



PIAC NEWSLETTER

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PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE NEWSLETTER | ISSUE 2

Key lessons after 10 years of petroleum revenue management



Professor Kwame Adom Frimpong (right), Chairman of PIAC, jointly launching the report with Rev Dr Kwabena Opuni Frimpong.

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By Jessica Acheampong,
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Ghana's management and use of revenues accrued from petroleum production have been guided by the Petroleum Revenue Management Act (PRMA) Act 815

since 2011, with clear guidelines for its collection, allocation and management in a responsible, transparent, accountable and sustainable manner.

Ten years of implementing a policy is enough time to reflect on how impactful the policy has been, and to identify areas of weakness that needs to be remedied.

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Who we are

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

- **Vision**

Efficient, transparent and accountable management and use of petroleum revenues and investments for sustainable economic and social development.

- **Mission**

To monitor, evaluate and engage

the public on the management and use of petroleum revenue, and independently assess government and institutional compliance with Act 815 as amended to safeguard public interest.

- **Mandate**

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

1. To monitor and evaluate compliance with the Act by government and relevant institutions in the management and use of petroleum revenues and investments;

2. To provide space and platform for the public to debate on whether spending prospects and management and use of revenues conform to development priorities as provided under section 21 (3);

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

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



Continued from page 1

It is in this light that the Public Interest and Accountability Committee (PIAC), in 2021, commissioned a study to assess the country's first 10 years of petroleum revenue management and use under the PRMA Act 815, as amended.

The report which was launched on Tuesday, 1st March, 2022, in Accra was the outcome of a study by Stobe Law (Consortium of Consultants) and was funded by the State Secretariat for Economic Affairs (SECO) of Switzerland through the Governance for Inclusive Development programme (GovID) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The report focused on four thematic areas, which are aligned with the extractive industry value chain, - petroleum production, sales and revenue collection; revenue allocation, distribution, and utilization; management of the Ghana Petroleum Funds (GPFs); and an institutional assessment of petroleum revenue management.

On petroleum production, sales and revenue collection, the study showed that the country had signed 18 petroleum agreements with various international and local oil companies since the early 2000s for petroleum exploration. Production is ongoing in the country's three (3) fields, namely the Jubilee, Tweneboa-Enyenra-Ntomme (TEN) and Sankofa-Gye Nyame (SGN) as at 2020. The data however shows that total production from Ghana's three fields peaked in 2020, production will continuously decline if nothing is done through new in-fill developments on the three existing fields or with new fields coming on-stream.

The second thematic area of the assessment was on revenue

allocation, distribution, and utilisation. From 2011 till 2020, about US\$31.22 billion of value has been generated from all of Ghana's three producing fields, comprising both entitlements due to the contractor parties and the Ghana Group. Of this, the Ghana Group has earned US\$6.55 billion in total petroleum receipts between 2011 and 2020.

The study also found that between the period under review, 74% of the withdrawals from the GSF have been used for debt servicing, while 21% has been allocated to the Contingency Fund to deal with national emergencies such as the COVID-19 pandemic, and only four percent (4%) has been utilised to shore up budget shortfalls, which is the main purpose of the GSF.

The final thematic area had to do with an assessment of institutions with responsibilities under the PRMA. The study reported that the Bank of Ghana, the Auditor-General, the Public Interest and the Accountability Committee (PIAC) and Petroleum Commission have demonstrated satisfactory progress in implementing the relevant provisions of the PRMA.

On the other hand, the Ministry of Finance, Parliament, The Ghana Revenue Authority, and The Ghana National Petroleum Corporation (GNPC) have demonstrated meaningful progress in implementing the relevant provisions of the PRMA. The Investment Advisory Committee (IAC) was found to have demonstrated inadequate progress within the 10-year period.

After 10 years, what next?

Having identified a myriad of challenges within the current petroleum revenue management landscape, PIAC is making some recommendations to help the country

achieve more results in the next decade.

The ABFA has been one of the key channels for the use of petroleum revenues. There is however the need for a more comprehensive and decentralised project preparation, planning and monitoring process to ensure ABFA projects are strictly monitored and delivered on time.

Again, the Metropolitan, Municipal and District Assemblies should be actively involved in selecting and implementing priority projects in their jurisdictions in line with the medium-term development plans of the Assemblies

The report also recommends that in collaboration with beneficiary ministries and other relevant stakeholders, the Ministry of Finance should collectively develop this criterion for accessing of ABFA funds.

The Ministry of Finance must ensure that ABFA projects are accompanied by a robust monitoring and evaluation plan that includes disaggregated responsibility between national and subnational institutional structures to enhance supervision and monitoring.

Other recommendations in the report focus on the need for more institutional coordination and collaboration to share data and ideas, among others.

A copy of the report can be accessed on PIAC's website via this link - https://www.piacghana.org/portal/files/downloads/assessment_on_10_years_of_petroleum_revenue_management_and_use_march_2022.pdf

Ten Years of Management and Utilisation of Petroleum Revenues in Ghana: Issues with ABFA spending

It has been over a decade since Ghana commenced oil production in commercial quantities. The Petroleum Revenue Management Act (Act 815) promulgated in 2011, was to “provide the framework for the collection, allocation and management of petroleum revenue in a responsible, transparent, accountable and sustainable manner for the benefit of Ghana in accordance with Article 36 of the Constitution”.

So far, Ghana has raked in US\$7.33 billion in petroleum revenues (2011-2021). The revenues have been utilised in line with the provisions of the PRMA, key among which is the Annual Budget Funding Amount (ABFA). The ABFA is the portion of petroleum revenues allocated to support the annual budget. The ABFA is spent

through the selection of not more than four Priority Areas by the Minister of Finance, and approved by Parliament as specified in the PRMA in the absence of a National Development Plan. The ABFA has received about US\$2.9 billion over the period for the execution of projects under the budgets of Ministries, Departments and Agencies (MDAs) of state.

