual Budget Funding Amount.

Consequently, this report of the Public Interest and Accountability Committee, the third in series of its annual reports, has provided more detail than usual with the view to providing a more holistic picture of how the revenues from the country's hydrocarbon resources have been accounted for and utilised since the inception of the Petroleum Revenue Management Act. The details provided in this report are intended to serve the purpose of informing the Ghanaian public about revenue and expenditure in the oil sector.

For our part as members of the PIAC, we have been reasonably satisfied with the performances of the state institutions tasked with the responsibility of managing the petroleum resources, in so far as compliance with the Act is concerned over the past three years. However, the Committee has had cause during the period to register a few concerns about the way and manner certain provisions of the PRMA have been interpreted and implemented by the duty-bearers. Notable among these concerns are the processes used in the determination of the benchmark revenue; funding of the Ghana Petroleum Funds and the way the ABFA has been stretched thinly on several projects thereby limiting the effectiveness and impacts of those projects. All these concerns have been well-articulated in our reports and specific recommendations for addressing them proffered. It is our sincere hope that these recommendations would be taken on board by the relevant institutions to help deepen transparency and accountability in the petroleum sector.

It is also the expectation of the Committee that the information and issues presented in this report will be thoroughly discussed by all stakeholders, especially at the public fora that the Committee will be organising in the coming weeks, and feedback provided. The PIAC also calls on all stakeholder institutions to dispassionately study the content of the report and make efforts to improve in areas that require improvement and sustain efficiency in the petroleum sector.



## REFERENCES

---

**BOG**, 2014, *Petroleum Holding Fund and Ghana Petroleum Fund, Semi Annual Report, July 1 – December 31, 2013*

**GNGC**, 2014, *'Ghana National Gas Company Operations Report (June-December 2013)'*

**GNPC**, 2014, 'Annual Petroleum Report for 2013'

**Ministry of Finance**, 2013, *2013 Annual Report on Petroleum Funds*

**Ministry of Finance**, 2014, *Reconciliation Report on Petroleum Holding Funds*

**SOPCL**, 2014, "Unaudited Financial Statements for the Year Ended 31<sup>st</sup> December, 2013"

**Tullow**, 2014, *Tullow Oil PLC 2013 Annual Report and Account*

## ANNEXURE

### APPENDIX 1: LIST OF OIL AND GAS DISCOVERIES IN GHANA SINCE THE JUBILEE DISCOVERY

BLOCK/OPER	DISCOVE	DISCOVERYPERIOD	HYDROCARBON	STATUS
<b>GNPC</b>	EBONY	November,2008	Condensate/Gas	<b>Marginal</b>
<b>DWT/TULLOW OIL</b>	Tweneboa-1	March, 2009	Gas Condensate	<b>PoD</b>
	Tweneboa-2	February,2010	Oil	<b>PoD</b>
	Owo/Enyenra	July,2010	Oil	<b>PoD</b>
	Ntomme	January,2011	Oil & Gas	<b>PoD</b>
	Wawa	July,2012	Oil & Gas	<b>Exploration</b>
<b>WCTP/KOSMOS ENERGY</b>	Odum-1	March, 2008	Heavy Oil	<b>Marginal</b>
	Mahogany-	January,2009	Light Oil	<b>Appraisal</b>
	Teak-1	February,2011	Oil & Gas	<b>Appraisal</b>
	Teak-2	March,2011	Gas	<b>Appraisal</b>
	Banda-1	July,2011	Oil	<b>Marginal</b>
	Akasa-1	August,2011	Light Oil& Gas	<b>Appraisal</b>
<b>OCTP/ENI</b>	Sankofa-1	July,2009	Gas	<b>AppraisalCompl</b>
	GyeNyame-1	July,2011	Gas	<b>AppraisalCompl</b>
	Sankofa East	September, 2012	Oil & Gas	<b>Exploration</b>
<b>DWTCTP/HESS</b>	Paradise-1	May, 2011	Oil & Condensate	<b>Exploration</b>
	HickoryNort	June,2012	Oil & Condensate	<b>Exploration</b>
	Beech	September, 2012	Oil	<b>Exploration</b>
	Almond	October, 2012	Oil	<b>Exploration</b>
	Pecan	December,2012	Oil	<b>Exploration</b>
	<b>Cob</b>	<b>January,2013</b>	<b>Oil</b>	<b>Exploration</b>
	<b>PN-1</b>	<b>February,2013</b>	<b>Oil</b>	<b>Exploration</b>
<b>DWCTP/LUKOI</b>	<b>Dzata-1</b>	<b>February,2009</b>	<b>Oil&amp;Gas</b>	<b>Appraisal</b>

Source: GNPC, 2014

APPENDIX 2: CRUDE OIL LIFTINGS BY JUBILEE PARTNERS (JAN-DEC 2013)

LIFTING DATE	JUBILEE PARTNER	QTY LIFTED (bbls)
04-Jan-2013	Ghana Group-0010	995,550
13-Jan-2013	Anadarko & Sabre Oil and Gas Limited-0013	994,898
23-Jan-2013	Tullow Ghana Limited-0019	982,589
01-Feb-2013	Kosmos-0013	996,056
10-Feb-2013	Tullow Ghana Limited-0020	995,855
19-Feb-2013	Anadarko & Sabre Oil and Gas Limited-0014	996,141
01-Mar-2013	Ghana Group-0011	996,201
11-Mar-2013	Tullow Ghana Limited-0021	994,727
23-Mar-2013	Kosmos-0014	995,140
31-Mar-2013	Anadarko & Sabre Oil and Gas Limited-0015	994,366
10-Apr-2013	Tullow Ghana Limited	995,873
21-Apr-2013	Ghana Group	995,520
29-Apr-2013	Kosmos	948,755
08-May-2013	Anadarko & Sabre Oil and Gas Limited-0016	994,933
16-May-2013	Tullow Ghana Limited-0023	942,628
26-May-2013	Kosmos-00016	994,989
05-Jun-2013	Tullow Ghana Limited-0024	995,548
15-Jun-2013	Anadarko & Sabre Oil and Gas Limited-0017	948,226
23-Jun-2013	Ghana Group-0013	995,685
03-Jul-2013	Tullow Ghana Limited-0025	994,790
12-Jul-2013	Kosmos-0017	917,033
21-Jul-2013	Anadarko & Sabre Oil and Gas Limited-0018	994,466
01-Aug-2013	Tullow Ghana Limited – 0026	995,627
11-Aug-2013	Ghana Group-0014	994,966
22-Aug-2013	Anadarko & Sabre Oil and Gas Limited-0019	994,465
01-Sep-2013	Kosmos-0018	995,260
11-Sep-2013	Tullow Ghana Limited-0027	946,731
18-Sep-2013	Tullow Ghana Limited-0028	994,565
11-Oct-2013	Anadarko & Sabre Oil and Gas Limited-0020	994,478
20-Oct-2013	Kosmos-0019	983,470
01-Nov-2013	Ghana Group-0015	898,338
09-Nov-2013	Tullow Ghana Limited-0029	947,736
19-Nov-2013	Anadarko & Sabre Oil and Gas Limited-0021	948,272
28-Nov-2013	Kosmos-0020	947,240
10-Dec-2013	Tullow Ghana Limited-0030	901,996
20-Dec-2013	Ghana Group-0016	917,189
<b>TOTAL LIFTED</b>		<b>35,120,302</b>

