



PIAC NEWSLETTER

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PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE NEWSLETTER | ISSUE 4



Members of PIAC and the Council of State after the meeting.

PIAC engages the Council of State

By Jessica Acheampong,
Communications Officer, PIAC

Members of the Public Interest and Accountability Committee (PIAC) led by its Vice Chairman, Mr Nasir Alfa Mohammed, on June 1 met with Members of the Council of State.

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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 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, independently assess government and institutional

compliance with Act 815 as amended, and engage the public on the management and use of petroleum revenue, 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.





Members of PIAC and the Secretariat after the meeting with the Council of State.

Continued from page 1

The Council of State is established under Chapter 9 of the 1992 Constitution and the Council of State Act 2020, (Act 1037). It provides counsel to the President in the performance of his functions. The Council is made of prominent citizens with expertise in various fields whose knowledge and experience enable them to offer counsel to the President.

The visit was to present highlights of the 2022 PIAC Annual Report on the management and use of Ghana's petroleum revenues to the Council, explore areas of collaboration with the Council on the implementation of recommendations in the Report, and to also identify other areas of mutual interest.

The PIAC team was received by the Chairman of the Council of State, Nana Otuo Siriboe II and some Members of the Council. In his opening remarks, the Vice Chairman of PIAC, Mr Nasir Alfa Mohammed, highlighted PIAC's role in the petroleum revenue management space. He stated that although the Committee was meeting

the Council for the first time, it realises the strategic role the Council of State can play in supporting PIAC to execute its third mandate of assisting the Executive in the oversight of the management and use of petroleum revenues.

Mr Alfa Mohammed's presentation focused on an analysis of production and sale of oil and gas, sources of petroleum revenue and its distribution. Key findings and recommendations in PIAC's 2022 Annual Report were also presented. Council Members at the meeting also had the opportunity to ask questions and also provide

feedback to aid the work of PIAC. The Chairman of the Council expressed gratitude to PIAC for reaching out to the Council. He assured that the visit marked the beginning of a series of engagements that would foster a solid relationship between the Council and PIAC.

He added that the two institutions would also explore areas and issues on which it can collaborate for the promotion of transparency and accountability in the management and use of petroleum revenues in Ghana.



Mr Nasir Alfa Mohammed – Vice Chairman of PIAC presenting highlights of the 2022 PIAC Annual Report at the meeting.

PIAC's perspective on the acquisition of Anadarko's Interests in the Jubilee and TEN Fields by Ghana National Petroleum Corporation (GNPC)

As part of Ghana National Petroleum Corporation's strategy to increase its stake in viable oil blocks, the Corporation, in exercising its right of preemption, acquired seven (7) percent interest from Occidental Petroleum (an Anadarko WCTP Company) in respect of its Jubilee and TEN Fields' assets on 1st April 2021, through a Share Purchase Agreement. The purchase was funded by a loan of US\$164 million, advanced by the Ministry of Finance, though not presented to Parliament for approval. Although the acquisitions were initially intended to be held by GNPC Explorco, they are in fact being held by Jubilee Oil Holding Limited (JOHL), a company established in the Cayman Islands by Occidental Petroleum and acquired by GNPC



as part of the Share Purchase Agreement. JOHL has since 2022 been registered as an external company in Ghana. In 2022, it was noted that a total amount of US\$272,652,208.95 was realised from JOHL's liftings in the Jubilee and TEN fields. These amounts, however, were not paid into the Petroleum Holding Fund (PHF). GNPC has held the view, however, that its interest through the acquisition of JOHL is a commercial interest and therefore it is not mandated to pay its proceeds into the Petroleum Holding Fund (PHF) as stipulated by the Petroleum Revenue Management Act (2011) Act 815 as amended. The PRMA when enacted, took precedence over PNDCL 64 which established the GNPC. In their view however,

only receipts of dividends if declared by JOHL, should be paid into the PHF.

Section 7 of the amended PRMA provides that all revenues due from the direct or indirect participation of the State (with GNPC representing the State) in petroleum operations, including the carried and additional participating interests, shall be paid into the PHF. Also, where applicable, capital gains tax derived from the sale of ownership of exploration, development and production rights shall form part of receipts into the PHF as noted in Section 6(e) of the PRMA. PIAC holds the view that proceeds from JOHL's liftings forms part of Ghana's petroleum revenues, whether direct or indirect, and therefore should be paid into the PHF just like the capital gains tax derived from the sale of Anadarko's assets.

GNPC, as a National Oil Company, is solely funded with proceeds from the PHF to cater for both its equity financing costs in the various Fields and operational expenditure on behalf of the State. Given this fact, it is essential that GNPC seeks the utmost benefits and revenues that will accrue to the country, and the PHF in particular, at all times.

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Please send all feedback to secretariat@piacghana.org

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 2022 are presented in this edition.



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Ghana Extractive Industries
Transparency Initiative



Mrs Clara Beeri Kasser-Tee
Independent Policy Research
Think Thanks



Odeefuo Amoakwa Boadu VIII
National House of Chiefs



Nana Yaa Ansua
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Ms Freda Stephanie Frimpong
Trades Union Congress (TUC)

PIAC solidifies ties with tertiary institutions

- Engages students of UENR and Dr Hilla Liman Technical University

In 2022, PIAC institutionalised annual engagements with tertiary institutions in the country in a bid to ensure the streamlining of communication between Industry and Academia on current developments in the petroleum industry that influence the management and use of the revenue generated from the resource.

PIAC, therefore, held separate engagements with students and faculty of the Department of Petroleum and Natural Gas Engineering at the University of Energy and Natural Resources (UENR) in Sunyani, and students of Dr Hilla Liman Technical University.