There are challenges with the utilisation of the ABFA making it difficult to assess the socio-economic impact of the resources on the lives of the citizens of Ghana. Some of the challenges include thin spreading (disbursing funds to cover too many small projects), co-mingling (combining ABFA with other funding sources such that the ABFA component becomes insignificant relative to the total project cost thereby making it difficult to determine the actual works undertaken with the ABFA), absence of legacy projects, non-involvement of sub-national institutions in project scoping, implementation, monitoring and evaluation.

To achieve maximum benefits from the utilisation of the ABFA, it is recommended that the Ministry of Finance, in collaboration with the beneficiary MDAs and MMDA's, develops criteria for selecting and implementing monumental priority projects that will be left as a legacy for future generations and also facilitate the easy identification of the projects funded with petroleum revenues.



Secondly, the Ministry of Finance should design a comprehensive reporting template that will aid in the timely completion, monitoring and evaluation of projects that are funded with the ABFA.

Other recommendations require amendments to the PRMA before they can be effectively implemented. To this end, the Ministry of Finance needs to act expeditiously on submitting the proposed amendments to Parliament for debate and adoption.

Ghana, having enacted one of the most comprehensive petroleum revenue management laws in the world. Is positioned to derive enormous benefit from its natural resources if it is guided to implement recommendations made by PIAC, the citizen-led oversight body established under Section 51, of the PRMA.

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Know PIAC Members

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

Current Members of the Committee as at the end of the first half of 2022 are presented in this edition.



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Odeefuo Amoakwa Boadu VIII
National House of Chiefs

PIAC Engages Citizens in Western North and North East Regions

In April 2022, the Public Interest and Accountability Committee (PIAC) embarked on its annual regional engagements in two of the newly created regions – Western North and North East. The weeklong activity in both regions took place from Sunday 24th – Friday, 29th April, 2022.

In each of the regions, PIAC held a public forum which brought together participants from different sectors of the public. The forum was held in line with PIAC's second mandate of providing space and platform for the public to debate on the management and use of revenues as enshrined in the Petroleum Revenue Management Act (PRMA).

At each of the fora, PIAC's presentation focused on the highlights of PIAC's 2021 Annual report. It focused on crude oil and gas production, revenues accrued and its utilisation for the year 2021. The key findings and recommendations of the Report were also presented.

The presentation was followed by an open forum session where participants had the opportunity to ask questions and also give suggestions on best ways to manage the country's petroleum revenues. Some of these have been summarised below:

- What is PIAC doing about the usage of ABFA to pay a judgment debt in the 2021 financial year?
- Is any institution following up on the outstanding Surface Rental arrears owed by the International Oil Companies (IOCs)?
- Is PIAC able to validate the amount of crude oil produced from the oil fields?
- Why is the country flaring the gas it produces?
- What is the status of operationalisation of the Investment Advisory Committee (IAC)?
- What has been Parliament's response to the implementation of PIAC's recommendations?
- When will PIAC be independent of government funding?



One of the participants asking a question during the forum in Wawso



A section of participants at the forum in Wawso.



The Chairman for the occasion, the Kyedomhene of the Sefwi Wawso Traditional Area, Nana Elio Panin III addressing participants at the forum



Some participants with the PIAC team after the forum in Wiawso



Dignitaries seated for the forum in Nalerigu



Mr Eric Defor, Chairman of the Public Affairs and Communications sub-Committee of PIAC making a presentation at the public forum in Nalerigu