Source: GNPC, 2014

**APPENDIX 3: LIFT OF ABFA-FUNDED ROAD PROJECTS, 2011-2013**

	<b>PROJECT DETAILS</b>	<b>REGION</b>	<b>AMOUNT RELEASED</b>	<b>REMARKS</b>
<b>2011</b>				
1.	Reconstruction of Asankragua-Enchi Road	Western	5,416,022.34	Ongoing
2.	Emergency Rehabilitation works on Dansoman main Road	Greater Accra	3,320,581.31	Ongoing
3.	Rehabilitation of Anyinam-Konongo Road, Nkawkaw by-pass (Adden no.2)	Eastern	24,133,425.39	Ongoing
4.	Partial Reconstruction of Bomfa Junction-Asiwa and Bekwai-AmoahaAsiwa road	Ashanti	5,387,778.17	Ongoing
5.	Upgrading of Tainso-badu-Adentia Road	Brong Ahafo	8,553,812.88	Ongoing
6.	Reconstruction of Berekum-Sampa Road	Brong Ahafo	9,664,568.64	Ongoing
7.	Construction of Kpando-Worawara -Dambai Road Phase III	Volta	5,094,442.01	Ongoing
8.	Emergency works on the upgrading of Ho-Adidome and AdakluXelekpe-Aduadi Road	Volta	3,271,079.63	Ongoing
9.	Construction of TwifoPraso-Dunkwa Road	Central	1,500,000.00	Ongoing
10.	Construction of steel bridge over river Amunam and over River Kakum on Kwaprow-Ankaful Road	Central	1,053,000.00	Ongoing
11.	Reconstruction of Navrongo-Tumu Road	Upper West	1,650,000.00	Ongoing
12.	Accra-Kumasi Highway Dualisation Project: kwafokrom-Apedwa Section	Eastern	34,300,601.28	Ongoing
13.	Reconstruction of Sunyani Road in Kumasi (Sofoline Interchange)	Ashanti	12,114,004.37	Ongoing
14.	Rehabilitation of AnwiankwantaManso-Abore-Adumasa Road	Ashanti	3,785,562.21	Ongoing
15.	Rehabilitation and Pavement Strengthening of Buipe-Tamale Road	Northern	9,377,922.47	Ongoing
16.	Rehabilitation of Obogu-Ofoase-Gyadem Road	Brong Ahafo	111,919.65	Ongoing
17.	Rehabilitation of Obofu-Ofoase-Gyadem Road Phase I	BrongAhafo	1,086,597.40	Ongoing
18.	Upgrading of Tingakrom-Banda Ahenkro Road	Brong Ahafo	1,349,441.92	Ongoing
19.	Anwiankwanta-AssinPraso Road	Ashanti	325,256.12	Ongoing
20.	Reconstruction of Berekum-Sampa Road	Brong Ahafo	574,631.25	Ongoing
21.	Berekum-Sampa Road	Brong Ahafo	1,025,346.56	Ongoing
22.	Rehabilitation of Kintampo Town Road	Brong Ahafo	74,863.02	Ongoing
23.	Construction of Wench-Sampa Road Phase II, Nsawkaw-Namase Section	Brong Ahafo	788,102.46	Ongoing
24.	Emergency Works for the Upgrading of Ho-Adidome Road	Volta	2,863,039.66	Ongoing
25.	Rehabilitation of National Trunk Road N.8 (Assin-Praso-Asante Bekwai) relocation of Telecom facilities	Ashanti	804,989.74	Ongoing
26.	Emergency Rehabilitation of Mampong – Boanim-Jamasi Road – Phase 2	Ashanti	569,763.79	Ongoing
27.	Upgrading of Kumawu Town Roads	Ashanti	219,306.38	Ongoing
28.	Upgrading of SefwiBekwai-Eshiem-AsankragwaRoad	Ashanti	14,223,690.28	Ongoing
29.	N.I Highway Upgrade –Lot 2:GOG Commitments –request for Reimbursement of Funds	Greater Accra	7,625,437.25	Ongoing

30.	Upgrading of Kade-Wenchi-Akim-Oda and Adankrono-Pamkese-AkimAkropong Road	Eastern	506,572.49	Ongoing
31.	Construction of Bamboi-Tinga Section	Northern	9,061,763.55	Ongoing
32.	Construction of Wa-Han Road	Upper West	2,516,233.46	Ongoing
33.	Upgrading of Ampoma-Anyima Town Road	Brong Ahafo	1,303,573.64	Ongoing
34.	Resealing Partial Reconstruction of Apam-Ankamu-Afansi Road	Central	300,000.00	Ongoing
35.	AsiekpeMafi Kumasi and Sogakope-Senior High School Access road, Emergency work Lot 4	Volta	605,574.85	Ongoing
36.	Construction of Ho-Fume Road	Volta	3,190,731.61	Ongoing
37.	Construction of Sogakope-Adidome Road	Volta	882,903.67	Ongoing
38.	Upgrading of Sogakope-Adidome Road. Asiepe-Mafi Kumasi-Sogakope SHS Access Road Lot 4	Volta	3,293,184.53	Ongoing
39.	Upgrading of Sogakope-Adidome Road	Volta	1,279,263.85	Ongoing
40.	Upgrading Sogakope-Adidome Road Lot 4	Volta	2,033,652.62	Ongoing
41.	Road markings and Traffic signs of Winneba - Swedru Road	Central	102,174.93	Ongoing
42.	Rehabilitation of Techiman-Kintampo Trunk Road Lot 1: Techiman-Apaaso	Brong Ahafo	8,172,620.74	Ongoing
43.	Rehabilitation of Techiman-Kintampo Trunk Road Lot 1: Techiman	Brong Ahafo	826,860.97	Ongoing
44.	Reconstruction of Kpando-Worawora-Dambai Road	Volta	2,860,313.79	Ongoing
45.	Rehabilitation of Kpando-Worawora-Dambai Road (Phase III)	Volta	3,335,990.66	Ongoing
46.	Rehabilitation of Kpando-Worawora-Dambai Road	Volta	450,200.74	Ongoing
47.	Dualization of Accra-Kumasi Highway Lot 1A: Fumesua-Ejisu Road	Ashanti	5,380,121.68	Ongoing
48.	Addendum No.2 Rehabilitation of Anyinam-Konongo Road Overlay of KonongoOdumase Road	Ashanti	1,120,395.64	Ongoing
49.	Accra-Kumasi Highway Lot 6:Fumesua-Ejisu Road	Ashanti	613,487.13	Ongoing
50.	Messrs Rehabilitation of Anyinam-Konongo	Ashanti	1,481,562.62	Ongoing
51.	Rehabilitation of Anyinam-Konongo Road: Nkawkaw By-Pass No.2	Ashanti	6,026,262.06	Ongoing
52.	Rehabilitation of Anyinam-Konongo Road: Nkawkaw By-Pass No.1	Ashanti	1,419,372.92	Ongoing
53.	Rehabilitation of Anyinam-Konongo Road overlay of Nsawam main road	Ashanti	65,509.00	Ongoing
54.	Rehabilitation of Anyinam-Konongo Road Addendum No.1-Anyinam-Konongo Section	Ashanti	64,179.00	Ongoing
55.	Reconstruction of Asankragwa-Enchi Road	Western	16,508,674.16	Ongoing
<b>SUB-TOTAL</b>			<b>227,627,298.10</b>	
<b>2012</b>				
56.	Shortfall due to exchange rate variation in payment of Road Construction projects	Nationwide	12,268,428.46	
57.	Rehabilitation of Ofankor – Asofan Road	Greater Accra	2,691,490.57	
58.	Emergency rehabilitation of old Ada and Light Industrial areas Road – Tema	Greater Accra	8,981,567.37	