The engagement at UENR was held on Wednesday, 26th April 2023. In his opening remarks, the Head of Department of Petroleum and Natural Gas Engineering, Dr Yaw Achampon Boakye-Ansah, said the collaboration with PIAC to educate students on petroleum revenue management was part of the petroleum lecture series put together by the Department. He added that it was important for the students to know what goes on in the petroleum industry with regards to revenue management. He was optimistic that the collaboration between the two institutions will inure to the benefit of all the students.

The Chairman of PIAC, Prof Kwame Adom-Frimpong, reiterated the mandate of PIAC and how the Committee has worked to fulfil it over the years. His presentation also



provided an analysis of production and sale of oil and gas production, sources of petroleum revenue, and its distribution. Key findings and recommendations in PIAC's 2022 Annual Report were also presented during the engagement.

Participants at the forum had the opportunity to ask questions and also provided feedback to aid the work of PIAC. Highlights of the questions and suggestions have been captured below:

- What accounted for the decline in crude oil production?
- What is the role of the

University Community in pushing for accountability in the use of petroleum revenues?

- Why has GNPC refused to focus on its core mandate over the years?
- Who has the responsibility of implementing PIAC's findings?
- Can government utilise the funds in the Ghana Stabilisation Fund (GSF)?
- Is the Annual Budget Funding Amount (ABFA) the only source of petroleum revenue for government's budget?

... Engagement at Dr Hilla Liman Technical University

At the Dr Hilla Liman Technical University, the engagement was held in the Assembly Hall of the University on Thursday, 27th April 2023 with over 200 students in attendance including faculty staff.

A documentary of PIAC@10 was shown to the students and staff. This was followed by a presentation on the highlights of PIAC's 2022 Annual Report delivered by the Vice Chairman of PIAC, Mr. Nasir Alfa Mohammed.

An open forum was held after the presentation for students and staff to provide feedback and ask questions pertaining to the management and use of Ghana's petroleum revenues.

Some of the issues raised are highlighted below:

- Who enforces PIAC's recommendations?
- Does PIAC sponsor funding of students pursuing tertiary education?
- Can past Members form sister organizations to particularly deal

with infractions in the PRMA?

- Is Ghana aware of transforming capital by using petroleum revenues to build other sectors such as tourism like in the case of United Arab Emirates.
- How can PIAC determine that the Agenda 111 projects have been executed?
- Has the Ghana Heritage Fund (GHF) been spent?



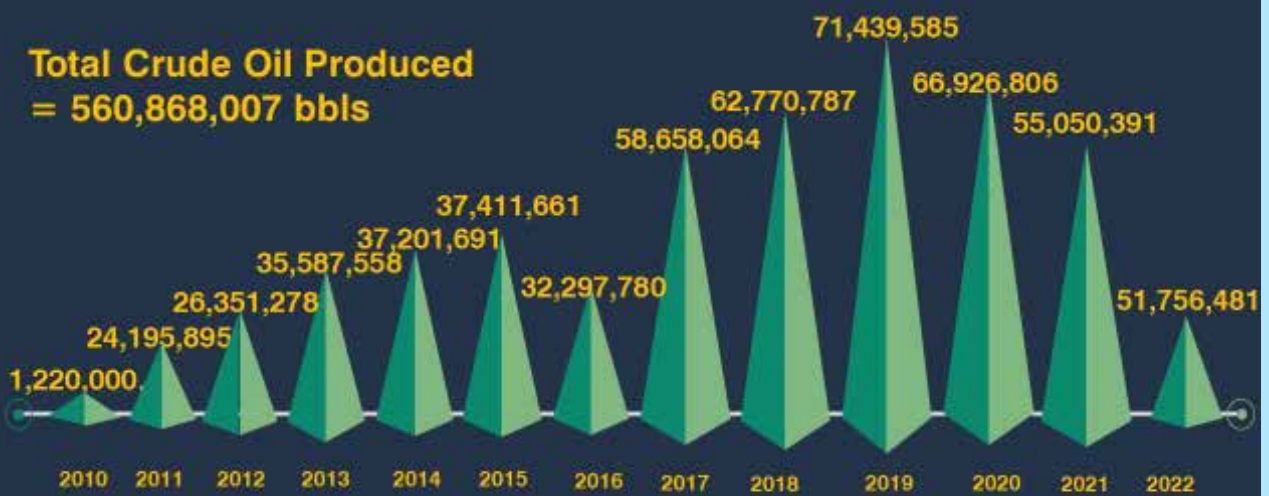
Industry Statistics

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

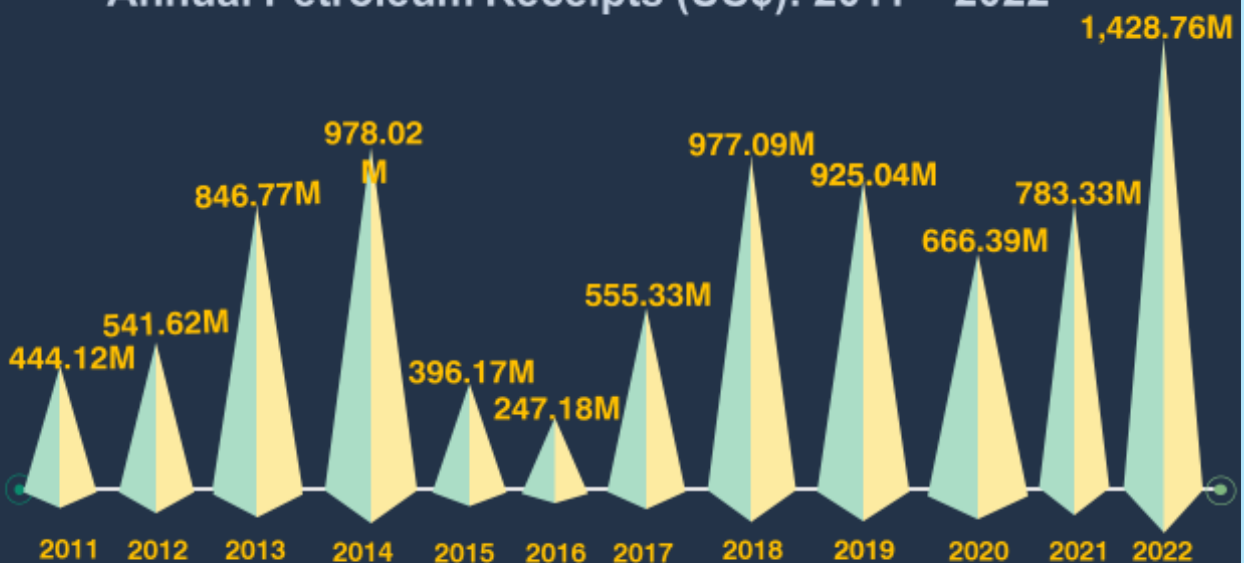
In this edition, we provide statistics on oil production and revenue accrued from 2010 till the end of 2022.