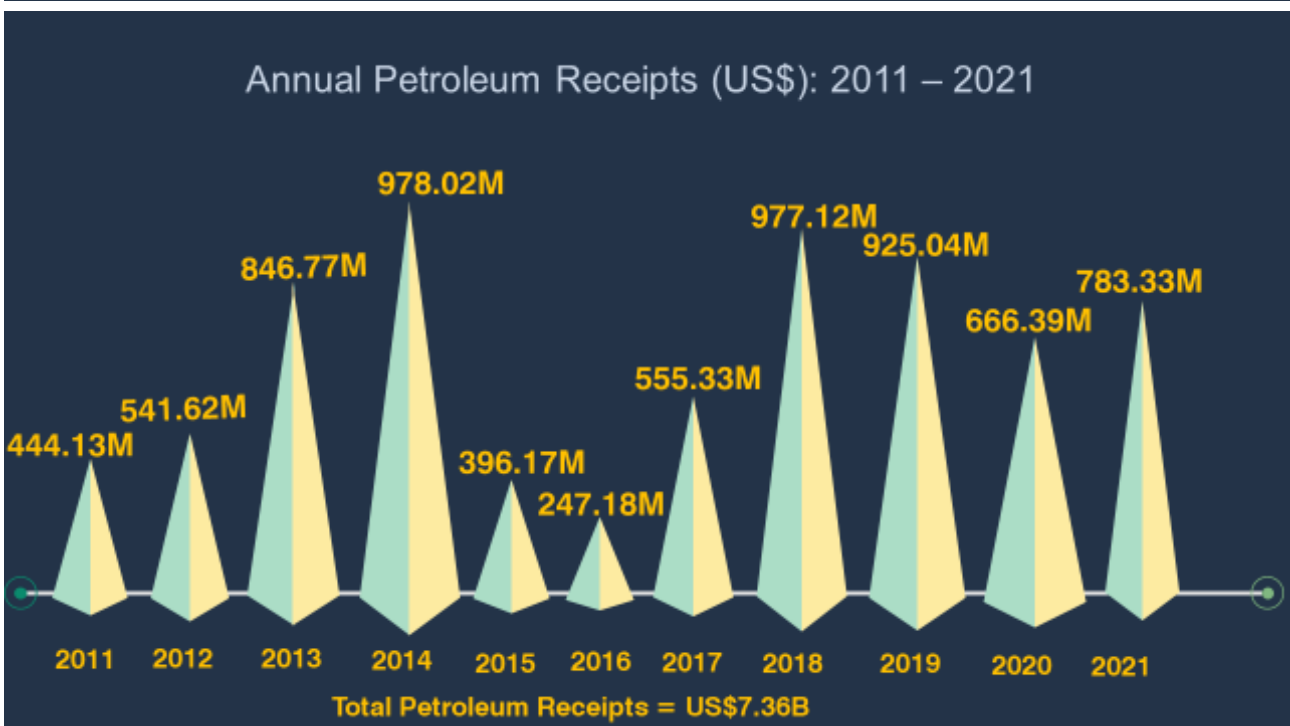
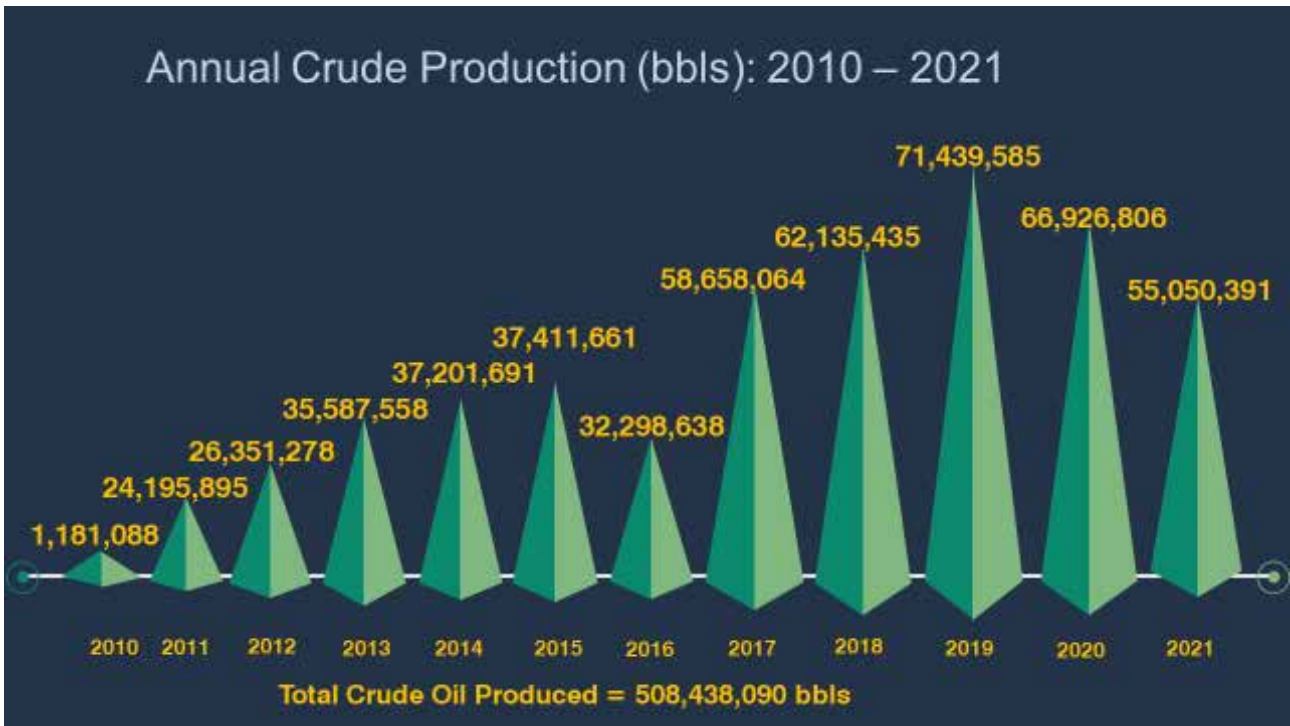
The North East Regional Minister, Hon. Yidana Zakaria addressing participants at the forum



A participant asking a question during the forum in Nalerigu

Industry Statistics

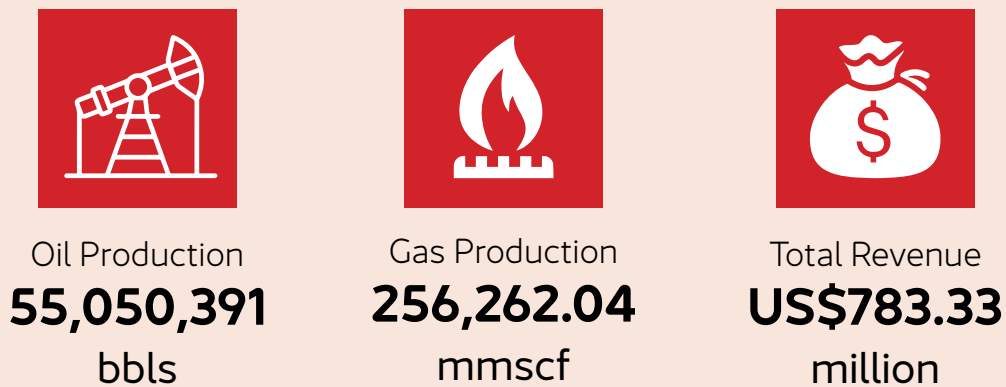
Commercial oil production in Ghana started in December 2010 in the Jubilee Field. Two other Fields – Tweneboa Nhyera and Ntomme (TEN) and the Sankofa Gye Nyame (SGN) came on stream in August 2016 and May 2017 respectively to serve as the three main oil producing Fields in Ghana. In this edition, we provide statistics on oil production and revenue accrued from 2010 till the end of 2021.



