



REPUBLIC OF GHANA

MINISTRY OF FINANCE

Ghana Extractive Industries
Transparency Initiative (GHEITI)

 **GHEITI**

GHEITI REPORT

ON THE OIL & GAS SECTOR

2020

December 2022

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LIST OF ABBREVIATION

Acronym	Definition
ABFA	Annual Budget Funding Amount
ACEP	Africa Centre for Energy Policy
ADO	Average Daily Occupancy
AFROSAI	Africa Organisation Supreme Audit Institutions
AFS	Annual Financial Statement
AG	Auditor-Generale
AOE	Additional Oil Entitlement
AOI	Area of Influence
ASM	Artisanal and Small-Scale Mining
BBLs	Barrels
BO	Beneficial Ownership
BOP	Business Operating Permit
BOPD	Barrels of Oil Per Day
BOST	Bulk Oil Storage Company Limited
BR	Benchmark Revenue
CAGD	Controller and Accountant General's Department
CAPI	Carried and Additional Participating Interest
CD	Customs Division
CDB	China Development Bank
CEPS	Customs, Excise and Preventive Service
CIL	Carbon In Leach
CIT	Corporate Income Tax
CNOOC	China National Offshore Oil Company
COVID	Corona Virus Disease
CSO	Civil Society Organisation
CSPOG	Civil Society Platform on Oil & Gas
CSR	Corporate Social Responsibility
CTP	Cape Three Points
CWM	Cash Waterfall Mechanism
DACF	District Assembly Common Fund
DTRD	Domestic Tax Revenue Division
DWCTP	Deepwater West Cape Three Point
DWT	Deepwater Tano
EAP	Environmental Action Plan
EAR	Environment Assessment Report
ECG	Electricity Company of Ghana

EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EITI	Extractive Industries Transparency Initiative
ELRS	Enhanced Liquid Recovery System
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ESD	Emergency Shutdown
FPSO	Floating Production Storage and Offloading
FY	Full Year
GCB	Ghana Commercial bank
GDP	Gross Domestic Product
GHEITI	Ghana Extractive Industries Transparency Initiative
GHF	Ghana Heritage Fund
GHG	Green House Gas
GHS	Ghana Cedis
GIFMIS	Ghana Integrated Financial Management System
GIIF	Ghana Infrastructure Investment Fund
GIS	Geographical Information System
GMA	Ghana Maritime Authority
GMP	Gas Master Plan
GNGC	Ghana National Gas Company
GNPC	Ghana National petroleum Corporation
GOG	Government of Ghana
GOIL	Ghana Oil Company Limited
GOSCO	GNPC Operating Services Company
GPF	Ghana Petroleum Funds
GPP	Gas Processing Plant
GPR	Ground Penetrating Radar
GRA	Ghana Revenue Authority
GRM	Grievance Redress Mechanism
GSF	Ghana Stabilisation Fund
GSL	Growth and Sustainability Levy
GTES	GNPC Technip Engineering Services
GUPC	Ghana Upstream Petroleum Chamber
HFO	Heavy Fuel Oil
HQ	Headquarters
HSE	Health, Safety and Environment
HY	Half Year

IA	Independent Administrator
ICT	Information Communication Tehnology
IFEJ	Institute of Financial and Economic Journalists
IFRS	Internation Financial Reporting System
IMF	International Monetary Fund
INTOSAI	International Organisation of Supreme Audit Institutions
IOC	Internationally Oil Companies
IPO	International Publiuc Offering
IPP	Independent Power Producers
IRS	Internal Revenue Service
ISSAI	International Standards of Supreme Audit Institutions
JAK	John Agyekum Kuffuor
JICA	Japanese International Cooperation Agency
JOA	Joint Operating Agreement
JOC	Joint Operating Companies
JOHL	Jubilee Oil Holding Limited
JVC	Joint Venture Company
LBRN	Licencing Bid Round and Negotiation
LI	Legislative Instrument
LIBOR	London Interbank Offer Rate
LLC	Limited Liability Company
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MDA	Ministries, Departments and Agencies
MMBTU	Metric Million British Thermal Unit
MMDA	Metropolitan, Municipal and District Assemblies
MMSCF	Million standard cubic feet
MOE	Ministry of Energy
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPA	Model Petroleum Agreement
MSG	Multi-Stakeholder Group
MT	Metric Tonne
MW	Mega Watt
NAG	Non Associated Gas
NGCH	Natural Gas Clearing House
NHIL	National Health Insurance Levy
NOC	National Oil Company
OASL	Office of Administrator of Stool Lands