Annual Crude Production (bbls): 2010 – 2022

**Total Crude Oil Produced
= 560,868,007 bbls**



Annual Petroleum Receipts (US\$): 2011 – 2022



Total Petroleum Receipts = US\$8.79B



A section of participants at the public forum in Sunyani.

PIAC holds engagements in Bono and Upper West region

In line with its second mandate of providing space and platform for the public to debate on the management and use of petroleum revenues, PIAC held two regional fora in the Upper West and Bono Regions. Each forum had about 100 participants across different sections of the public in the regions.

The forum at Wa was held on Wednesday, 26th April 2023. The Chairman for the occasion and Pro-Vice Chancellor of SD

Dombo University of Business and Integrated Development Studies, Prof. Emmanuel Kanchebe Deribile, commended PIAC for the work it is doing to ensure accountability in the management of the country's petroleum revenues. He urged participants to take active part in the discussions and cooperate to make the programme a success.

The Vice Chairman of PIAC, Mr. Nasir Alfa Mohammed, delivered a presentation on highlights of PIAC's

2022 Annual Report. The highlights focused on crude oil and gas production, revenues accrued and utilisation for the year 2022. The key findings and recommendations of the Report were also presented.

The Sunyani Forum, held on Thursday, 27th April, 2023, was chaired by Rev. Samuel Agyei Dankwah of the Salvation Army Church. He commended PIAC for the work it is doing to ensure accountability in the management of the country's petroleum revenues. He rallied participants to take part in the discussions and provide the needed support to make the forum a success.

In her keynote address, the Bono Regional Minister, Ms Justina Owusu-Banahene, reiterated the role of PIAC and its statutory mandate to ensure that there was transparency and accountability in the use of petroleum revenues. She explained that PIAC publishes two (2) statutory reports each year and stated that there was the need for citizens to arm

themselves with the details of the report and demand accountability from duty bearers in a civilized manner.

The Chairman of PIAC, Prof Kwame Adom-Frimpong delivered a presentation on highlights of PIAC's 2022 Annual report. The 2022 Annual Report focused on crude oil and gas production, revenues accrued and its

utilisation for the year 2022. The key findings and recommendations of the Report were also presented.

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

- What accounts for the decline in crude oil production?

- There is the need to increase allocation to the District Assemblies Common Fund (DACF).
- PIAC should label oil-funded projects for easy identification.
- There is the need for PIAC to provide information on time for more people to participate in future public fora.



The PIAC team at the forum in Wa



A participant making a contribution at the forum in Sunyani.

PIAC Delegation participates in 2023 Global EITI Conference in Senegal

By David Sefa Adjei,
Economic Policy Analyst, PIAC

The Extractive Industries Transparency Initiative (EITI) held the 9th edition of its flagship EITI Global Conference in Dakar, Senegal from Monday 12th to Thursday 15th June, 2023. Some members of the GHEITI Multi-Sectoral Group (MSG) and selected members of PIAC and the Secretariat were sponsored by GIZ to attend the Conference. The PIAC Team comprised Mr. Nasir Alfa Mohammed (Esq.), the Vice Chair of PIAC, and Mr. David Sefa Adjei, Economic Policy Analyst at the PIAC Secretariat.

The Conference was attended by over 1,000 delegates from 93 countries in the world. In attendance were government officials, invited



participants and key stakeholders. The Conference also marked the 20th Anniversary of EITI implementation in the world since the commencement of the initiative in 2003. The theme for the Conference was "Transparency in Transition".

The opening ceremony was used

to launch the new 2023 EITI standards. The new EITI Standards, for the first time include energy transition and anti-corruption policies as well as refined provisions for gender equity and revenue collection disclosures.

The 4-day event included several plenary and break-out sessions on a number of themes which include:

- From transparency to accountability: The data-driven fight against corruption
 - Who benefits? Extractives paving the way on beneficial ownership transparency
 - Recharging transparency: Lessons Learned on Contract Disclosure
 - Is Win-Win Possible? Transparent and sustainable resource taxation
 - Cost transparency: A New Requirement in the EITI Standard
- The Conference provided opportunity for EITI-implementing countries to share their experiences and also provided a forum for government, companies and civil society leaders to make commitments on strengthening transparency and EITI implementation in their respective countries.

The Ghanaian delegates from the Conference in Senegal paid a courtesy call on Ghana's Ambassador to Senegal, Her Excellency (H.E.) Emma Mensah at the Chancery in Dakar during the conference.



Ghana's Energy Transition Framework

- Implications for the Petroleum Sector

By Denis M. Gyeyir, Senior Programme Officer, Africa Natural Resource Governance Institute (NRGI)

Energy transition is not a new concept. The world's energy needs and sources have experienced many shifts, albeit gradual. Up until the mid 19th century at the onset of the industrial revolution, the world depended almost exclusively on traditional biomass (wood fuel) for its energy needs.