59.	Emergency construction of storm-drains and some road works in Blue Lagoon – Accra	Greater Accra	1,063,568.51	
60.	Upgrading of Besoro (Kumawu) – Agogo Road	Ashanti	4,891,827.74	
61.	Bomfa Junction – Asiwa – Bekwai (Amoafu) Road Project	Ashanti	1,727,398.80	
62.	Emergency road rehabilitation works (Upgrading of Spintex road and East Legon area roads and culvert on Spintex road)	Greater Accra	2,327,425.56	
63.	Emergency Rehabilitation works on Oyoko (Effiduase) – Nsuta Road	Ashanti	580,781.69	
64.	Construction of Enchi – Dadieso Road (KM 0 -30)	Western	1,883,478.55	
65.	Construction of Twifo – Praso – Dunkwa Road	Western	1,141,954.47	
66.	Rehabilitation of Anwiankwanta – Manso – AboreAdumasa	Ashanti	1,126,998.05	
67.	Rehabilitation of Obogu-Ofase-Gyadem-BodwesangoAdansiAsokwa Road	Ashanti	6,612,537.69	
68.	Rehabilitation of Techiman – Kintampo Trunk road Lot I	Brong Ahafo	1,805,892.80	
69.	Reconstruction of Asankrangwa – Enchi Road	Ashanti	4,312,992.40	
70.	Upgrading of Sommey Main Road / Akpenamawu Area Roads / Sommey Down Area Roads	Volta	287,589.74	
71.	Construction of Wa-Han roads Project Lot I	Northern	803,843.31	
72.	Compensation of Affected persons by the construction of Accra – East Corridor roads	Greater Accra, Volta and Northern	271,440.00	
73.	Emergency Rehabilitation of AbosseyOkai Road Phase I	Greater Accra	267,887.43	
74.	Construction of 2 storey office building for Department of Urban Road (DUR) technician		300,305.15	
75.	Rehabilitation of Musuko-Atomic Hills Road, Ga East	Greater Accra	1,297,422.33	
76.	Emergency rehabilitation of traffic signals within Accra Metropolitan Area	Greater Accra	671,078.54	
77.	Rehabilitation of 10 <sup>th</sup> avenue extension and NiiOdaiAyiku Road, Nungua	Greater Accra	677,336.95	
78.	Upgrading of Adukrom Area Roads, Kumasi	Greater Accra	390,403.59	
79.	Rehabilitation of Ashiaman – Zeenu Road, Afariwa Road, Tema Oil Refinery and Kpone Main Road	Greater Accra	688,829.33	
80.	AFD Oforikrom-Asokwa Bypass and Lake Road Improvement	Ashanti	401,958.76	
81.	Emergency rehabilitation of Boundary Road, Motorway slip, Gulf House to North Dzorwulu	Greater	815,377.77	
82.	Rehabilitation of Otublohum Road and links,	Greater	846,778.73	

	Accra			
83.	Upgrading of roads to Osabene, Nyamekrom, Densu Intake and Atekyem, Koforidua	Eastern	618,339.06	
84.	Emergency rehabilitation of some selected roads in Sekondi-Takoradi	Western	859,089.34	
85.	Upgrading of Technical Police station – AsokoreMampong Roads Hostel Road at KNUST-Kumasi	Ashanti	412,224.43	
86.	Rehabilitation of Buade Road, Nungua	Greater Accra	641,493.39	
<b>SUB-TOTAL</b>			<b>78,054,398.91</b>	
<b>2013</b>				
87.	Construction of Navrongo-Tumu Road	Upper East	5,153,260.66	On-going
88.	Accra-Kumasi Highway Dualization Project Lot.6 Kwafokrom-Apedwa Sections	Greater Accra	789,226.07	On-going
89.	TettehQuarshie-Mamfe Road Project. Madina-Pantang Section	Greater Accra	202,950.88	On-going
90.	TettehQuarshie-Mamfe Road Project. Madina-Pantang Section	Greater Accra	626,921.52	On-going
91.	Continuation of the rehabilitation of Anyinam, Konongo Road-Nkawkaw Bypass	BrongAhafo	4,765,997.44	On-going
92.	Construction of dual carriage-TettehQuarshie Interchange-Madina	Greater Accra	6,611,226.01	On-going
93.	Rehabilitation of Nsawam-Apedwa road, Nsawam bypass section	Eastern	2,458,519.48	On-going
94.	Accra-Kumasi Highway dualisation project lot 6: Apedwa-Nsawam bypass including bridges	Eastern	670,528.89	On-going
95.	Reconstruction of Asankragwa-Enchi Road	Western	1,355,864.64	On-going
96.	Emergency works for upgrading of Ho-Adidome Road Lot 2	Volta	355,354.16	On-going
97.	Reconstruction of Sunyani roads in Kumasi (Sofoline interchange)	Ashanti	202,950.88	On-going
98.	Construction of steel bridge over river kulpawn on lauri No.1-Jadima road (Walewale Road) lot. 8	Northern	789,226.07	On-going
99.	Construction of Wa-Han Road Lot 1	Upper West	562,906.34	On-going
100.	Construction of Oforikrom-Asokwa bypass and Lake Road improvement	Ashanti	2,207,351.38	On-going
101.	Upgrading of Tingakrom-Banda Ahenkro road	BrongAhafo	345,838.98	On-going
102.	Rehabilitation of Obogu-Ofoase-Gyadem-Bodwesango-AdansiAsokwa Road	Ashanti	5,939,788.96	On-going
103.	Reconstruction of Otuam-Essuehyia Road, Otuam Town Roads	Central	574,203.64	On-going
104.	Rehabilitation of Bekwai (Amoafu) Ampoha-Asiwa Road	Western	3,108,908.22	On-going
105.	Upgrading of Benchema Barrier-Oseikojokrom Road	Western	509,507.11	On-going
106.	Partial reconstruction of Essiam Town roads	Central	495,694.89	On-going
107.	Upgrading of Golokwati-Wli-Hohoe road (10.00km) Lot 3	Volta	2,361,807.65	On-going
108.	Partial reconstruction of Apam-Mumford-Otuam Road	Central	621,090.60	On-going
109.	Reconstruction of Berekum-Sampa Road	BrongAhafo	1,339,131.49	On-going
110.	Reconstruction of Berekum-Sampa Road	Brong Ahafo	607,977.79	On-going