Highlights of 2021 PIAC Annual Report

In line with its mandate, PIAC publishes two statutory reports each year – a Semi Annual and Annual Report on the management and use of petroleum revenues. The 2021 Annual report is the 11th Annual, and 21st in all, published by the Committee.

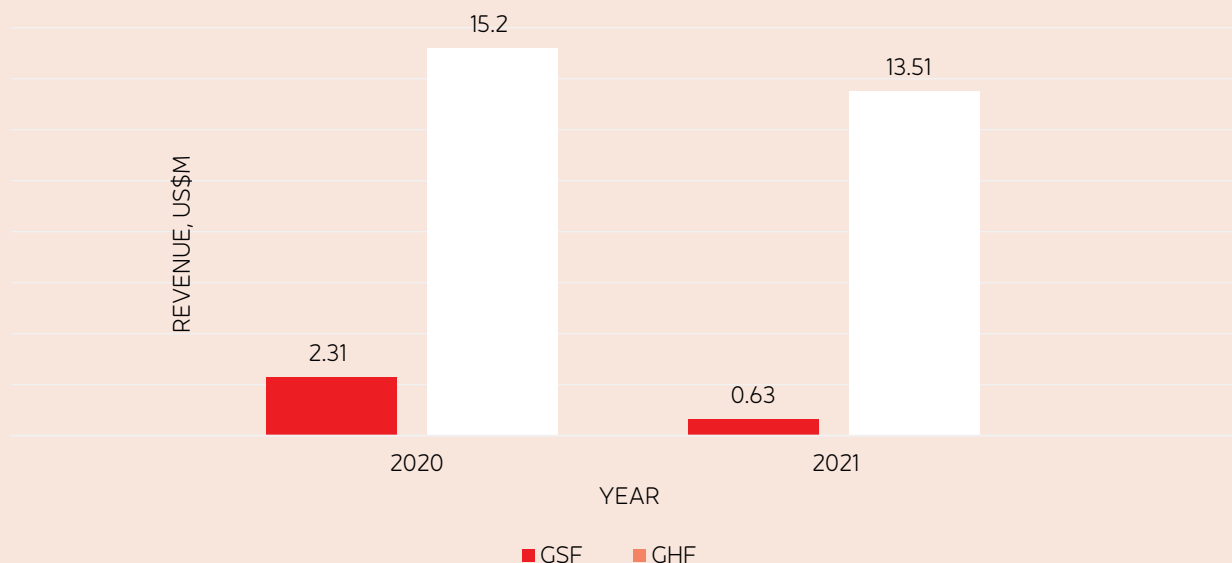
Highlights of the report are captured below:

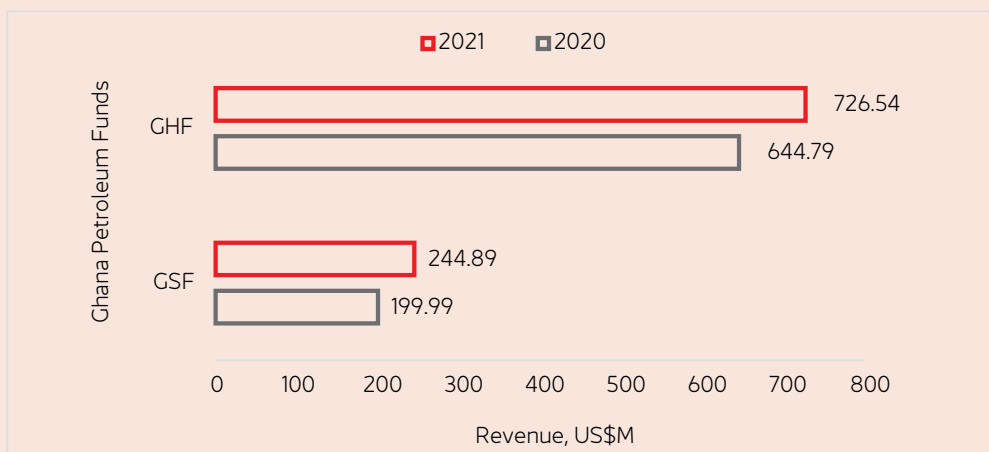


Distribution from Petroleum Holding Fund (PHF) Allocation to Priority Areas in 2021

	US\$(m)	%
ABFA	352.79	44
GNPC	228.33	28
GHF	68.25	8
GSF	159.24	20
TOTAL	808.61	100

Returns on the Ghana Petroleum Funds (GPFs)