OCTP	Offshore Cape Three Points
OEM	original equipment manufacturer
OEP	Opening Extractives Programme
OPCO	OSWT & EK Operating Company Ltd
ORC	Office of Registrar of Companies
ORF	Offshore Receiving Facility
OSE	Other State Entities
OSWT	Offshore South West Tano
OXY	Occidental Company Limited
PA	Petroleum Agreement
PAYE	Pay As You Earn
PC	Petroleum Commission
PEA	Preliminary Environmental Assessment
PFM	Public Financial Management
PGL	PetroSA Ghana Limited
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PLC	Public Liability Company
PNDCL	Provisional National Defence Council Law
PPA	Public Procurement Authority
PRMA	Petroleum Revenue Management Act
PSGL	Prestea Sankofa Gold Limited
PURC	Public Utilities Regulatory Commission
PWYP	Publish What You Pay
QFA	Quasi Fiscal Activities
QFE	Quasi Fiscal Expenditures
RFP	Request for Proposal
ROR	Rate of Return
SDG	Sustainable Development Goals
SDWT	South Deepwater Tano
SEC	Securities and Exchange Commission
SGN	Sankofa Gye Nyame
SIGA	State Interests and Governance Authority
SOE	State Owned Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
SPV	Special Purpose Vehicle
TIN	Tax Identification Number
TTIP	Takoradi-Tema Inter-connection Project
USD	United States Dollar

UUAO	Unitisation and Unit Operating Agreement
VAT	Value Added Tax
VBP	Voltaian Basin Project
VP	Seismic Vibrator Points
VRA	Volta River Authority
WAGP	West African Gas Pipeline
WAGPP	West Africa Gas Pipeline Project
WB	World bank
WCTP	West Cape Three Point
WRC	Water Resources Commission
WUSC	World University Services of Canada
YTD	Year to Date

EXECUTIVE SUMMARY

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas, and mining sectors.

Ghana signed onto the EITI in 2003 to promote good governance in the management of its natural resources. The primary objectives of GHEITI are to ensure transparency and accountability in the payments and revenues in the extractive sector, reduce the potential for all forms of corruption in the sector, improve the investment climate, strengthen government, and company systems, and contribute to enhanced revenue mobilisation to support government's development agenda. Since signing up to the EITI in 2003, Ghana has produced 19 mining and 9 oil and gas reports.

This oil and gas report, covering the period January to December 2020, has been produced in accordance with the 2019 EITI Standard which sets out the minimum requirements that must be adhered to by countries implementing the EITI; and also under the flexible reporting dispensation, adopted by the Board of EITI in the wake of the COVID-19 pandemic. The flexible reporting dispensation requires reporting entities to report on the most current data but limit reconciliation to data for the year of reporting.

The Independent Administrator was commissioned in October 2022 to collect data for the reporting period (2020), with the support of the GHEITI Secretariat; reconcile and produce the EITI Report, in line with the 2019 Global EITI Standard.

The report generally covers activities and payments along the oil and gas value chain. However, payments that met the materiality threshold set by the Ghana EITI Multi-Stakeholder Group (MSG) at US\$13,566,644.47 were reconciled.

Key Findings

- 1) The upstream oil and gas sector in Ghana contributed 3.7 percent to the Gross Domestic Product (GDP) of Ghana in 2020 and recorded a growth rate of -4.6 percent (at constant 2013 prices).
- 2) The total crude oil production in 2020 was 66.91 MMbbls compared with the 2019 production of 71.4 MMbbls. This comprises 30.42MMbbls from the Greater Jubilee Field, 17.80 MMbbls from the Tweneboa-Enyenra-Ntomme (TEN) Field and 18.68 MMbbls from the Sankofa-Gye Nyame (SGN) Field.
- 3) GNPC lifted, on behalf of the State, 11.8 MMbbls (5.9 MMbbls from the Jubilee Field, 4.0 MMbbls from TEN Field and 1.9 MMbbls from SGN Field).

- 4) A total of 237,962.82 Million Standard Cubic Feet (MMscf) of Associated Gas (AG) and Non-Associated Gas (NAG) was produced in 2020 from all producing fields. Of the produced gas, 88,418.88 MMscf was delivered for power generation and non-power gas users. A total of 26,415 MMScf of the delivered volume was from the Greater Jubilee Field, 5,545 MMScf from the TEN Field and 56,459 MMScf from the SGN Field. The undelivered volumes were either flared or re-injected.
- 5) The average achieved crude oil price for 2020 was US\$43.3, lower than the 2019 achieved price of US\$63.19.
- 6) Total petroleum receipts for 2020 was US\$666.39 million, compared with the 2019 receipt of US\$937.58 million.
- 7) Out of the total petroleum receipts of US\$666.39 million for 2020, US\$638.64 million was distributed. GNPC was allocated US\$198.65 million (Equity Financing Cost of US\$154.82 million and GNPC's share of the net Carried and Participating Interest of US\$43.83 million); the ABFA was allocated an amount of US\$273.38 million (GH¢1,514.8 million); and the GPFs was allocated US\$166.61million with the GSF and the GHF receiving US\$116.63million and US\$49.98 million respectively.