111.	Upgrading of Tainso Badu Adientia Road	BrongAhafo	2,457,560.69	On-going
112.	Emergency works for the upgrading of Ho-Adidome road	Volta	2,457,560.69	On-going
113.	Anwiankwanta-AssinPraso Road Sectional Project	Central	387,792.82	On-going
114.	Upgrading of Obogu-Ofoase-Gyadem-Bodwesango-AdansiAsokwa Road	Ashanti	3,248,160.40	On-going
115.	Construction of Steel Bridge over River Kulpawn on Lauri No.1-Jadima road (Walewale road) Lot.8	Volta	1,579,742.46	On-going
116.	Upgrading of Emena-Boadi main road in Kumasi	Ashanti	655,421.53	On-going
117.	Emergency rehabilitation of Dansoman main road, Nima Highway, Dadeban and Palance street	Greater Accra	126,248.53	On-going
118.	Emergency rehabilitation works in Tema-Minor rehabilitation of signboard road-Klagon	Greater Accra	266,626.85	On-going
119.	Partial reconstruction of Meridian road, Comm 2. Main road and rehabilitation of Beach Road, Tema	Greater Accra	508,329.80	On-going
120.	Emergency construction of storm drain and rehabilitation of Miklin Area Roads in Accra	Greater Accra	454,193.57	On-going
121.	Emergency rehabilitation of Adjei-Kojo Road, Ashaiman	Greater Accra	1,737,926.11	On-going
122.	Upgrading of Abaawa Ruth/resealing of selected roads in Kumasi	Ashanti	493,384.39	On-going
123.	Rehabilitation of Breman-UGC and Sepe Dote road Kumasi	Ashanti	1,387,522.10	On-going
124.	Upgrading of market road and selected roads within Obuasi	Ashanti	597,377.51	On-going
125.	Upgrading of CK and Fiave area roads Ho municipality	Volta	2,659,018.14	On-going
126.	Emergency road rehabilitation works (upgrading of Spintex Road and East Legon area roads and culvert on Spintex road)	Greater Accra	1,338,306.41	On-going
127.	Partial reconstruction of selected roads at Ayawaso Central	Greater Accra	675,270.78	On-going
128.	Emergency road rehabilitation in Tema-Asphaltic Overlay of CBD roads, republic and Padmore Roads	Greater Accra	4,003,799.40	On-going
129.	Reconstruction of Asankragwa-Enchi road	Western	10,156,437.96	On-going
130.	Construction of Ho-Fume road	Volta	2,602,083.15	On-going
131.	Asiekpe-Mafi Kumasi road and Sogakope Senior High School access road, emergency works lot 4	Volta	241,720.16	On-going
132.	Rehabilitation of Anyinam-Konongo Road Nkawkaw	Ashanti	1,224,640.33	On-going
133.	Emergency works for the upgrading of Ho-Adidome road Lot 3	Volta	2,007,781.98	On-going
134.	Upgrading of Dormaa-Ahenkro-Nkrankwanta road	BrongAhafo	538,270.66	On-going
135.	Construction of Dutch Steel bridge No. NR 01 over river Dambatik on Bunkpurugu-Nadteng feeder road	Northern	753,552.35	On-going
136.	Bitumen surfacing of New Tafo-Nobi-Samlesi-Anwiabeng feeder road	Eastern	377,533.52	On-going
137.	Bitumen surfacing of Elubo-Enchi road (N12)	Western	7,984,475.23	On-going



138.	Culverts on Bekpo-Bleamazado-Tregui-Agotoe feeder road (KM 7.80-22.0) Construction of 3 No. reinforced concrete box	Volta	3,732,812.62	On-going
139.	Rehabilitation of Buade road, Nungua	Greater Accra	885,212.39	On-going
140.	Bitumen surfacing of Kpersi-Guono feeder roads	Upper east	2,340,946.12	On-going
141.	Construction of frontal fence wall at AshalleyBotwe, Accra	Greater Accra	1,422.19	On-going
142.	Construction of steel bridge over river offin on AdansiOwusukrom-AssinAsamang feeder road	Ashanti	225,474.58	On-going
143.	Construction of Dutch steel bridge on AgonaNsaba-AgonaNkran feeder road	Central	1,623,993.61	On-going
144.	Construction of steel bridge No. Er/S/05 across river Asukese on Anyinase junction Etwereso feeder road	Western	1,808,783.44	On-going
145.	Upgrading of Sefwi Wiaso-Akontombra: Lot 2	Western	2,132,989.37	On-going
146.	Rehabilitation of Chiraa road (Penkwase to Military Barracks) Sunyani	BrongAhafo	1,149,861.01	On-going
147.	Rehabilitation of Odumasi town roads	Brong Ahafo	1,149,861.01	On-going
148.	Upgrading of Hansuah roads and links-Techiman	BrongAhafo	1,974,617.20	On-going
149.	Supervision services of selected Ghana-Acrow and Ghana-Spanish bridges in upper east region of Ghana	Upper East	132,473.13	On-going
<b>SUB-TOTAL</b>			<b>239,233,427.54</b>	