The transition to coal was the main driver of the industrial revolution while advancements in mass transportation and electrification were propelled by oil, gas, nuclear and hydroelectricity.

The current phase of transition to cleaner energy has largely been influenced by the climate crises – the need to decarbonize energy systems to preserve the planet Earth. At COP 21 in Paris in 2015, 193 countries agreed on the 'Paris Agreement'. The sum of what the individual countries promised to do in their pledges (the Nationally Determined Contributions - NDCs) is, collectively, far from sufficient to meet the target of keeping the increase in the global average temperature to well-below 2°C above pre-industrial levels and pursuing

efforts to limit the temperature increase to 1.5°C. In the face of an imminent climate crisis reinforced by rapidly advancing technology and uncertainty about oil prices, a global trend towards the large-scale development of renewable energy is emerging. This trend, often termed 'energy transition', refers to the global energy sector's shift away from fossil-based systems of energy production and consumption – oil, natural gas and coal – towards greener energy sources like wind and solar.

Ghana's journey in transition planning

Many countries are developing energy transition plans to provide the framework for the transition and Ghana has not been left out in the transition train. To aid the development of its Energy Transition Plan, Ghana established a National Energy Transition Committee (NETC) in December 2021. The Committee was tasked to evaluate the current situation in the energy, transport, agriculture and allied sectors, the effectiveness of existing policies and measures, set national objectives and targets for the transition and prescribe policies and measures for achieving these targets. The Committee was also to assess the benefits, risks and costs of the global energy transition and determine risk mitigation measures, along with cross-cutting issues to be addressed.

Following national consultations across the country and among stakeholder groups, Ghana's Energy Transition Framework was developed and unveiled in Egypt and featured at an event during the first week at COP27. Highlights and an abridged version of the framework have also been published by the Ministry of Energy on their website. However, dissemination of this framework has been limited. Key stakeholders are either not aware or do not have sufficient knowledge of the contents of the framework, the thinking behind the policy proposals and targets set in the framework.

Impact on the petroleum sector

Ghana has only been producing oil and gas since 2010 but more than a quarter of its exports - and almost 10% of fiscal revenues - come from oil and gas alone. This means that any significant decline in the oil price due to an accelerating global energy transition could plunge the country into a crisis. The booms and burst cycle of oil prices are also becoming much shorter and may be worsened by the transition.

Upstream investments will likely witness a decline as financing for oil and gas projects take a nosedive globally. This means that deep-water assets and less profitable projects may be stranded. Indeed, the energy transition framework sets 2045 as the terminal timeline for oil and gas

production. In contrast however, the framework does not envisage stranded reserves as it projects to accelerate extraction before the terminal year. This will require significant investment and would require the government to spend public money which could have gone into other productive sectors.

The government is faced with various policy choices that will define its exposure to risks including how to respond to declining investments, the role of the national oil company (whether it should invest more in oil or diversify), development of the mid to downstream value chain (gas processing, building more refineries, the role of gas etc).

There are concerns about declining petroleum production partly attributed to the energy transition and its attendant decline in upstream investments. Already, the country has witnessed declines in output for three continuous years. The government is responding by intensifying drilling campaigns, acquiring divested assets and undertaking roadshows among others to attract more investment but these approaches have to be transparent and evaluated along the lines of cost and benefits.

The exit of major oil companies also has implications for the sector. Three such companies – Exxon Mobil, Anadarko, and Aker Energy – have exited and transferred their ownership rights over the past five years and as the energy transition intensifies, more companies are expected to give up their assets. A number of issues come with these ownership transfers including the non-payment of capital gains taxes into the Petroleum Holding Fund (PHF) and other governance issues.

The transition is also expected to come with job losses. Surprisingly, the transition framework provides detailed estimates of jobs to be created

in the power/electricity, renewable energy, and downstream petroleum sector but is silent on the numbers of jobs to be lost in the upstream and downstream petroleum sectors. This does not provide a balanced view of projected transition impacts and does not make for effective planning.

The Energy Transition Framework projects gas as the transition fuel up till the mid-2050s, yet there is no comprehensive data on gas reserves, no assessment of investment requirements for gas exploration,



The transition to coal was the main driver of the industrial revolution while advancements in mass transport and electrification were propelled by oil, gas, nuclear and hydroelectricity.

production, infrastructure for processing and transport in the light of the energy transition and no comprehensive plan for gas infrastructure development. The Framework requires further analysis and comparative assessment of the long-term cost of various gas streams (domestic, LNG and WAGP) and implications for the cost of power. In addition, there is need for an evaluation of the long-term gas costs versus renewable costs (given the

downward trend of renewable prices globally) to inform power sector projections and transition targets.

The framework does not provide a comprehensive assessment of the impact of the transition on the national oil company, GNPC and mechanisms to ensure the sustainability of the Corporation. Globally, national oil companies are evolving into energy companies as a mechanism to cope with the transition. However, the framework only emphasizes support to the Corporation to increase investments upstream without coping mechanisms for unprofitable upstream projects as well as diversification strategies.

The way forward

The Energy Transition framework is expected to be a living document and should be updated to be in sync with emerging developments in the sector. It is important that gaps identified are factored into future reviews of the framework, related policies, laws and regulations to ensure its effectiveness. Government must be realistic about its projections particularly around the Petroleum Hub projects (three refineries and five petrochemical plants and juxtapose these investments with prospects in the renewable sector, demand projections and the developments within the energy space. In particular, the development of nationally determined contributions, development of a critical mineral policy, the mining policy and the review of the gas masterplan are opportunities to flesh out in a holistic and workable manner, the policy proposals in the Energy Transition Framework.