Key observations and recommendations

The following are key observations and recommendations at the time of compiling this report and on the basis of publicly available information:

EITI Standard Requirement	Observations	Recommendations
Amendment to Petroleum Agreement Transfer of interests	<ul style="list-style-type: none"> The JOHL's Commercial Interest in DWT and WCTP acquired through indirect means (not through direct agreement with the State) be appropriately deemed indirect "participating interest." Section 6(e) of Petroleum Revenue Management (Amendment) Act, 2015, (Act 893) makes accommodation for such indirect working interests. Its activities are currently fully funded by the State so the production activities of its subsidiaries including JOHL and Explorco must be authorized by the State. 	<ul style="list-style-type: none"> It is recommended that JOHL's commercial interest be classified under indirect "participating interest" and subjected to payment into the PHF. It is recommended that the Ministry of Energy regularises the activities of GNPC and bring it in conformity with PNDCL 64, PRMA, 2011 (Act 815) as amended in Act 893, and E&P Act, 2016 (Act 919). The Ministry of Finance should bring the loan transaction to Parliament

EITI Standard Requirement	Observations	Recommendations
	<ul style="list-style-type: none"> • Checks at the Registrar of Companies reveal that JOHL was registered in Ghana as an external (foreign) company on 15th August, 2022 with presence in the country. This implies that at the time of lifting, JOHL had not been registered to conduct business in Ghana. Furthermore, to hold interest in a petroleum block, the Petroleum (E&P) Act, 2016 (Act 919) requires the incorporation of a local company. Therefore, the acquisition of a stake and subsequent lifting of crude oil by JOHL ahead of its incorporation in Ghana is in contravention of Section 70 (1)(a) of Act 919, which mandates such incorporation in order to carry out petroleum activities in Ghana. • As at the time of compiling this report (11 months after GNPC’s assurance of JOHL transfer to Explorco), the Corporation has still not honoured its pledge. If the current arrangement remains, JOHL will continue to lift and sell crude oil as well as bear the cost of funding its commercial interest in the two fields as a subsidiary of GNPC. • There is no loan agreement specifying the tenure and terms of repayment of the loan. The transaction was based on written communication between the Ministry of Finance and GNPC. • Additionally, the grant of US\$164 million loan to GNPC for JOHL acquisition without Parliamentary approval is in contravention of Article 181(1)(2)(3) of the 1992 Constitution, and Section 57(1)(f) of the Public Financial Management Act, 2016 (Act 921). 	<p>for ratification. GHEITI’s position is consistent with that of the Auditor-General in respect of procurement breaches reported in 2020.</p> <ul style="list-style-type: none"> • GNPC should provide clear timelines for the transfer of the JOHL interests to Explorco.
<p>Gas Production and Export</p>	<p>Make Up Gas (MUG) arises where in any period, subject to the Gas Sales Agreement (GSA), GNPC has paid for a gas volume on the basis of a Take or Pay (ToP) provision under the Gas Sales Agreement, the volume of gas not taken is recorded in a Balance Make Up Gas account on a first-in, first-out basis. GNPC is entitled to take delivery of the MUG in the subsequent five (5) years following the MUG year. Any MUG not taken by GNPC by the end of the fifth (5th) year shall be forfeited. The following was observed in respect of MUG:</p> <ul style="list-style-type: none"> • Inadequate infrastructure for gas evacuation and commercialisation has been a major constraint in Ghana’s ability to uptake its MUG from SGN. 	<ul style="list-style-type: none"> • GNGC and the State must expedite action on the development of the necessary gas transportation infrastructure to enable early recovery of the due MUG estimated at 35,630.32 MMSCF as at the year ended 2020, which translates into an estimated amount of USD300 million recoverable to the State.