Source: Ministry of Finance, 2014

**APPENDIX 4: LIST OF OTHER INFRASTRUCTURAL PROJECTS FUNDED WITH ABFA, 2012-2013**

	<b>PROJECT DETAILS</b>	<b>REGION</b>	<b>AMOUNT RELEASED</b>	<b>REMARKS</b>
<b>Energy</b>				
1.	GOG counterpart funding on US\$350M SHEP4	Central, Western and Brong Ahafo	14,675,756.02	
2.	GEDAP (counterpart funding for Ghana Energy Development and Access Project for 2012)	Nationwide	396,000.00	
3.	Shortfall due to exchange rate variation in payment of Min. of Energy projects		601,123.43	
4.	Services rendered by 6 consultant, 11 contractors and 6 transporters for SHEP	Nationwide	1,370,217.07	
5.	Supply and installation of streetlights and accessories at Jachie & Beposo, Atuabo and Tema motorway	Greater Accra	3,251,845.48	
6.	Payment for the supply of electrical materials for the National Electricity Scheme	Nation-wide	452,604.74	
7.	Work done for the National Electrification Scheme	Nationwide	1,467,112.19	
8.	Advance mobilization for supply of 10m and 11m steel tubular poles	Nationwide	5,672,317.61	
9.	Supply of electrical materials for rural electrification project	Nationwide	904,794.21	
10.	Work done under SHEP		1,208,229.25	
<b>Security</b>				
11.	Rehabilitation of Adukrom Police Station	Eastern	400,000.00	
12.	Construction of Ankaful Maximum Prison	Central	15,000,000.00	
<b>Health</b>				
13.	Procurement of 2 Sterilisation Biomedical Equipment for National Cardiothoracic Centre, KBTH	Greater Accra	435,236.69	
<b>Education</b>				
14.	Construction of 3-Unit Classroom Block at Aveme Resettlement United JHS	Kpando Distr., Volta Region	154,092.47	
15.	Const. of 6-Unit Classroom Blk at Gbullung D/A Primary	Northern	132,551.73	
16.	Construction of 6-Unit Classroom Blk at Kankansa Primary	Upper East	164,506.83	
17.	Construction of a 3-unit classroom block at Kpalinsa Primary	Builsa Distr., Upper East	166,006.83	
18.	Construction of a 3-unit classroom Block at Yariga Primary	Upper East	181,810.16	
19.	Construction of a 6-Unit Classroom Blk at Agomo Primary	Upper east	149,578.99	
20.	Construction of 6-unit classroom block at Ehiamankese Primary	Volta	137,490.10	
21.	Construction of 3-unit classroom block at Soo D/A Primary	West Mamprusi, Northern	104,490.47	

22.	Construction of a 3-unit classroom block at Osiabura Primary	Asuogyaman Distr., Eastern	114,291.06	
23.	Construction of 6-unit classroom block at Brofoyedru D/A Primary	Adansi South Distr, Ashanti	262,494.81	
24.	Construction of 6-unit classroom block at AsamanTanfoe Primary	Atiwa Distr., Eastern	139,423.37	
25.	Construction of 6-unit classroom block at Nyamekyere D/A Primary	Adansi North, Ashanti	142,428.93	
26.	Construction of 3unit classroom block at Dededo L/A Primary	Volta	100,615.18	
27.	Construction of 6-unit classroom block at Al-Manara E/A Primary School	Eastern	145,484.98	
28.	Construction of 6-unit classroom blk at Jonshegu primary	Northern	123,261.67	
29.	Construction of 2 Stream KG blk at YorogoAkakiya Primary	Bolgatanga Municipality, Upper East	101,171.64	
30.	Construction of 6-unit classroom block at Manso Meth Primary	Nkoransa North Distr., BrongAhafo	113,935.25	
31.	Construction of 6-unit classroom block at Sang D. A Primary	Yendi, Northern	106,101.09	
32.	Construction of 6-unit classroom block at Osiabure Primary	Asuogyaman Dist., Eastern	134,007.85	
33.	Construction of 6-unit classroom block at Ntariba S.D.A. Primary	BrongAhafo	144,912.16	
34.	Construction of a 6-unit classroom block in KabechiPresby Primary	Volta	140,625.58	
35.	Construction of 6-unit classroom block at Motori D/A Primary	Eastern	110,175.78	
36.	Construction of a 6-unit classroom block at Aputuogya D/A Primary	Bosomtwe District, Ashanti	111,145.57	
37.	Construction of 6-unit classroom block at Gwollo L/A Primary	Sissala wet Distr., Upper West	110,175.78	
38.	Construction of 6-unit Classroom block at Duu Primary	Wa East dist., Upper West	110,175.78	
39.	Construction of 6-unit classroom block at Batume Junction Primary (Ziope)	Volta	175,413.90	

40.	Construction of 6-unit classroom block at Ankaase S.D.A Primary	Ashanti	108,748.35	
41.	Construction of 6-unit classroom block at Nayinkundo E.P. Primary	Upper West	135,111.20	
42.	Construction of 6-unit classroom block at Dadieso Primary	Western	262,888.68	
<b>Rail Transport</b>				
43.	Payment of Interim Payment certificates No. 4,1,5, & 6 – construction of railway track from Asoprochona – Tema station and Tema-Japan Motors Station	Greater Accra	5,332,329.66	
44.	Payment of interim payment certificates No. 7 construction of railway track from TemaHarbour – Japan Motors Station	Greater Accra	1,539,756.56	
45.	Payment of interim payment certificates No. 7 construction of railway track from TemaHarbour-Japan Motors Station	Greater Accra	4,133,595.27	
46.	Railway master plan	Nationwide	342,585.27	
<b>Water Transport</b>				
47.	Procurement of three (3) units 50-seater passenger, HDPE ferries		1,127,977.94	
48.	Procurement of three (3) units 50-seater passenger HDPE ferries. Second Instalment		1,170,938.71	
49.	Procurement of three (3) units 50-seater passenger, HDPE ferries		860,910.89	
50.	Volta Lake enhancement project		40,000,000.00	
<b>Water Supply</b>				
51.	Akrokeri pipe water supply project at Akrokeri in the Ashanti Region	Ashanti	368,000.00	
52.	Construction of the small town water supply system at AssinFosu	Central	410,644.08	
53.	Rehabilitation of the Binduri Small Town water supply system in the Upper East Region under GOG rural water supply project	Upper East	167,103.29	
54.	Construction of 5 water supply projects at Ablorgame, Bleamezado, Tokor and Sadzimadza all in the Ketu South District	Volta	678,110.10	
55.	Drilling and construction of 93 No. boreholes in the BrongAhafo Region	Brong Ahafo	837,859.68	
56.	Extension of office block at the ministries in Accra for MWRWH	Greater Accra	156,031.00	