Total reserves of the Ghana Petroleum Funds as at December 31, 2021

FINDINGS

- ▶ Four of the eighteen subsisting Petroleum Agreements were terminated by the Minister for Energy (upon the advice of Petroleum Commission) in 2021 for non-performance in their minimum work obligations.
- ▶ Annual crude oil production declined by 17.7 percent from 66,926,806 bbls in 2020 to 55,050,391 bbls in 2021, despite the rebound of economic activities in 2021, after the easing of COVID-19 restrictions.
- ▶ Total petroleum revenues increased by 17.5 percent from US\$666,390,751.22 in 2020 to US\$783,325,849.87 in 2021 due to higher crude oil prices. This is in spite of the decline in crude oil production in 2021.
- ▶ Surface Rental Arrears increased by 22.22 percent from US\$2,110,212.23 in 2020 to US\$2,579,170.21 in 2021.
- ▶ For the first time since Ghana started receiving petroleum revenue in 2011, the DACF received an amount of GH¢32,380,403.91, following the 2019 decision of the Supreme Court in the case of Kpodo vs The Attorney-General. However, the disbursement made was 1.74 percent of the ABFA, instead of the 5 percent specified in the Supreme Court judgement.
- ▶ Although the Ministry of Finance made a disbursement of the ABFA to the DACF, there was no report on the utilisation of the amount.
- ▶ After a 3-year break, allocations to the Ghana Infrastructure Investment Fund resumed in 2021, with an amount of US\$49,390,491.08, following the passage of the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063).
- ▶ For the first time since 2011, the ABFA was used to pay a judgement debt of GH¢12,475,426.01. This was under the Roads, Rail and Other Infrastructure Priority Area during the period under review.
- ▶ In 2021, the Corporation spent US\$640,292.89 on the Maritime Boundary Special Project (MBSP). Cumulatively, GNPC has spent a total of US\$11.85

million on Maritime Boundary related activities, even though the Ghana Boundary Commission is responsible for such activities.

- ▶ In 2021, GNPC could not realise its budgeted revenue from loans and guarantees amounting to US\$126.68 million out of an accumulated total of US\$318.09 million owed the Corporation by Government and its agencies since 2011.

RECOMMENDATIONS

- ▶ While the Committee commends the Petroleum Commission for terminating the agreement of four Contractors for non-performance, PIAC urges the Commission to ensure strict compliance with minimum work obligations by IOCs.
- ▶ PIAC recommends strict compliance with the 2019 judgement of the Supreme Court in the case of Kpodo vs The Attorney-General, which stipulates that five (5) percent of the ABFA shall be allocated and disbursed to the DACF.
- ▶ The Ministry of Finance should provide a breakdown of the disbursements to the DACF and report same to PIAC.
- ▶ The Ministry of Finance in collaboration with relevant institutions should develop appropriate guidelines on the utilisation and reporting of ABFA disbursed to the DACF.
- ▶ PIAC calls on GNPC to double up efforts at recovering loans to Government and its agencies to ensure that the Corporation's work programme does not suffer from non-implementation. For now, GNPC should discontinue granting loans and guarantees until significant recoveries are made with respect to outstanding loans and guarantees owed the Corporation.

Crude Oil Puzzle

Can you solve this puzzle? It is time to prove your codebreaking skills with this crude oil puzzle from wordmint.com

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fractional

refinery

pentane

methane

bitumen

butane

ethane

naptha

diesel

petrol

Resource-Backed Loans in Ghana: Risks, Opportunities and Lessons

By Denis Gyeyir,
Africa Program Officer,
Natural Resource Governance Institute (NRGI)

Developing countries have trouble financing development mainly due to limited access to capital markets, high cost of borrowing, slow growth, or a mix of these. Countries with natural resource endowments have attempted in the last few decades to leverage these endowments to surmount those challenges. Many of their development efforts focus on closing huge infrastructure gaps.

Ghana is a producer of cocoa, minerals, oil and gas—assets that have increasingly featured in the government’s infrastructure financing plans. Ghana’s infrastructure financing totaled US\$23 billion between 2007 and 2020, and annual infrastructure investment will need to reach US\$9.3 billion by 2030 (13.9 percent of 2019 GDP). Official development funding and private sector financing have

been inadequate to meet these infrastructure needs. As a result, the Ghana Infrastructure Plan identifies Chinese infrastructural funding as a source to fill the gap.

Ghana’s infrastructure financing has in part relied on leveraging its natural resources. Through resource-backed loans (RBLs), governments (directly or through state-owned companies) borrow funds and repay the loans in physical natural resources or with money from resource-related future income streams. Ghana has entered into three such RBL deals, totaling more than US\$5 billion, in the last two decades; all three involve Chinese state-owned enterprises as lenders.

Given the country’s narrowing fiscal space and debt levels, Ghanaian officials may be tempted to explore additional innovative financing

arrangements including pursuing additional resource-backed loans (RBLs).

The government continues to pursue “creative” financing approaches involving Ghana’s resources, such as the controversial proposed Agyapa deal whereby the government would leverage mineral royalties for development financing by listing of 49 percent of Ghana’s gold royalties through a special purpose vehicle. While Agyapa is not a resource-backed loan per se, Ghana’s experience with RBLs should inform such plans as there are shared characteristics and risks with resource valuation and collateralization, project financing, lack of transparency and citizen consultation.

History of resource-backed loans in Ghana

In 2007, Ghana entered into a US\$292 million loan agreement (as part of the China Exim Bank facility) for the construction of a hydro-generated power plant on the Bui Dam. The government guaranteed repayment with proceeds from the sale of up to 30,000 metric tons of cocoa beans per year to Genertec Corporation of China by the Ghana Cocoa Board (Cocobod) until the dam became operational. The loan had a 17-year maturity, a five-year grace period, and an interest rate

of 6.13 percent. A year later, Ghana’s government borrowed a further US\$296 million from China Exim Bank on more concessional terms.