EITI Standard Requirement	Observations	Recommendations
<p>Disclosure of Taxes and Revenues - Surface Rental Collection and Management</p>	<p>Section 3 (3) of the Petroleum Revenue Management Act (PRMA) assigns GRA the responsibility for keeping records and accounting for surface rentals, also known as acreage fees, paid into the Petroleum Holding Fund.</p> <p>In terms of substance and form, surface rental or acreage fees is analogous to ground rent in the mining industry and ought to be collected by the Office of the Administrator of Stool Lands (OASL), in accordance with Article 267 (2) and (6) of the 1992 Constitution, which vests authority in the OASL to collect and distribute stool land revenues, including ground rent, to beneficiaries in accordance with a prescribed formula.</p> <ul style="list-style-type: none"> • It is GHEITI's view that the current arrangement which mandates the payment of surface rentals into the Petroleum Holding Fund and assigns GRA the responsibility to keep records and to account for these surface rental payments is borne out of the fact that, Ghana's oil and gas production activities are currently offshore and so no stool land is encumbered. • However, when exploitation activities commence onshore, stool and family lands are likely to be encumbered, and the collection of acreage fees or ground rent would have to be taken over by the OASL and distributed as prescribed by the Constitution. • The lack of recognition of this situation in the PRMA runs the risk of overlap of institutional mandate with respect to collection and management of acreage fees onshore. • GHEITI believes it will amount to a flagrant infraction of the Constitution, if ground rent or acreage fees for onshore exploration and production activities are paid into the Petroleum Holding Fund as prescribed by the PRMA. 	<p>Two options are available to avert the risk of institutional overlap in the administration of surface rentals / acreage fees in Ghana's oil and gas industry. These are:</p> <ol style="list-style-type: none"> 1) An amendment to the PRMA to limit GRA's role in the collection of surface rental to offshore activities, while OASL takes care of onshore collections. 2) GRA may be allowed to continue to collect surface rental or acreage fees offshore and subsequently onshore but should be made to cede the amounts collected onshore to the OASL for onward distribution to beneficiaries in accordance with the Constitution of the Republic of Ghana.
<p>Disclosure of Taxes and Revenues - Bonuses</p>	<p>GHEITI observes that, while Sect. 6 of the Petroleum Revenue Management Act itemises revenue streams to be received into the Petroleum Holding Fund (PHF), it fails to recognise bonuses, which is provided for in the E&P Act, 2016 (Act 919). The omission may be due to the fact that the PRMA preceded the E&P Act and therefore bonuses could not have been foreseen by the former. Although Sect. 6(a) and (e) provide omnibus clauses under which bonuses could be subsumed, it is irregular that surface rentals, which are often far less than bonuses are mentioned by name as a revenue stream to be received into the PHF, and the relatively bigger stream (bonuses) is subsumed under omnibus clauses.</p>	<p>GHEITI recommends that bonuses are recognised by name as a revenue stream in any future amendments to the PRMA, to ensure coherence between the E&P Act and the PRMA, and to enhance transparency and accountability of such payments.</p>

EITI Standard Requirement	Observations	Recommendations
Accessibility to Ghana Petroleum Register	<p>The Register is online, and no entry registration or fee is required to access information. However, in 2021, four licences were revoked for non-performance, bringing the number of licences to date to 15.</p> <ul style="list-style-type: none"> GHEITI has observed that while the duration of all the licences are specified in the individual PAs, they are not summarised into a table in a manner that allows users to have a complete overview at a glance. 	<ul style="list-style-type: none"> The Petroleum Commission is encouraged to summarise the licence tenure information in the various contracts and other vital contractual details for ease of reference.

1.0. OVERSIGHT BY THE MULTI-STAKEHOLDER GROUP (MSG)

OVERVIEW

The Extractive Industries Transparency Initiative (EITI) is a global good governance programme aimed at helping natural resource-rich countries to realise the full benefits of their natural resources, through open, participatory, and accountable management. The Initiative sets out to address the paradox of plenty, or what is commonly referred to as the resource curse syndrome.

At the very basic level, the EITI Standard requires companies to declare payments to their host governments in respect of the terms of their operations, and for governments to also declare what they receive from the extractive companies. The payments and receipts are then reconciled by an Independent Administrator (IA), and where discrepancies are identified, steps taken to resolve them.

Since 2013, the EITI Standard has evolved to include disclosures in the other links of the extractive industry value chain. These include disclosures on contracts, production, exports, revenue management and utilisation, environmental monitoring, and reporting, as well as beneficial ownership, etc.

As part of EITI processes, countries are required to establish a Multi-Stakeholder Group (MSG) that oversees EITI implementation at the country level. This section covers (1.1) Government commitment; (1.2) Company engagement; (1.3) Civil society engagement; (1.4) The establishment and function of a Multi-Stakeholder Group (MSG); and (1.5) An agreed work plan based on national priorities with clear objectives for EITI implementation.

1.1 Government Commitment

Ghana signed onto the initiative in 2003, with the objective of using it as a diagnostic tool to guide reforms in the country's mining industry. The official declaration of intent was issued at a stakeholder workshop at Elmina in 2004. This was followed by the adoption of a Cabinet Memo in 2005, which was revised in 2010 to include the oil and gas sector in the implementation of the EITI. Between 2003 and 2004, the following activities were undertaken in furtherance of the EITI implementation: establishment of the Multi-Stakeholder Group (MSG); development of the national work programme; development of Terms of Reference for the reconciliation exercise; and development of data capture templates.

Government, since inception, has been allocating funds for EITI implementation through the National Budget and has consistently implemented recommendations of EITI report which has made Ghana an exemplary country for using EITI for reform purposes.

The Political Champion for the EITI implementation in Ghana is Dr. Mohammed Amin Adam, Deputy Minister for Energy with a rich civil society background and activism in extractives.