57.	Extension of office block at the ministries in Accra for MWRWH	Greater Accra	369,485.73	
58.	Construction of small town water supply system at AssinFosu in the Central Region	Central	350,843.42	
<b>Works and Housing</b>				
59.	Construction of houses types A,B,C and D as well as services and external works at Vodza at Z	Volta	2,500,000.00	
60.	Construction of 2 storey office building for DUR technician		300,305.15	
61.	Construction of housing units for the Bureau of National Investigation (BNI)	Greater Accra	4,699,405.66	
62.	Construction of Sakumono Sea Defence Project – IPC No.3 and 4	Greater Accra	6,000,000.00	
63.	Construction of Jubilee Market at Tapa	Tapa - Ashanti	2,212,031.88	
64.	Construction of Jubilee Market at Mampong teng	Mampong teng – Ashanti	3,475,685.47	
65.	Jubilee Market Consultant Fee	Mampong teng – Ashanti	1,070,497.85	
66.	Construction of Jubilee Market at Kukuo	Kukuo, Tamale	440,849.09	
67.	Construction of Jubilee Market at Wa	Wa, Upper West	178,446.48	
68.	Construction of Market	Wa, Upper West	156,673.00	
69.	Construction of Market	Zebila, Bawku UER	130,513.01	
70.	Construction of Market	Krofrom, Kumasi	1,865,634.55	
71.	Construction of shops and washrooms	Krofrom, Kumasi	825,926.53	
72.	Construction of Jubilee Market at Navrongo	Navrongo, Upper East	250,579.74	
73.	Construction of Jubilee Market at Bawku	Bawku, Upper East	161,583.43	
74.	Construction of Jubilee Market at Sandema	Sandema, Upper East	119,406.15	
75.	Construction of Jubilee Market at Tongo	Tongo, Upper East	116,551.16	
76.	Construction of Jubilee Market at Bongo	Bongo, Upper East	111,386.38	
<b>Others</b>				
77.	CEDECOM	Central	5,452,170.00	
78.	GRATIS	All	1,751,638.11	
79.	National Flood Control Programme Nation wide	All	3,500,000.00	
80.	Payment of Arrears from Management and Logistics Services for the Coastal Zone Development Project (ECOBRIGADE)		15,000,000.00	

<b>SUB-TOTAL</b>			<b>159,730,941</b>	
<b>2013</b>				
<b>Rail Transport</b>				
81.	Advance payment in respect of rolling stock to Takoradi-Sekondi via Kojokrom suburban railway line	Western	1,939,205.00	On-going
82.	Work done under IPC No.3 by Amandi Holdings Ltd for the construction of Japan Motors Station buildings and renovation of 5 No. stations along Accra-Tema railway line project	Greater Accra	7,636,665.04	On-going
83.	Work done under PIC No.3 by Amandi Holdings Ltd for the construction of Japan Motors Station buildings and renovation of 5 No. stations along Accra-Tema railway line project	Greater Accra	1,165,680.36	On-going
<b>Education</b>				
84.	Schools under trees project-constr. Of 6 unit classroom block at Kotito No.1 prim.		88,376.79	On-going
85.	Construction of Teaching Hospital Administration Block at KNUST, Kumasi	Ashanti	1,363,077.59	On-going
86.	Schools under trees project Phase II. Construction of 6-unit classroom blk at Niifo Prim		120,240.91	On-going
87.	Schools under trees project-constr. Of 6-unit classroom block at Asamankese Methodist prim.	Eastern	182,425.98	On-going
88.	Schools under trees project-construction of 6-unit classroom blk at Ehiamankyene R/C prim		118,705.36	On-going
89.	Schools under trees project-constr. Of 6-unit classroom block at GbedemKunkua primary		213,714.23	On-going
90.	Schools under trees project-Phase 2-Construction of 6-unit classroom blk at Osenase L/A primary		141,025.03	On-going
91.	Schools under trees project-const. of 6-unit classroom block at Anyimah Anglican prim		121,723.11	On-going
92.	Schools under trees project-constr. Of 6-unit classroom block at VogguGungaa D/A prim.		205,013.60	On-going
93.	Schools under trees project-constr. Of 6-unit classroom block at Bisease D/A primary-MessrsKarab Ghana limited		134,553.54	On-going
94.	Schools under trees Project-Phase 2-Construction of 6-unit classroom blk at KwahuAmanfrom D/A primary-Messrs J.O Okine builders Ltd./SG-SSB		121,181.22	On-going
95.	Schools under trees project. Constr. Of 6-unit classroom block at Bavin D/A prim		116,521.31	On-going
96.	Payment of schools under trees project-constr. Of 6-unit classroom block at Gwollu L.A primary		113,950.48	On-going
97.	Schools under trees project-constr. Of 6-unit classroom block at AkpeteshieNkwanta Primary		154,505.70	On-going
98.	Schools under trees project-constr. Of 6-unit classroom block at BowriKyiriahi R/C Primary		130,818.24	On-going
99.	Schools under trees project-constr. Of 6-unit classroom block at Ahodwo D/A JHS		241,808.50	On-going
100.	Schools under trees project-constr. Of 6-unit classroom block at Abonsrakrom L/A prim		103,214.22	On-going
101.	Schools under trees project-constr. Of 6-unit classroom block at Kpedze E.P basic school		168,733.00	On-going
102.	Schools under trees project-constr. Of 6-unit classroom block at Jema Islamic D/A school in the Kintampo south district		172,003.61	On-going
103.	Schools under trees project-constr. Of 6-unit classroom block at Kpari primary school, Lambussie in the Karni district in the Upper West Region		122,330.53	On-going

104.	Schools under trees project-constr. Of 6-unit classroom block at Kesseh Methodist Primary School, Ada in the Greater Accra region		141,023.27	On-going
105.	Schools under trees project-constr. Of 6-unit classroom block at Maranatha D/A prim. School, Kewunor in the Dangme east district Ass., in the Greater Accra region		156,038.53	On-going
106.	Schools under trees project-constr. Of 6-unit classroom block at Aboaso Islamic call primary school in the Kwabre district of the Ashanti region		137,369.18	On-going
107.	Schools under trees project-constr. Of 6-unit classroom block at TwifoAyaase Methodist prim		174,914.55	On-going
108.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Nuruhuda Islamic school at Aboaso		122,475.38	On-going
109.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Sang D/A primary school		157,751.21	On-going
110.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Besease D/A prim sch.		113,346.50	On-going
111.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Tetrem D/A primary school		126,051.70	On-going
112.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Juapong D/A primary school		159,169.59	On-going
113.	Request to revote (Schools under trees project)-Const. of 6-unit at Anyimah Anglican primary		121,723.11	On-going
114.	Schools under trees Phase II project-constr. Of 3-unit classroom block at Dodomasi Methodist junior High school		157,355.34	On-going
115.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Asuo L/A primary school in the Sene East district		196,746.32	On-going
116.	Schools under trees Phase II project-constr. Of 6-unit classroom block FarikiyaInstitute,Tamale		179,699.36	On-going
117.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Duu primary sch. In the Wa East District		100,420.75	On-going
118.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Dijau D/A primary school in the EjuraSekyedumase district		146,009.39	On-going
119.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Akenten primary school, in the Sene West District		114,477.39	On-going
120.	Schools under trees Phase II project-constr. Of 6-unit classroom block at GbambayaZahiriya primary school, Tamale metro		105,773.46	On-going
121.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Kwabeng Roman Catholic primary school		104,015.89	On-going
122.	Schools under trees Phase II project-constr. Of 3-unit classroom block at Akonoba JHS		113,714.08	On-going
123.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Oboyambo Primary School in the Bongo district		138,501.45	On-going
124.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Shama Methodist primary school in the western region		193,200.45	On-going