Highlights of 2022 PIAC Annual Report

PIAC is mandated to publish two statutory Reports (Semi-annual and Annual) each year. In that regard, the Committee launched the 2022 Annual Report on 20th April, 2023. The 2022 Annual report is the 12th Annual, and the 23rd in all, published by the Committee.

Highlights of the report are captured below:



Oil Production - 51,756,481.12 bbls



Gas Production - 253,555.05 mmscf

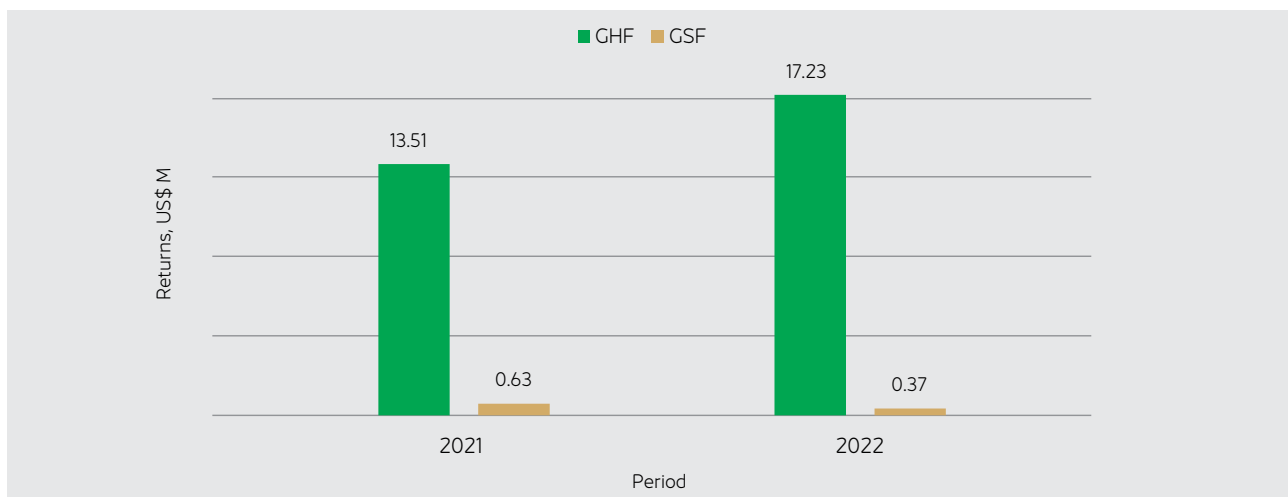


Total Revenue - US\$1.43 billion

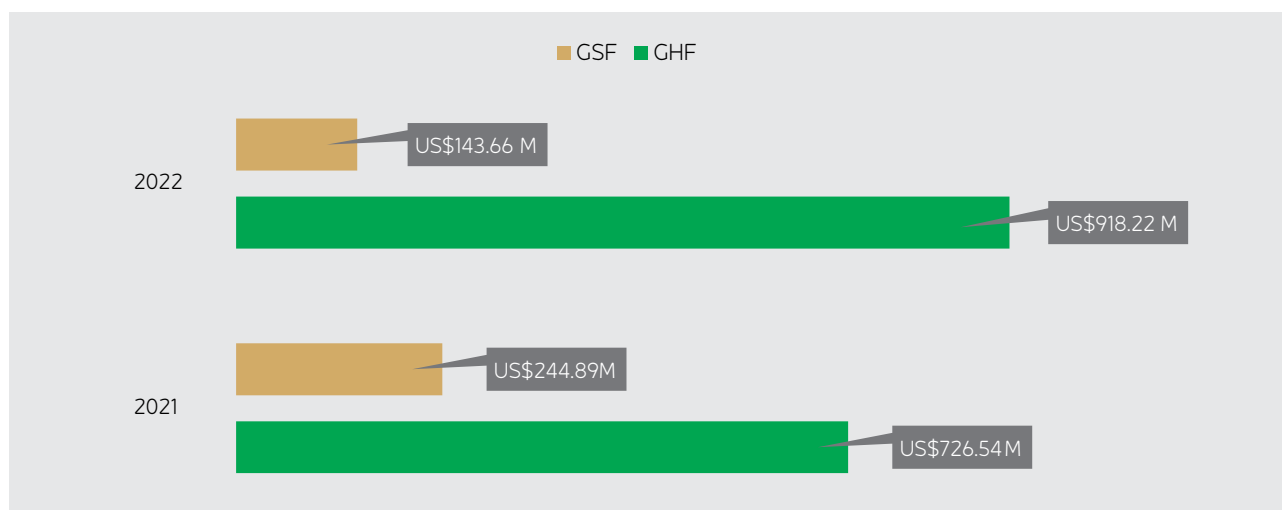
Distribution from Petroleum Holding Fund (PHF) in FY 2022

	US\$(m)	%
ABFA	US\$526.31	36.46
GNPC	US\$335.75	23.26
GHF	US\$174.46	12.08
GSF	US\$407.06	28.20
TOTAL	US\$1,443.58	100.00

Returns on the Ghana Petroleum Funds (GPFs)