The MSG has representation from the Office of the President and senior officials from Ministries, Departments and Agencies (MDAs) in the extractive sector. This demonstrates Government commitment at the highest levels.

All the GHEITI reports have been launched by Government Ministers who have availed themselves to deliberate on implementation of the recommendations from the reports. Ghana's Energy Transition and Critical Minerals Report was launched by the Deputy Minister for Energy who is also the Chairman of Ghana's Energy Transition Policy and Strategy Committee and the EITI Champion for Ghana.

Furthermore, Ghana has made significant progress in Beneficial Ownership (BO) implementation primarily because of Government's commitment to EITI and other protocols. Government in 2016 amended the then Companies Act, 1963 (Act 179) to include BO provisions. A new Companies Act, 2019 (Act 992) has been enacted by Government which addresses the BO gaps in Act 179. Furthermore, government has provided logistical support to the Office of the Registrar of Companies (ORC) for the establishment and operationalisation of a BO register.

1.2 Company Engagements

Extractive Industry companies are actively involved in Ghana's EITI implementation. In the oil and gas sector, they are represented on the MSG by the Ghana Upstream Petroleum Chamber, and representatives from the three producing fields. There is no legal or administrative inhibition to company representation and participation on the MSG. The views and contributions of industry are accorded the due respect by the MSG.

All companies that were within scope provided data required of them by the IA, with the exception of Anadarko, Vitol and PetroSA. Anadarko and PetroSA do not have a well-established presence in Ghana. They are either represented by an office or a desk within an affiliated institution and therefore all information requests must be cleared by the head office. The company representative for PetroSA

for instance, had all the data templates completed but had to seek clearance from its headquarters in South Africa. The clearance did not come through and so the templates were not returned. In the case of Anadarko, the company has sold its shares and wound up its business in Ghana. In line with the requirements on flexible reporting, GHEITI therefore undertook unilateral declaration for these three entities.

1.3 Civil Society Engagement

Civil Society Organisations (CSOs) in Ghana are fully, actively, and effectively engaged in Ghana's EITI implementation processes. They are represented by Publish What You Pay (PWYP) Ghana (a coalition of over 30 organisations) in terms of mining, and the Civil Society Platform on Oil and Gas (a coalition of over 50 organisations and 200 individuals) in terms of oil and gas. Both coalitions operate a decentralised governance structure, with PWYP Ghana having local chapters in the country's four main mining zones, and CSPOG having local chapters in 10 out of the 16 regions of Ghana. The CSOs have three slots on the GHEITI MSG, one for PWYP-Ghana, and two for CSPOG. One of the civil society representatives serves as the Co-Chair of the MSG, alongside the Chief Director of the Ministry of Finance. The MSG's decision-making has always been by consensus, which has come to form the basis for collaboration and co-operative dialogue.

GHEITI consistently organises capacity building programmes on emerging topical issues in the sector. For e.g., there have been engagements with CSOs under the Opening Extractives Programme on the use of Beneficial Ownership information in evidence-informed advocacy.

1.4 Multi-Stakeholder Group

The Ghana EITI (GHEITI) is led by the Government of the Republic of Ghana, with the Deputy Ministers of Finance; Lands and Natural Resources; and Energy, jointly providing political leadership. The implementation of the initiative is governed by a Multi-Stakeholder Group (MSG) drawn from government agencies in the extractive sector, companies, and civil society groups. The MSG is served by a Secretariat, which is headed by a Coordinator. The GHEITI MSG and the Secretariat are governed by Rules of Procedure¹ which are publicly accessible and available. The business of the MSG is executed through MSG meetings whose records are publicly available.

¹ http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=345:gheiti-rules-of-procedure&id=40:acts-a-policy-documents&Itemid=54

1.4.1 Gender Make-up of the GHEITI MSG and Secretariat

The MSG as already indicated, is made up of representatives from extractive industries-related institutions of State (Government); industry representatives (private sector), and civil society. Representatives from the government side are from: The Office of the President; Ministry of Finance; Ministry of Lands and Natural Resources; Ministry of Energy; Ghana Revenue Authority (Customs, Mining & Oil and Gas units); Minerals Commission; Petroleum Commission; Office of the Administrator of Stool Lands; Representative of Local Authorities; Ghana National Petroleum Corporation; the Environmental Protection Agency; Ghana National Gas Company; and the Minerals Development Fund Secretariat.

On the companies' side, representation is from: The Ghana Chamber of Mines; the Ghana Upstream Petroleum Chamber; Ghana Manganese Company; Tullow Oil Ghana Limited; Kosmos Energy; and Eni Ghana Exploration and Production Limited (Eni). The civil society constituency has three slots on the MSG drawn from Publish What You Pay-Ghana (1) and the Civil Society Platform on Oil and Gas (2).