125.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Dadedo L/A primary school in the Volta region		167,280.78	On-going
126.	Payment of Schools under trees Phase II project-constr. Of 6-unit classroom block at Ntariba S.D.A primary school Kintampo municipal		128,249.58	On-going
127.	Schools under trees Phase II project-constr. Of 6-unit classroom block at Nsereso Roman Catholic Prim., Dormaa-Ahenkro		116,251.13	On-going
<b>Energy</b>				
128.	5% matching fund on work done under IPC No.1 on the supply and installation of materials and equipment under Electrification Project for the Volta and six other regions	Volta and six others	6,040,234.19	On-going
129.	SHEP-4 Projects- various contractors, consultants		6,724,662.40	On-going
130.	SHEP-4 projects- various contractors, consultants		1,117,713.22	On-going
131.	15% matching fund for additional loan on Bui Hydroelectric Power Project	Brong Ahafo	17,878,083.20	On-going
132.	Transfer of excess amount in the Escrow Account to Sinohydro Corporation Ltd and China Export and Credit Insurance Corporation (Bui Power)		3,187,214.81	On-going
133.	Counterpart fund-Rural Electrification Supply and Installation of materials/equipment SHEP IV projects		18,135,464.00	On-going
134.	Supply of electrical materials		11,387,535.91	On-going
135.	Supply of electrical materials		10,457,443.90	On-going
136.	Second draw down counterpart fund-Rural Electrification Supply and Installation of materials/equipment in the Upper East region		10,726,417.68	On-going
137.	Compensation for crops and building/structures-Bui-Kenyasi Transmission Line project		1,924,784.00	On-going
138.	Supply and installation of materials & equipment under the NES in the Northern region-3 <sup>rd</sup> draw down payment		2,091,008.00	On-going
<b>Security</b>				
139.	Construction of second phase of maximum security prison at Ankaful	Central	8,089,00.00	
140.	Installation of communication gadgets (guard patrol monitors, cameras, DVR, storage networking and others) at the Ankaful maximum security prisons	Central	3,503,235.95	
<b>Others</b>				
141.	Payment for consultancy services rendered by A.E.S.L on the new office building for MOT		1,607,219.17	On-going
142.	Request for the release of the outstanding balance on initial capitalization requirement		3,265,838.65	On-going
143.	Initial capitalization-Additional payment		10,000,000.00	On-going
<b>SUB-TOTAL</b>			<b>133,827,269</b>	

Source: Ministry of Finance, 2014



**APPENDIX 5: LIST OF ABFA-FUNDED AGRICULTURE PROJECTS**

	<b>PROJECT DETAILS</b>	<b>REGION</b>	<b>AMOUNT RELEASED</b>	<b>REMARKS</b>
1.	Fertilizer Subsidy	Nation-Wide	8,240,000.00	Ongoing
2.	Agricultural Mechanisation	Nation-Wide	236,100.00	Ongoing
3.	Tsetse Project	Northern Region	1,207,635.00	Ongoing
4.	Youth in Agriculture Project	Nation-Wide	2,000,000.00	Ongoing
5.	Inland valley rice Development project	Volta	346,060.00	Ongoing
6.	Root Tuber Improvement Programme	Nation-Wide	260,975.00	Ongoing
7.	Northern Rural Growth programme	Northern	241,882.00	Ongoing
<b>SUB-TOTAL</b>			<b>12,532,652.00</b>	
<b>2012</b>				
8.	Procurement of 2012 Units of Combine Harvesters	Nation-wide	7,248,000.00	
9.	Construction and Consultancy of Block A Wall Fencing-Concrete bed, paving and canopy walkway Tomato factory at Techiman	Ashanti Region	325,296.21	
10.	Rehabilitation of Irrigation Dams	Nation-wide	4,207,327.45	
11.	Rapid Youth Job-Creation under the Foresting Northern Savannah	Upper West, Northern and Upper East R	20,000,000.00	
12.	Anomabo Fisheries College	Central	500,000.00	
13.	Importation of Yellow Maize	Nation-wide	10,000,000.00	
14.	Implementation of the National Forest Development Programme for 2012	Nation-wide	30,191,200.00	
<b>SUB-TOTAL</b>			<b>72,471,823.66</b>	
<b>2013</b>				
15.	Rehabilitation of Okyereko Irrigation Scheme Dyke in the Gomoa East District	Central	705,000.17	
16.	Tono Extension Works on Spillway, link roads and Zone B and O	Upper East	2,731,655.00	
17.	Construction of Dam and Irrigation Infrastructure at Sandema Wiaga and Tankese	Upper East	1,320,115.15	
18.	Supply and installation of ancilliary items to Ohawu Agric College	Greater Accra	35,116.50	On-going
19.	Rehabilitation of a laboratory for the Fisheries Commission at Tema in the Gt. Accra region	Greater Accra	76,018.40	On-going
20.	Matching funds for Aponapon and Akurobi irrigation Schemes	Brong Ahafo	59,467.02	On-going
21.	Internet services to be provided to the regional directorates of the ministry		109,140.30	On-going
22.	Advance mobilization in respect of the construction of bungalow No. 31 at Cantonments	Greater Accra	166,344.30	On-going
23.	Construction of 3-storey extension link		261,791.52	On-going

	block			
24.	Reconstruction of weir at Tanoso	Ashanti	65,298.59	On-going
25.	Rehabilitation of Okyereko Irrigation Scheme Dyke at Gomoa East in the central region	Central	649,667.75	On-going
26.	Rehabilitation of Tanchira Irrigation Dam in the Lawra district	Northern	112,116.41	On-going
27.	Rehabilitation of the Dining Hall of Ohawu Agriculture College and also the procurement of Ancillary items	Greater Accra	51,309.54	On-going
28.	Construction of a hostel facility for the Women in Agriculture Development (WIAD) at Nungua Farms	Greater Accra	83,725.06	On-going
29.	Extension work on Tono Irrigation	Greater Accra	104,912.76	On-going
30.	Consultancy services rendered for the proposed Ghana-India Fertilizer Plant		215,794.79	On-going
31.	Interest on delayed payment in respect of the Extension work on Tono Irrigation Dam	Northern	600,184.21	On-going
32.	Rehabilitation of irrigation Dam at Talli in the Tolon-Kumbungu district	Northern	62,895.88	On-going
33.	Construction of Dam and irrigation infrastructure at Sandema Koori in the Upper East Region	Upper East	436,045.50	On-going
34.	Extension works on spillways, link roads and Zone B & O upland of Tono irrigation Dam	Upper East	2,004,507.75	On-going
35.	Construction of Dam and irrigation infrastructure at Sandema Wiaga and Tankese in the Upper East region	Upper East	1,761,024.42	On-going
36.	Construction of Dam and Irrigation Infrastructure at Sandema Koori in the Upper East region	Upper East	998,124.54	On-going
37.	Rehabilitation works of Veterinary services laboratory at Sunyani	BrongAhafo	282,792.44	On-going
38.	Construction of laboratory block/supply of laboratory equipment for the veterinary services directorate at Dormaa-Ahenkro	BrongAhafo	140,377.42	On-going
39.	Rehabilitation works on irrigation Dam at Dawa in the Dangme East District	Greater Accra	570,903.23	On-going
SUB-TOTAL			<b>13,604,328.65</b>	

Source: Ministry of Finance, 2014

---

POSITION OF THE PUBLIC INTEREST AND  
ACCOUNTABILITY COMMITTEE (PIAC) ON PLACEMENT  
OF CAP BY THE MINISTER OF FINANCE ON THE GHANA  
STABILISATION FUND

---

The Public Interest and Accountability Committee (PIAC) has noted with concern the manner in which the Petroleum Revenue Management Act (PRMA), 2011 (Act 815) has been interpreted to justify transfers of money from the Ghana Stabilisation Fund (GSF). The Ghana Stabilisation Fund is intended primarily to be a back-up support for the annual budget in times of petroleum revenue shortfalls.