In 2011, barely a year after Ghana began commercial oil production, the government signed a US\$3 billion

Amount	Project	Key terms	Guarantee
\$3B (\$1.5B tranche A and \$1.5B tranche B)	Multiple (including Atuabo Gas Project)	Tranche A: 15-year maturity, five-year grace period, interest rate of 6-month LIBOR plus a 2.95% margin, a 0.25% upfront fee, and a 1% commitment fee. Tranche B: 10-year maturity, three-year grace period, an interest rate of 6-month LIBOR plus a 2.85% margin, and a 1% commitment fee	13,000 bpd from Jubilee Field to UNIPEC Asia over a 15.5-year period

commercial loan agreement with the China Development Bank (CDB), which was later capped at US\$1.5 billion, on these terms:

Then, in 2018, Ghana's government entered into a US\$2 billion agreement with Sinohydro Corp., a Chinese state-owned hydropower and construction company. Under a master project support agreement (MPSA), Sinohydro is meant to finance and execute the construction of infrastructure projects in Ghana. In return, Ghana will repay the loan amount with earnings from a yet to be constructed bauxite refinery.

Little is known about the quantities of alumina involved in the repayment but known terms include a loan tenure of 15 years with a three-year grace period at an interest of LIBOR plus 2.8 percent. The first tranche of US\$649 million was reportedly disbursed, and is being spent on various road construction projects. Little is known about a second tranche which was expected in early 2020.

Has Ghana benefited from these arrangements?

These RBL arrangements have helped to address critical infrastructure gaps in key sectors such as power, gas, roads and road infrastructure among others.

The cocoa-collateralized Bui Power Project is the country's second largest hydro project with installed capacity of 404 MW and contributes about 10 percent of Ghana's power supply. The plant provides clean and reliable supply of power to the northern sector and contribute to Ghana's non-fossil power generation.

The CDB loan, which funded construction of the Atuabo Gas Processing Plant (AGPP), helped to minimize the atmosphere-damaging practice of gas flaring and gas reinjection while guaranteeing relatively cheaper gas supply for power generation and industrial use. The gas

produced from the processing plant, after some delays and incurrence of some extra costs, has yielded savings on costly fuel imports of at least US\$1.5 billion, and the environment has benefited as a result of cleaner gas.



Wider consultations and rigorous valuation of earmarked projects by government officials could ensure more realistic loan amounts and that potential projects are funded.

The Sinohydro bauxite loan has raised environmental concerns, particularly around impacts on the Atewa Forest, which hosts one of four bauxite mines but is also a world-renowned reserve and a source of three major rivers that provide water to five (5) million people in Ghana. In addition, there have been concerns around the repayment conditions in a difficult post-pandemic fiscal context. Nevertheless, on the infrastructure side, a number of projects under the facility are reportedly ongoing with the Tamale highway interchange recently inaugurated.

Key challenges and risks of RBLs in Ghana

Several challenges and risks have hindered the realization of the full benefit of resource-backed loans in Ghana.

- **Outsized expectations**

RBLs in sub-Saharan Africa are often characterized by unrealistic projections of both loan amounts and projects that could be financed by the borrowed funds. In 2017, Guinea announced a US\$20 billion deal

backed by three bauxite concessions for multisector infrastructure including roads, port expansion and a university. This amount is greater than the country's gross domestic product. To date, a much more modest loan amount has been drawn down. Ghana's US\$2 billion Sinohydro deal was initially announced as part of larger package of \$19 billion, but with few accompanying details. Even the relatively smaller US\$3 billion CDB facility was eventually capped at half the originally mooted amount.

Wider consultations and rigorous valuation of earmarked projects by government officials could ensure more realistic loan amounts and that potential projects are funded. More modestly sized RBLs could also minimize costs (e.g., commitment fees, management fees) as these are charged as a percentage of the initial amount and paid upfront.

- **Disbursement bottlenecks**

Ghana's RBLs have also been troubled by disbursement bottlenecks. Disbursement of the CDB loan was substantially delayed, in turn delaying the construction of the gas infrastructure. To date, about US\$1.4 billion of the loan amount has been disbursed. Similarly, as noted above, little is known about phase II of the Sinohydro loan, which was to be disbursed early 2020; projects under that phase are pending. Delays in disbursement and project execution can also create substantial additional costs to public finances.

- **Contractor selection shortcomings**

In all three RBLs, elements of project execution (engineering, procurement, construction) have been undertaken by parties related to the Chinese lending entities.

The absence of an international competitive tender reduces the

incentive to deliver infrastructure projects that provide value for money.

• **Setbacks to the economy and hidden debt**

While these loans can address burning development challenges, they also add to the country's overall debt burden. Revenues that would otherwise accrue to the government are earmarked for repayment, usually through Escrow accounts set up outside of the country's financial system.

In the case of Sinohydro deal, the bauxite revenues leveraged are new and the Ministry of Finance, in a justification to the parliamentary finance committee, indicated that the transaction was a barter deal and would not add to public debt. Nevertheless, the Sinohydro MPSA makes clear that Ghana would have to use other sources to service the loan if the aluminum project fails to generate enough income. With bauxite reserves still being defined and validated, bauxite estimates or the target refined volumes may prove unrealistic—so Ghana's budget is not totally off the hook.

Conclusion and the way forward

Amid fiscal constraints, and low appetite among private creditors for making loans to Ghana, properly designed RBLs could have been a source of relief. In the current circumstances, another disbursement from a well-structured CDB or Sinohydro facility could have provided much needed project funding to fast-track the implementation of certain RBL-funded projects to address Ghana's infrastructure challenges with possible multiplier or spillover effects to other sectors. It could as well contribute to boost the economy. If the government is to pursue more RBLtype deals going forward, it should learn from its experience to date and seek to address the identified challenges and mitigate the risks.

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PIAC Extends Public Engagement to Four Districts

To help decentralize its engagement with citizens, PIAC extended its engagements of the public to four districts in two regions – Eastern and Central in the first half of the year. In the Eastern Region, two fora were held in the Akuapem South District and Nsawam Adoagyiri District. The other two fora were also held in the Agona East District and Awutu Senya East Municipality in the Central Region. The fora, which are in line with PIAC's second mandate of providing space and platform for the public to debate on the use of petroleum revenues, was held with over 70 participants from different sections of the public for each session.