Representation from both the government and company sides is determined exclusively by job function, which makes it difficult to insist on gender representation. On the civil society side, two of the three representatives are women. In all, there are twenty-five (25) members on the MSG with five (5) being women, representing 20 percent of the total MSG membership.

The GHEITI Secretariat has eight regular staff and one National Service Personnel and an intern. Three of the regular staff are women, representing 37.5 percent of the total regular staff.

In 2019, GHEITI with the support of the World University Services of Canada (WUSC), developed a gender strategy document², which guides the mainstreaming of gender into Ghana's EITI. Meanwhile, the GHEITI MSG has, in furtherance of its commitment to gender mainstreaming, required institutions represented on the MSG to nominate women to serve as their alternates on the MSG. Implementation is ongoing and so far, two women have been nominated as alternates.

²http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=50:gender-related&Itemid=54

1.5 Work Plan

The activities of GHEITI are guided by a fully costed annual work plan prepared and adopted by the MSG at its annual retreat held at the beginning of each year. The work plan is developed in consultation with key stakeholders, including those outside the MSG, and aligned with the reporting and validation deadlines approved by the EITI Board. The work plan is reviewed mid-year to measure progress of implementation and adjusted where necessary.

The GHEITI's approach to workplan development is encompassing and inclusive to ensure that the plan is comprehensive and covers relevant areas based on national priorities, taking into account inputs from stakeholders. The workplan development process is normally done during the MSG's annual retreat to take stock of the previous year's performance, challenges and lessons learnt to feed into the work plan for the ensuing year. The views of non-MSG members are factored in the work planning in the following ways:

- GHEITI invites both MSG and non-MSG members to the workplan development meeting each year to incorporate the ideas of other stakeholders outside the MSG;
- Hold pre-work planning or post-work planning consultations with partners when necessary to ensure that the activities identified by GHEITI are well aligned with each other to achieve the intended objectives; and
- Feedback from stakeholder engagements during GHEITI's outreach are often documented and captured as part of the work programme.

Objectives of the Work Plan

- Enhance citizens participation in decisions around resource extraction along the value chain
- Show the impact of EITI to the economy (direct and indirect contributions)
- To improve routine disclosure of Government, SOE and company information (production, export, sub-national transfers, quasi fiscal expenditures and state participation information through mainstreaming)
- Capacity building of the Secretariat, MSG and other stakeholders
- Enhance partnership between agencies responsible for BO implementation
- Establish BO regime by other periphery agencies (Petroleum Commission and Minerals Commission) with legal requirements to maintain BO registers

- Increase awareness of companies to submit accurate BO information – especially from extractive companies
- To strengthen the reporting or disclosure process of natural persons behind the ownership of corporate bodies with a view to reducing corruption and improving natural resource governance
- Strengthen revenue management and natural resource governance
- Enhance contract transparency in Ghana.
- Promote stakeholder engagement in Artisanal and Small-Scale Mining (ASM)
- Promote stakeholder dialogues

The Annual Work Plan can be accessed at:

http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=398:2021-gheiti-annual-work-plan&id=18:workplans&Itemid=54

Approach and Methodology

The approach to the production of this report was in two main phases;

- Preliminary information gathering (inception phase which includes the production of scoping and inception reports);
- Reconciliation phase.

The preliminary information gathering stage involved interactions with the major stakeholders for the purpose of collecting the raw data for scoping. This phase helped to put the assignment in its proper perspective.

The reconciliation phase was made up of i) Data collection and analysis; ii) Initial reconciliation; iii) Draft reporting phase and iv) Final reporting.

There was interaction with the Multi-Stakeholder Group (MSG) to:

1. Elaborate on the details of the terms of reference
2. Determine fully, the responsibility of the IA regarding provision of contextual information, i.e. to confirm the areas of the contextual information that IA has to provide.
3. Discuss the work plan. The MSG approved the use of the Flexible Reporting Scheme adopted by the Board of EITI, at the onset of the Covid-19 pandemic.

Document Review

Available documentation was reviewed to gain a deeper understanding of the assignment. Document review also provided the necessary resources for the provision of contextual information.

The following documents were examined during the assignment.

- Model Petroleum Agreement
- Reports of seminars and workshops held on the EITI.
- Public Interest and Accountability Committee (PIAC) reports.
- 2019 and 2020 Annual report on the Petroleum Holding Fund
- The Income Tax Act, Act 896
- Audit reports on the Ghana Petroleum Funds
- The Audited Financial Statement of GNPC.
- Audit report on the Petroleum Holding Fund.
- Relevant websites

2.0 LEGAL AND INSTITUTIONAL FRAMEWORK, INCLUDING ALLOCATION OF CONTRACTS AND LICENCES

This section covers the management of the contracting and licensing regime in the oil and gas sector. It is intended to help stakeholders understand the laws and procedures for the award of exploration and production rights; the legal, regulatory, and contractual frameworks that apply to the oil and gas sector, and the institutional responsibilities of the State in managing the sector.