Media reports in May 2014 which were subsequently confirmed by the Minister of Finance in his statement made to the Parliament of Ghana during the presentation of the supplementary budget in July 2014, indicated that: “The Ghana Stabilisation Fund has been capped at US\$250 million consistent with section 23(3) of the Petroleum Revenue Management Act, 2011 (PRMA). As at May 2014, an excess of US\$176 million had been realized. Out of this amount, US\$16 million (GH¢50 million) was lodged into the newly established Contingency Fund and the difference of US\$159 million is being used for debt repayment.”

The PIAC has subsequently investigated the matter and wishes to state that:

1. Even though Section 23(3) of the PRMA empowers the Minister to recommend for the approval of Parliament, a cap on the Ghana Stabilisation Fund, the wording of the Section suggests that the capping is supposed to be done prospectively and not retrospectively as has happened in this instance. At the time the cap was recommended, funds in the Ghana Stabilisation Fund had already exceeded the cap of US\$250 million.
2. The approval of Parliament ought to have been sought before any disbursement of the excess amount from the Ghana Stabilisation Fund.

Approval of the Budget for the Ministry of Finance was for the specific or finite amounts that were estimated to be released to Ministries and Departments to carry out Government business for the year. In the case of the Ghana Stabilisation Fund, Parliament was not informed about the amount that was expected to be in excess and therefore specific approval was required before the amount could be moved out of the Ghana Stabilisation

Fund, taking into account the provisions of Section 12(5) of the PRMA. Section 12(5) of the PRMA states that “Transfer out of the Ghana Stabilisation Fund shall only be done for the purpose of alleviating shortfalls in actual petroleum revenue...” Clearly, the condition precedent prescribed in subsection 12(5) did not exist to warrant the withdrawal.

3. In the opinion of the PIAC, the amount that should have been transferred from the Ghana Stabilisation Fund must be limited to US\$107,457,183.71 which is the difference between the existing balance at the end of 2013, which was US\$319,034,153.16 and the amount of US\$426,491,336.87 accumulated at the time of the Minister’s instruction to the Bank of Ghana through the Controller and Accountant General’s Department.

Consequently, it is the view of the PIAC that the cap must be reviewed to the original US\$319,034,153.16 which was the amount existing in the Ghana Stabilisation Fund at the beginning of 2014 by restoring the amount of US\$69,034,153.16 from subsequent proceeds of liftings in the second half of 2014.

The PIAC wishes to state that the Ghana Stabilisation Fund is a backup for the Annual Budget Funding Amount (ABFA) in the event of petroleum revenue shortfalls. The government should therefore apply the rules and go by the procedures established by law to gain access to the fund through the people’s representatives in Parliament.

The PIAC reiterates its position, captured at page 24 of its 2013 Semi Annual Report that closer attention should be paid to the projection of the Benchmark Revenue leading to allocations into the ABFA, the Ghana Stabilisation Fund and the Ghana Heritage Fund. Any serious understatement of expected revenue leads to under-allocation into the ABFA and subsequently more funds into the GSF and GHF. An overstatement of the Benchmark Revenue is equally undesirable as it would also result in the under-funding of the two Funds (GSF and GHF).

APPENDIX 7: BREAKDOWN OF 2014 PROJECTED ABFA SPENDING

<b>CDB-Related ABFA Spending</b>			
<b>Priority Area</b>	<b>CDB Project</b>	<b>ABFA Component (US\$)</b>	<b>ABFA Component (GH; )</b>
Oil and Gas Infrastructure Development	(i) Western Corridor Gas Infrastructure Project	114,883,351	252,743,372
	(ii) Development of ICT Enhancement Surveillance Platform for Western Corridor "Oil Enclave"	50,999,325	112,198,515
Road and Other Infrastructure	(i) Western Corridor Infrastructure Renewal Project: Takoradi Port Retrofit Phase I	13,677,031	30,089,468
	(ii) Accra Metropolitan Area ICT-enhanced Traffic Management Project	36,397,748	80,075,046
Agriculture Modernization	(i) Coastal Fishing Harbours and Landing Sites Redevelopment Project	36,018,258	79,240,168
Capacity Building (including Oil and Gas)	(i) SME Projects Incubation Facility	27,079,287	59,574,431
<b>Sub-Total</b>		<b>279,055,000</b>	<b>613,921,000</b>
<b>Non-CDB ABFA Spending</b>			
	Food and Agriculture Infrastructure	23,718,905	52,180,591
	Fisheries and Aquaculture Infrastructure	2,272,727	5,000,000
	Energy Infrastructure	30,277,273	66,010,000
	Road and Highways	26,972,727	59,338,195
	Education Infrastructure	48,438,784	103,510,325
<b>Sub-Total</b>		<b>131,680,416</b>	<b>286,039,111</b>
<b>TOTAL</b>		<b>410,735,416</b>	<b>899,960,111</b>

Source: Budget Statement, 2014

MEMBERS OF THE PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE



**Major Daniel Sowa  
Ablorh-Quarcoo**  
(Chairman)  
Institute of Chartered  
Accountants



**Osabarimba Kwesi Atta II  
Oguahen**  
(Vice-Chairman)  
National House of Chiefs



**Mrs Angela Peasah**  
Christian Groups



**Ishmael Edjekumhene**  
Civil Society and Community  
Based Organisations



**Mr Douglas Boateng**  
Association of Ghana  
Industries and Chamber of  
Commerce



**Kwame Adjei-Djan**  
Ghana Bar Association



**Yaw Owusu Addo**  
Ghana Journalists Association



**Dr John Kwakye**  
Independent Policy research  
think tanks



**Naa Ayiekailey Nanobeng**  
Association of Queen  
Mothers



**Kwabena Nyarko-Otoo**  
Trade Union Congress



**Mr Franklin Ashiadey**  
Ghana Extractive Industries  
Transparency Initiative



**Hajj Muhammad Kpakpo  
Addo**  
Federaton of Muslim  
Councils & Ahmadiyya  
Missions