PIAC made a presentation of a video documentary on the 10 years of petroleum production in Ghana, followed by another presentation on the 2021 semi-annual report of the Committee. Participants had the opportunity to ask questions and also give suggestions on best ways to manage the country's petroleum revenues. These are captured below:

- Oil revenues should be used to construct state of the art health facilities in three major regions – Volta, Western and Northern.
- Allocations for capacity building should be properly targeted and aligned to get the requisite benefits.
- Is there a cap determining when the Ghana Stabilisation Fund (GSF) can be assessed?

• Aburi Forum



- The funds in the Ghana Petroleum Funds should be utilized now to support the education sector.
- Investment of petroleum revenues should be aligned to the needs assessment of the communities.
- Is there any law that compels government to complete projects started with petroleum revenues before choosing another?
- How is petroleum revenue benefitting persons with disability in the country?
- Who holds government accountable when petroleum revenues are misused?
- How are drivers benefiting from petroleum revenues?
- Does PIAC come back to report to citizens on their findings when they inspect projects in the Region?
- Community needs are often ignored when implementing projects funded by petroleum revenues. How can this be addressed?
- Assembly members should be involved in the execution of projects.
- Petroleum revenues should be used to support the health insurance scheme.

• **Kasoa Forum**



• **Nsaba Forum**



• **Nsawam Forum**



PIAC's 2022 Half-Year Activity Report

PIAC's activities in the first half of the year comprised the launch of its annual report, engagement with the media, tertiary institutions, constituent groups, among others.

Launch of PIAC 2021 Annual Report

PIAC, as mandated by Section 56 of the PRMA is required to publish a Semi-Annual and an Annual Report each year. In fulfilment of this mandate, the Committee published its 2021 Annual Report on the Management and Use of Petroleum Revenues in Ghana on Wednesday, 13th April, 2022.

Professor Kwame Adom- Frimpong, Chairman of PIAC, presented the highlights of the report focusing on crude oil and gas production, revenues accrued, and utilization for the year 2021. The report was launched by the Chairperson of the function, Mrs Angela Peasah, who was assisted by both the Chairman and Vice-Chair of PIAC.



Public lecture on 10 years of petroleum revenue management and use

To deepen public education on the content of the 10-year assessment study report, the Committee organized a public lecture to present details of the findings and recommendations of the study on Wednesday, 23rd March, 2022 at the Cedi Conference Centre, University of Ghana, Legon. The lecture was carried live on Joy FM and on PIAC's Facebook Page.

Economist and Political Risk Analyst, Dr Theophilus Acheampong, delivered the lecture based on the assessment study that was conducted. The lecture focused

on the four thematic areas of the report, which are aligned with the extractive industry value chain, - petroleum production, sales and revenue collection; revenue allocation, distribution, and utilization; management of the Ghana Petroleum Funds (GPFs); and an institutional assessment of petroleum revenue management. Findings from the study as well as recommendations from the study were also presented.



Engagement with journalists (IFEJ, PARLIAMENTARY PRESS CORPS & OTHER MEDIA)

The engagement with journalists, comprising members of the Institute of Financial and Economic Journalists (IFEJ), Journalists who report on PIAC activities and selected members of the Parliamentary Press Corps took place in Tegbi in the Volta Region. This activity was co-sponsored by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The discussions focused on an overview of the Petroleum Revenue Management Act, the 2021 PIAC Annual Report, the 10-year assessment study, and the opportunity for journalists to develop and present their stories.



ENGAGEMENT WITH GHANA ACADEMY OF ARTS AND SCIENCE (GAAS)

PIAC, apart from engaging with stakeholder institutions, meets with some of its constituent institutions in the course of each year. The engagement with Ghana Academy of Arts and Sciences (GAAS) was the first with the Academy.

The discussion, provided the opportunity for the Academy to interact with PIAC to better position them to advocate for the proper use of petroleum revenues in Ghana. It also provided an avenue for PIAC to present the highlights of the 2021 Annual Report and the assessment study on 10 years of the management and use of petroleum revenues in Ghana.

Discussions were also held on areas where the two bodies can collaborate for the effective management and use of petroleum revenue.



Editors' Forum

The Editors' Forum serves as a platform to engage key decision makers within the media landscape on PIAC's advocacy efforts. The 2022 Editors' forum was held in Koforidua in the Eastern Region. The event was supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The purpose of the forum was to share with stakeholders' information from PIAC's 2021 annual report and its 10-year assessment study, as well as to address any concerns or questions raised in the reports, and to leverage the capacities of senior editors and news editors.



PIAC- NRG I Technical roundtable

PIAC in collaboration with the Natural Resource Governance Institute (NRGI) organised a technical roundtable to discuss the marginally explored revenue streams in the petroleum industry.



Engagement with the Ghana Pentecostal and Charismatic Council (GPCC)

PIAC, upon invitation, took part in the annual delegates' conference of the Ghana Pentecostal and Charismatic Council (GPCC), on Wednesday, 29th June, 2022 to discuss the Committee's 2021 Annual Report. The Christian Groups is represented by Rev Dr Christopher Kwame Sokpor on the Committee.

The presentation on the 2021 Annual Report was done by Mr Nasir Alfa Mohammed, the Vice Chairman of PIAC. He provided a background to what PIAC is, its mandate and membership. He also presented highlights of the 2021 Annual Report which extensively focused on oil and gas production, the revenue accrued, and its utilisation. He also touched on the key findings and recommendations in the Report.