The EITI requirements related to the transparency of the legal framework and award of extractive industry rights, include: (2.1) Legal framework and fiscal regime; (2.2) Contract and licence allocations; (2.3) Register of licences; (2.4) Contracts; (2.5) Beneficial ownership; and (2.6) State participation in the extractive sector.

2.1. Legal Framework and Fiscal Regime

Below is a summary of descriptions of the main legislations that regulate the Upstream Oil and Gas sector.

2.1.1. Legal Framework

1. **The Constitution of the Republic of Ghana, 1992:** The 1992 Constitution is the supreme law of Ghana. Article 257 (6) of the Constitution declares the Republic of Ghana as the owner of every mineral resource in their natural state and vests them in the President on behalf of, and in trust for the people of Ghana. The President, in executing petroleum agreements, is required by Article 75 and Article 268 to ensure that any Petroleum Agreement for petroleum resources is subject to ratification by Parliament. <https://www.petrocom.gov.gh/wp-content/uploads/2018/12/constitutionofghana.pdf>
2. **Ghana National Petroleum Corporation (GNPC) Law, 1983 (P.N.D.C.L. 64):** P.N.D.C.L. 64 establishes GNPC as the National Oil Company (NOC) with the mandate to undertake sustainable exploration, development, production, and disposal of the petroleum resources of the Republic of Ghana. https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_corporation_law_19831.pdf
3. **Petroleum (Exploration and Production) Act, 2016 (Act 919):** Act 919 is the primary law that governs the conduct of petroleum activities within Ghana's jurisdiction, including activities in, under and upon its territorial land, inland waters, territorial sea, exclusive

economic zone, and its continental shelf. The object of the Act is to provide for and ensure "safe, secure, sustainable and efficient petroleum activities in order to achieve optimal long-term petroleum resource exploitation and utilisation for the benefit and welfare of the people of Ghana. It was enacted in 2016 to replace the Petroleum (Exploration and Production) Law, 1984 (P.N.D.C.L. 84). The Act provides for and ensures safe, secure, sustainable, and efficient petroleum activities in order to achieve optimal long-term petroleum resource exploitation and utilisation. <https://www.petrocom.gov.gh/wp-content/uploads/2018/12/Act-9190001.pdf>

4. **Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893):** Act 815 and its amendment (Act 893) provide the framework for the collection, allocation and management of petroleum revenues derived from upstream and mid-stream petroleum operations. <https://www.petrocom.gov.gh/wp-content/uploads/2018/12/petroleum-revenue-management-act815-2011-.pdf>
<http://www.gnpcghana.com/files/PRMA-Amendment-2015.pdf>
5. **Income Tax Act, 2015 (Act 896) as Amended:** Act 896 provides the legal basis for taxation in Ghana. It contains a section (Part VI) on the taxation of upstream oil and gas activities. It replaces Petroleum Income Tax Law, 1987 (P.N.D.C.L. 188). Specifically, Act 896 covers, petroleum income tax, royalties, withholding tax, capital gains tax, dividends, capital allowance, among others. <http://www.gnpcghana.com/files/INCOME-TAX-ACT-2015-ACT-896.pdf>
6. **Ghana Revenue Authority (GRA) Act, 2009 (Act 791):** Act 791 establishes GRA as an umbrella body with the aim to enhance coordination between Internal Revenue Service (IRS), Customs, Excise and Preventive Service (CEPS) and the Value Added Tax (VAT) Service for the administration of taxes and provide related services. In relation to the upstream oil and gas sector, Act 791 provides rules under which GRA promotes efficient collection of revenue, and greater accountability to Government for the management of tax administration. https://gra.gov.gh/wp-content/uploads/2020/09/gra_act.pdf
7. **The Petroleum Commission Act, 2011 (Act 821):** Act 821 establishes the Petroleum Commission as a body corporate. The object of the Commission is to regulate and manage the utilisation of petroleum resources and to coordinate policies in relation to these resources

. <https://www.petrocom.gov.gh/wp-content/uploads/2018/12/petroleum-commission-act-2011-act-821-1.pdf>

- 8. Earmarked Funds Capping and Realignment Act, 2017 (Act 947) as amended by the Earmarked Funds Capping and Realignment (Amendment) Act, 2019 (Act 994):** Act 947 provides the legal basis for the government to ensure tax revenues are not encumbered by Earmarked Funds. With respect to upstream oil and gas sector, Act 947 as amended empowers the Minister for Finance to cap petroleum revenue transfers to GNPC to achieve the object of Act 947.

