



PIAC

Press Statement

6th November, 2024

PUBLICATION OF 2024 PIAC SEMI-ANNUAL REPORT

The Public Interest and Accountability Committee (PIAC) has published its 2024 Semi-Annual Report on the management and use of petroleum revenues on its website, www.piacghana.org. This is in fulfilment of Section 56 of the Petroleum Revenue Management Act (PRMA), 2011 (Act 815), as amended.

The Committee, with an oversight responsibility of the management and use of the country's petroleum revenues, prepares and publishes these statutory reports to inform Ghanaians and other stakeholders about the management and utilisation of the country's petroleum revenues. Since its establishment, the Committee has published a total of 26 Reports.

The 2024 Semi-Annual Report covers the period January to June 2024 and encompasses a broad range of issues relating to petroleum revenue management such as information on production, liftings, total revenues due the State and subsequent allocations by Government, Annual Budget Funding Amount (ABFA) utilisation, and the management of the funds set aside in the Ghana Petroleum Funds (Ghana Stabilisation Fund and the Ghana Heritage Fund).

This Report also examines other issues pertinent to the performance of various institutions charged with responsibilities in the PRMA, including PIAC. The findings and recommendations presented in this Report are intended to shape policy formulation and to drive advocacy for the prudent management of petroleum revenues in Ghana.

KEY FINDINGS

The following are the findings of the Report:

1. Crude oil production for the first half of 2024 increased by 10.7 percent as compared to a decline of 13.2 percent in the previous period, primarily due to the coming on stream of the Jubilee South East (JSE) Project.



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2. The total petroleum receipts for the period increased by 55.6 percent from US\$540,456,124.27 in H1 2023 to US\$840,765,265.80 in H1 2024 mainly due to increased production for the period.
3. Total surface rental arrears remain high at US\$1,212,335.53 excluding that of the terminated PAs.
4. There was neither allocation nor disbursement to the Industrialisation Priority Area during the period under review.
5. The retention of the current cap of US\$100 million on the Ghana Stabilisation Fund (GSF) for the year 2024 is not in accordance with the formula stipulated in Petroleum Revenue Management Regulations, 2019 (L.I. 2381) and does not help build the Fund to serve its purpose. A proper application of the capping formula under L.I 2381 would have returned an amount of US\$530.10 million in the reporting period.

OBSERVATIONS

1. PIAC observes that GNPC has not established the reserve fund, as required by Section 18 of PNDCL 64, to provide for expenditures which may reasonably be anticipated in the carrying out of the Corporation's long-term plan, having regard to the provisions of the PRMA that, allocation of petroleum revenues for GNPC's level B expenditures may be discontinued in 2026.
2. PIAC noted that although the Discounted Industrial Development Tariff (DIDT) was suspended by the Ministry of Energy in January 2023, the GNGLC continued to invoice lean gas volumes at discounted tariffs.
3. PIAC observes that no Petroleum Agreement was signed during the period under review, as has been the case since 2018.
4. PIAC notes that in comparison to H1 2023, less drilling operations on the Jubilee field were carried out during the period under review.

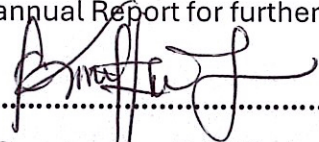


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RECOMMENDATIONS

1. The Committee reiterates that the Ghana Revenue Authority (GRA) should take immediate steps to recover the Surface Rentals outstanding and also ensure that Surface Rentals assessed be paid into the PHF not later than 28th February of each year, as provided in Regulation 5(1)(b) of L.I. 2381.
2. The Committee recommends that GNGLC complies with the directive of the Ministry of Energy to suspend the implementation of the DIDD.
3. The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation of the Industrialisation Priority Area by consistently committing disbursement of the ABFA to the Priority Area.
4. The Committee reiterates that the Ghana Revenue Authority (GRA) should take immediate steps to recover the Surface Rentals outstanding and also ensure that Surface Rentals assessed be paid into the PHF not later than 28th February of each year, as provided in Regulation 5(1)(b) of L.I. 2381.
5. PIAC recommends that Parliament should decline/or review any cap on the GSF that deviates from the statutory provision and direct the Minister of Finance to comply with Regulation 8 of L.I. 2381.

The Committee urges the public to obtain a copy of the Report from its website and provide feedback via; secretariat@piacghana.org, +233 (0) 302 547 765, 0554416544 (WhatsApp), or any of our social media handles. It also urges the media to obtain a copy of the 2024 PIAC Semi-annual Report for further analyses of the issues raised.



Constantine K.M. Kudzedzi, Esq.

PIAC Chair



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About PIAC

The Public Interest and Accountability Committee (PIAC) was established under Section 51 of the Petroleum Revenue Management Act (PRMA), to among others, monitor and evaluate compliance with the Act. The Committee was inaugurated and commenced work on 15th September, 2011.

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