Rev Dr Christopher Kwame Sokpor expressed gratitude to the leadership of the GPCC for giving PIAC the opportunity to do the presentation. He was optimistic that more of such engagements will take place in future to help increase accountability to members of the GPCC.

Captured in the picture below are some Members of PIAC with the President of the GPCC, Rev. Prof. Paul Frimpong- Manso (arrowed) at the Oil Dome of Royal House Chapel International.



Project Inspections

PIAC carries out inspections on projects that have received funding from the ABFA in line with its third mandate, which is to provide independent assessment on the management and use of petroleum revenues to assist Parliament and the Executive in the oversight and the performance of related functions. The inspection is to verify the existence and progress of the projects, and assess their viability to the communities in which they are located.

Highlights of some projects visited during the period under review are captured below:

- Construction of 2-Unit Kindergarten Block with Ancillary Facilities at Ahwerase in the Akuapem South Constituency (Eastern Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢158,198.05	2020	The project was completed and in use as at the time of the visit and had a washroom and a store room. The challenge is the absence of a drainage system at the school and also the absence of a dedicated water storage tank to provide a steady supply of water for use at the school.



- Construction of 1 no. Rural market with Storage and Mechanised Boreholes in the Akuapim South Constituency (Eastern Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHç581,140.62	2020	Work had stalled on the project when the PIAC team visited. Already, the structure had started deteriorating as cracks were seen all over them. The floors were in poor condition, and the roof leaked, leading to flooding whenever it rained. The PIAC team was informed that the Assembly was not involved in the project implementation and that, given the state of the defects, the Assembly has requested for the scope of work in order to make a decision on whether to accept or reject the project.



- Construction of One Rural Market with Storage and Mechanised Boreholes at Nsawam Pwd/Otukwadjo in the Nsawam Adoagyiri Constituency (Eastern Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHç 190,707.57	2020	The team located the project in the Kudjo Municipality at Nsawam Pwd. Despite the fact that work was completed, the sheds remained unoccupied due to a lack of electricity and washroom facilities. The borehole had not yet been drilled, and the storage component of the facility remained locked at the time of the visit.



■ Projects

- Construction of two Boreholes with Ancillaries at Akwamu and Asikafo Amantem in the Nsawam Adoagyiri Constituency (Eastern Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢ 89,478.00	2020	The projects comprised of a mechanized borehole, a pump and a poly tank. At Akwamu, the project had been completed and was in use in the community. The water is sold and the revenue is used to carry out maintenance works on the facility. At Asikafo Amantem, the project had also been completed and was in use. However, usage of the water is free. The only challenge had to do with the exposure of the pump to the weather which can lead to its deterioration.



- Construction of a 3 Storey RCC Administration Block at Sefwi Wiawso (Western North Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢ 17,647,534.17	2020	The 3-storey RCC Administration Block was completed and in use. There were a few outstanding works to be done on the urinals of some of the washrooms.



• Construction of 3 number Snr. Staff Bungalows at Sefwi Wiawso (Western North Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHC 3,103,525.64	2020	All the 3-unit bungalows had been built, roofed and walled. Internal finishing in all three bungalows was almost completed, and there were still some outstanding works to be done on the exterior and the external works.



• Construction of 1000mt warehouse at Gambaga (North East Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHC1,330,932.11	2019 & 2020	The PIAC Team inspected this warehouse situated at Gambaga in the East Mamprusi Municipality. The facility is well-ventilated, with the stored bags evenly spaced. An on-site laboratory, yet to be completed, would ensure that quality grains received and properly stored at the facility. The facility is a cost-effective solution for farmers in need of storage for their harvest.



• Construction of 1 no. 3-Storey RCC Administration Block at North East RCC (North East Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHC7,105,674.99	2020	Construction commenced in 2019 and was expected to be completed in 2021. Works such as painting, tiling, electrical, and furnishing remained outstanding as at the time of the team’s inspection visit. Other works were still ongoing beyond the projected completion date, even though there was no documented extension of time granted to the Contractor. The project has a physical completion rate of 78 percent.

■ **Projects**



• **Upgrading of Nalerigu - Gbintri Road (North East Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GHC20,000,000	2020	The scope of the project is clearing and road widening works, earthworks, U-drain and culverts, sealing works, and road markings. Out of these, clearing and road widening works have been completed, with earthworks and culvert works ongoing at the time of the Committee's visit. It was noticed that most the U-drains across the stretch of road inspected were not uniform, and showed some defects. The physical completion of the project stands at 32 percent.



• Construction of Steel Bridge over River Akora on Agona Nsaba - Agona Nkran Feeder Rd (Central Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢926,924.99	2018	A steel bridge intended to facilitate movement between Agona Nsaba and Agona Nkran had been completed. An amount of GH¢926,924.99 of the ABFA, representing 94.84 percent of the original contract sum, was disbursed in 2018 in respect of the project. According to the Engineer the Assembly was not consulted in the construction of the steel bridge and he had no idea of the project until it was handed over. For a project that commenced 12 years ago, the integrity of the bridge is satisfactory. It was discovered that the ABFA spending covered variations to the bridge contract, and not the bridge construction itself which commenced in 2009.



• Construction of 1 no. Clinic with Doctors' Residence and Ancillary Facilities at Akweley in the Awutu Senya East Constituency (Central Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢557,007.41	2020	The PIAC Team visited a Clinic with Doctors' Residence and Ancillary Facilities at Akweley in the Awutu Senya East Constituency. It was completed in the last quarter of 2020. After completion it was handed over to the Municipal Assembly. However, the outstanding work on the project is the flood lighting system. Generally, the project was well-constructed. The Team noted that the facility did not come with the needed equipment for operating the Clinic.





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