Reserves of the Ghana Petroleum Funds as at FY 2022



FINDINGS

- ▶ Crude oil production has been declining for three consecutive years. A volume of 71,439,585 barrels was produced in 2019, but declined to 66,926,806 barrels in 2020, representing 6.32 percent. It further declined to 55,050,391 barrels in 2021 (17.75%) and then to 51,756,481 barrels in 2022 (5.98%). The average decline over the three-year period stood at 10 percent.
- ▶ Total petroleum revenue in 2022 is the highest for a single year since inception of petroleum production in Ghana amounting to US\$1.43 billion.
- ▶ Surface Rental Arrears continue to rise. It increased from US\$2.58 million in 2021 to US\$2.77 million in 2022, 65 percent (US\$1.80 million) of which is owed by four (4) contractors whose Petroleum Agreements were terminated in 2021. Efforts made by the Ghana Revenue Authority to retrieve the arrears are yet to yield the desired results.
- ▶ For two consecutive years (2021 – 1.74% and 2022 - 2.39%), the Ministry of Finance has not been able to meet the requirement to transfer five (5) percent of the ABFA to the District Assembly Common Fund, contrary to the decision of the Supreme Court of Ghana in the case of Kpodo and Another vs Attorney-General in 2019.
- ▶ The Industrialisation Priority Area received an amount of GH¢9.29 million representing 0.20 percent of the total ABFA (GH¢4.41 billion). The disbursement which represents 4.29 percent of the amount budgeted (GH¢216.3 million) for the Priority Area for 2022 does not reflect giving priority to Industrialisation in the use of ABFA.
- ▶ An amount of GH¢643.61 million (US\$73.68 million) was transferred to GILF in 2022. According to the Fund, the entire disbursement was used to support the Agenda 111 Project of the Government. This is the second year after 2021 that GILF has received funds for the Agenda 111 Project. In 2021 an amount of GH¢290.38 million (US\$49.39 million) was allocated to the Fund.
- ▶ Even though US\$508,656,349.80 was withdrawn from the GSF, the balance of the GPFs increased by 9.31 percent, from US\$971.43 million as at the end of 2021 to US\$1,061.89 million for the reporting period.
- ▶ The retention of the current cap of US\$100 million on the GSF for the year 2022 is not in accordance with the formula stipulated in L.I 2381. A proper application of the formula would have returned a cap of US\$638.87 million. The current cap does not help build the Fund to serve its purpose.
- ▶ GNPC's expenditure on various line items, mainly administrative expenditure and GNPC's capital projects, witnessed significant increases by more than 200 percent.
- ▶ In 2022, GNPC received an amount of US\$38,835,537.56 as gas commodity revenue from the Cash Waterfall Mechanism (CWM) which constitutes petroleum revenue. This amount was not paid into the PHF.
- ▶ GNPC continues to fund the construction of roads in the Western Corridor Enclave. This constitutes quasi-fiscal expenditure, and should be the primary responsibility of central government and not the NOC. The total expenditure by GNPC on these roads since 2014 is US\$124.66 million.
- ▶ GNPC is using JOHL to carry out operations not approved in GNPC's Work Plan for 2022. Two

notable examples are GNPC Explorco cash calls on Springfield, ENI Block 4 etc. – US\$5,546,419.12 and SOPCL Decommissioning – US\$11,000,000.00.

- ▶ Total lifting proceeds received by JOHL (a subsidiary of GNPC) for 2022 amounted to US\$272,652,208.95. Despite calls by PIAC that revenues of JOHL constitute petroleum revenue and should be paid into the PHF, GNPC disagrees and continues to use lifting proceeds of JOHL for other expenditures.
- ▶ Total expenditure on the Saltpond decommissioning amounted to US\$26.64 million in 2022. This is US\$3.23 million more than the US\$23.41 million approved in the 2022 Work Plan of GNPC.
- ▶ Although GNPC generates some revenue from the sale of processed gas, it has been unable to settle its indebtedness to GNPC for raw gas supplied because of the zeroed policy introduced by government to subsidise its portion of the CAPI of the gas. Apart from the payment of gas revenue in 2015 by GNPC, there have been no further gas payments into the PHF.
- ▶ During the period under review, the Committee inspected 29 ABFA-funded projects in seven (7) regions. For twenty-six (26) out of the projects visited, the ABFA component constituted an average of 57.31 percent of the

project contract sum. The contract sum of the remaining three (3) projects was not available to the Committee at the time of the inspection. The only project that was completed at the time of PIAC's visit was fully funded with the ABFA.

RECOMMENDATIONS

- ▶ There is the need for Ghana to speed up the sustainable development of its petroleum resources to reverse the decline in petroleum production through the attraction of new investors as well as early completion of ongoing projects.
- ▶ GRA needs to intensify its efforts in the collection of Surface Rental arrears, particularly the amount owed by the four (4) contractors whose Petroleum Agreements were terminated in 2021.
- ▶ Crude oil receipts by JOHL should be paid into the PHF since it forms part of Ghana's petroleum revenue.
- ▶ In the disbursement of funds to the DACF, the Minister for Finance should comply with the decision of the Supreme Court of Ghana in the case of Kpodo and Another vs Attorney-General in 2019.
- ▶ Having rightly selected Industrialisation as a Priority Area, the government should show more commitment by investing more in industrial development.

- ▶ The Minister for Finance should comply with the relevant provisions of L.I 2381 in determining the cap on the GSF, in order that the Fund would be able to cushion the economy in times of unanticipated petroleum revenue shortfalls.
- ▶ PIAC reiterates its call on GNPC to focus on its core mandate and for the government to desist from borrowing or requesting GNPC to make advances and guarantees on behalf of government and its agencies.
- ▶ Given that petroleum revenues recorded a historic high in 2022, PIAC recommends that GNPC should manage its expenditure and build buffers against volatilities in petroleum revenue inflows in the future.
- ▶ PIAC reiterates that Government should direct disbursements to GILF intended for Agenda 111, to the Ministry of Health under the health component of the Education and Health Priority Area to support the Agenda 111 Project.

Additionally, GILF should focus the utilisation of its share of ABFA on its core mandate of investing funds in commercial infrastructural projects, in accordance with the GILF Act, 2014 (Act 877) and policy guidelines of the Fund.

PIAC Presents 2022 Annual Report to Ahmadiyya National Consultative Assembly

Members of the Public Interest and Accountability Committee (PIAC) were given the opportunity to present highlights of the 2022 Annual Report on the management and use of petroleum revenues at

the National Consultative Assembly meeting of the Ahmadiyya Mission in Ghana.

Facilitated by the representative of the Muslims Group on PIAC, Alhaj Ahmad Suleman Anderson, the

team was led by the Vice Chairman of PIAC, Mr Nasir Alfa Mohammed to the meeting on Saturday, 24th June, 2023. Other Members of the team were Dr Emmanuel Yamoah Tenkorang and Mrs Clara Kasser-Tee. Some Secretariat staff also present at the meeting were Mr

Continued on page 19

PIAC's 2023 First Half-Year Activity Report

This session gives an overview of the programmes and activities in the first half of 2023.

Meeting with the District Assemblies Common Fund (DACF)

As part of strengthening its stakeholder relations, the PIAC team led by its Chairman, Professor Kwame Adom-Frimpong, paid a courtesy call on the DACF on Thursday, 16th February, 2023. The team was received by the Administrator of the DACF, Mrs Irene Naa Torshie Addo Lartey, and other Directors of the DACF. Prof Adom-Frimpong noted that since PIAC started reporting on the DACF as a result of the Supreme Court Ruling that for every fiscal year, the Government of Ghana is required to allocate and disburse to the District Assemblies Common Fund (DACF), five (5) percent of the Annual Budget Funding Amount (ABFA), PIAC has officially not met with the managers of the Institution, and the Committee, thus saw the need to meet with the DACF to develop and strengthen the relationship between the two institutions with regards to petroleum revenue management.

The Administrator of the DACF, Mrs Irene Naa Torshie Addo Lartey mentioned the lack of clarity on the treatment of petroleum funds that were allocated to the DACF, and as a result they were used as part of the pool of funds for the Assemblies. She however indicated that going forward, the Fund has decided to separate receipts from petroleum funds and use them on specific projects to enhance accountability.



Courtesy Call by delegation from Zanzibar

A delegation of six representatives of the Parliament of Zanzibar paid a courtesy call on the Committee on 23rd February, 2023. The delegation was received by the PIAC Team, comprising the Chair, Vice Chair and members of the Committee, with its Secretariat Staff in attendance.

The Zanzibar delegation, led by a representative of the Ministry of Finance, stated that they were on a study visit to Ghana with the aim of learning from Ghana's experiences and to acquire knowledge with regards to the management of its petroleum revenues.

The PIAC team gave a background on why PIAC was set up, and presented an overview of the Committee's membership, its mandate under the PRMA, its activities, and some of its key challenges and successes since its inception.



Courtesy Call on Bono Regional Coordinating Council

The PIAC Team, led by a Member - Dr. Emmanuel Tenkorang, paid a courtesy call on the Bono Regional Coordinating Council (RCC) on Tuesday, 25th April, 2023 as part of its Regional engagement and project inspection. The team was received by the Bono Regional Minister, Ms. Justina Owusu-Banahene and other officers of the RCC.

Dr. Tenkorang provided a briefing on what PIAC is, its three-fold mandate and the mission of the team in the

Region. In response, the Bono Regional Minister – Ms. Justina Owusu-Banahene, welcomed the PIAC Team to the Region and assured them of their safety. She commended PIAC for its oversight role in ensuring proper accountability and management of the country's petroleum revenues. She also lauded the Committee for interventions put in place to engage members of the Ghanaian society to demand accountability from duty bearers in the management and use of petroleum revenues. Ms. Owusu-Banahene reiterated the need for PIAC to collaborate with the RCCs in the discharge of their duties.



Pre-launch Media Briefing on 2022 PIAC Annual Report

A pre-launch media briefing on the 2022 PIAC Annual Report, took place on Wednesday 19th April, 2023, at the PIAC Secretariat to provide the journalists with first-hand information on the report. It was also to present key issues for their reportage, to help streamline and minimize inaccuracies in reporting. The briefing on the content of the report was done by the Vice Chairman of the Committee, Mr Nasir Alfa Mohammed.



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

As part of its regular engagements with its constituent bodies, the Committee holds annual meetings with the media, comprising members of the Institute of Financial and Economic Journalists (IFEJ), key media partners that report on PIAC activities and the Parliamentary Press Corps. The engagement for this year took place in Tegbi, in the Volta Region, with support from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

It focused on providing a platform for the media partners to familiarise themselves with PIAC's 2022 Annual Report. The session also provided the opportunity for participants to engage in a data dive on the report to tease out issues worth discussing.



Engagement with Editors, Morning Show Hosts & Producers

The Forum was held from Friday, 16th to Sunday, 18th June 2023 at Elmina in the Central Region and was attended by Senior Editors, Morning Show Hosts and Producers on different media platforms. The session was to apprise them with details of the 2022 PIAC Annual Report to enable them effectively interrogate and communicate the findings and recommendations of the Reports as key constituent members of the Committee.



PIAC Team pays courtesy call on Sunyani Traditional Council

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

As part of efforts to strengthen the collaboration between the Public Interest and Accountability Committee (PIAC) and its stakeholders, a team led by the Chairman, Prof Kwame Adom-Frimpong paid a courtesy call on the Sunyani Traditional Council on Wednesday, 26th April, 2023.

The delegation included Nana Yaa Ansua, a Member who represents the Queen Mothers Association on PIAC and Dr Emmanuel Tenkorang, a Member representing Civil Society Organisations. Some Secretariat staff also joined the meeting. The team was received by the Omanhemaa of Sunyani - Nana Akosua Dua Asor Brayie II, and an entourage of Chiefs



and Queen Mothers of the Council.

The visit formed part of a week-long activity by PIAC in the Bono Region from Monday, 24th to Friday, 29th May, 2023.

In his remarks, Prof Adom-Frimpong provided a briefing on the background of PIAC and its role within the petroleum revenue management space. He also reiterated the essence of partnerships and its importance to the work of PIAC in getting information across to citizens. Prof Adom-Frimpong also provided

highlights of the activities planned by PIAC during its week's stay in the Bono Region.

The Omanhemaa of Sunyani, Nana Akosua Dua Asor Brayie II welcomed the team to the palace and apologised for the absence of the paramount chief. She reiterated the importance of the work being done by PIAC to ensure that petroleum revenues benefited every citizen, and encouraged the Committee to carry on with its good work.

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Mark O.A. Agyemang, Ms Millicent Mensah, Mr Francis Andah and Ms Jessica Acheampong.

The Ameer and Missionary in charge of the Ahmadiyya Muslim Mission in Ghana, Alhaj Maulvi Mohammed Bin Salih, welcomed the PIAC team to the meeting, which comprises Members who make up the decision making body of the Ahmadiyya community in Ghana.

The presentation of the highlights of its 2022 Annual Report on the management and use of petroleum revenues was done by Mr Mark O. A. Agyemang. His

presentation focused on what PIAC is and its role within the petroleum revenue management space. He also presented an analysis of



Mr Mark Agyemang – Technical Manager of PIAC presenting highlights of the 2022 PIAC Annual Report.

production and sale of oil and gas production, sources of petroleum revenue, and its distribution. Key findings and recommendations in PIAC's 2022 Annual Report were also presented.

A retired Justice of Ghana's Court of Appeal, Justice Saeed Kwaku Gyan commended PIAC for the insightful presentation on how Ghana's petroleum revenues have been managed and utilized. He said it was important for PIAC to make a difference and ensure that production of oil becomes beneficial to all citizens.

Project Inspections

In line with its third mandate, the Public Interest and Accountability Committee (PIAC) carries out inspections on projects that have received funding from the Annual Budget Funding Amount (ABFA). This mandate enjoins PIAC 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 their related functions. The inspection is thus to verify the existence and progress of the projects, and assess their viability to the communities in which they are located.

Highlights of projects visited during the first half of the year are captured below:

- **Construction of Concrete Drain at Sunyani Estate (Bono Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢799,178.93	2020 and 2022	As at the time of the visit by the PIAC Team, the drain had been constructed and was in use. The team was informed that the construction of the drain was intended to help deal with the issue of perennial flooding in the Estate. However, community members indicated that the construction was not properly done and as a result, the area still gets flooded. This was because the walls of the drain were higher than the ground level, making it difficult for water to flow into the drain.



• **Construction of 1no. 3-Unit Classroom Block with Ancillary Facility for African Faith Primary School at Nsuatre in the Sunyani West Constituency (Bono Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢179,661.60	2020	When the PIAC Team visited the school, the building had developed cracks in the wall less than two years after the contractor had handed over the facility to the school. The PIAC Team was informed that it took the intervention of the Parent Teacher Association (PTA) of the school to mobilize funds to renovate the floors of the block in March 2023. Although the facility was supposed to include ancillary facilities, the PIAC Team was informed that no such facilities were constructed by the project contractor.



• **Construction of CHPS Compound at Koduakrom Sunyani (Bono Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢457,756.20	2020	The project was about 80 percent complete as at the time of the team's visit, with construction still ongoing. The construction of the facility started in 2021 and was supposed to have been completed in eight (8) months, but had delayed due to a delay in the release of funds.



■ Projects

• Construction of Eggu Health Centre in the Wa West District (Upper West Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢176,858.56	2019 & 2020	The rehabilitation and upgrading of the health center started in 2012 but had not been completed as at the time of the Team's visit. The old structure in place was slightly refurbished and roofed. The new works include construction of a new block with other amenities and an extension of the old structure to include 3 wards, a labour ward, washrooms and store rooms. The new structures had been built and also roofed but not completed. A bore hole system was also in place but was yet to be mechanized. The facility has no toilet, so the Eggu community took their own initiative to build a toilet facility for the Centre.



• Upgrading of Wa - Bulenga - Yaala Road (Upper West Region)

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢22,561,762.45	2020 to 2022	The Road under construction is a 31km road starting from kilometer 6 to kilometer 37 of the stretch. The project commenced in 2019 with a proposed completion date of June 2023. About 10 km of the road had its primer seal and first seal done. In addition, a sub-base had been laid on the next 6 km of the road. The rest of the stretch of the road had been cleared for construction to begin. Outstanding works include base works on the 6 km stretch of the road and the primer and first seals. The physical progress status of the road as at the time of the Team's visit was about 45 percent complete.



• **Construction of 2 no. Small Dams/Dugout at Yibile and Kadowli in the Wa Central Constituency (Upper West Region)**

ABFA DISBURSEMENT	YEAR	STATUS OF WORK
GH¢573,646.95	2020 & 2021	<p>The small dugout or dam was constructed in 2020. The community members expressed dissatisfaction with the project. They indicated that they saw no need for the dam as water only comes into the dam during the rainy season and cannot be used in the dry season because the water dries out. The project was part of the 1 Village 1 Dam policy of the government.</p> <p>Though the intent of the project was to help farmers near the dam have access to water during the dry season, the dam goes dry and hence cannot be used in that season. The team noted that across the embankment of the dam were farms. However, due to non-availability of canals linking the dam to the farms, the community members indicated that they were unable to use the dam. It was only animals that drank from the dam as seen by the visitation team.</p> <p>The second small dam/dug out was also inspected at Kadowli. The Team observed the same issues in Yibile small dam at the Kadowli Small dam too. The nearby farms do not have access to the dams due to non-availability of a canal. The dam only is filled with water during the rainy season but remains dry in the dry season. Community members have not been using the facility except for animals that drink from it.</p>



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