[http://elibrary.jsg.gov.gh/fg/laws%20of%20ghana/2%20REP/EARMARKED%20FUNDS%20CAPPING%20AND%20REALIGNMENT%20ACT,%202017\(ACT%20947\).htm](http://elibrary.jsg.gov.gh/fg/laws%20of%20ghana/2%20REP/EARMARKED%20FUNDS%20CAPPING%20AND%20REALIGNMENT%20ACT,%202017(ACT%20947).htm)

<http://ir.parliament.gh/handle/123456789/1807>

- 9. Local Governance Act, 2016 (Act 936):** Act 936 provides the legal basis for the establishment and administration of the District Assemblies Common Fund; to provide for a National Development Planning System; to define and regulate planning procedures of District Assemblies; to co-ordinate, facilitate, monitor and supervise internal audit activities within District Assemblies and for related matters. With respect to upstream oil and gas activities, the Act empowers Metropolitan, Municipal, District Assemblies (MMDAs) to administer and collect property rates in respect of extractive companies operating in their jurisdictional areas. <https://lgs.gov.gh/index.php/local-governance-act-of-2016-act-936/>

- 10. Companies Act, 2019 (Act 992):** Act 992 provides the legal basis for the incorporation and registration of all companies (including private, public, external, and non-Ghanaian companies) in Ghana. Act 992 also provide the basis for all types of companies (including those limited by shares, limited by guarantee, unlimited, and external companies) to collect and submit their beneficial ownership information to the Registrar of Companies. <https://rgd.gov.gh/docs/Act%20992.pdf>

- 11. Model Petroleum Agreement (MPA):** The MPA emanates from Act 919 and is intended to guide the negotiation process (including terms and conditions) in a Petroleum Agreement between Government of Ghana, GNPC and the oil companies. https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_model_petroleum_agreement1.pdf

12. Environmental Protection Agency (EPA) Act 1994 (Act 490): The Act establishes the Environmental Protection Agency as a body corporate to manage issues relating to the environment.

<http://www.epa.gov.gh/epa/sites/default/files/downloads/environmental%20protection%20agency%20act%201994.pdf>

13. Petroleum Hub Development Corporation Act 2020 (Act 1053): This Act establishes the Petroleum Hub Development Corporation as a body corporate. The object of the Corporation is to develop a petroleum and petrochemicals hub in the country.

<https://www.phdc.gov.gh/regulatory/framework.html#legislations>

14. Energy Sector Strategy and Development Plan: The Plan covers strategies, programmes and projects intended to support the national economic development agenda of the Government of Ghana in the following four broad areas of the Energy Sector: Energy Sector Institutions, Power Sub-sector, Petroleum Sub-sector, Renewable Energy Sub-sector, Waste-to-Energy and Energy and Gender.

15. Gas Master Plan (GMP): The primary objective of the GMP is to provide a medium to long-term strategy for infrastructure development priorities that will contribute to the development of the country's natural gas resources and security of energy supply.

<https://www.energymin.gov.gh/policies>

16. Guidelines for the formation of Joint Venture companies in the upstream petroleum industry of Ghana: These guidelines have been developed pursuant to Regulation 43(1) of the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204) to guide upstream petroleum industry players on the formation and structuring of joint venture companies. Adherence to these guidelines will enhance local content and local participation in the upstream petroleum industry. <https://www.petrocom.gov.gh/laws-regulations/>

17. Oil and Gas Insurance Placement for the Upstream Sector: Insurance placement for the upstream oil and gas sector is governed by the Insurance Act 2006 (Act 724) and the Petroleum (Local Content and Local Participation) Regulations, 2013, L.I. 2204. It encourages Ghanaian insurance companies to actively participate in and play a lead role in the provision of insurance for assets and liabilities in respect of all activities and /or operations directly relating to the exploration, appraisal, production, storage and transportation of crude oil and gas in Ghana, in accordance with the Insurance Act 2006, (Act724).

<https://www.petrocom.gov.gh/laws-regulations/>

18. Guidelines on Submission of Proposed Contracts to the Petroleum Commission:

Regulation 13 of the Petroleum (Local Content and Local Participation) Regulations, 2013, L.I. 2204 requires a contractor, subcontractor, licensee, or other allied entity to inform the Commission in writing of each proposed contract or purchase order:

- (a) related to petroleum activities that are to be sole sourced; or
- (b) where it is to be sourced by a competitive bidding procedure, estimated to be in excess of the cedi equivalent of one hundred thousand United States Dollars.

A contractor, subcontractor, licensee or other allied entity shall submit the following documents for the approval of the Commission:

- advertisements relating to expression of interest
- requests for proposals
- prequalification criteria
- technical bid documents
- technical evaluation criteria; and
- any other information requested by the Commission to enable the Commission to determine that the local content requirements have been complied with.

<https://www.petrocom.gov.gh/laws-regulations/>

2.1.2 Key Regulations Enacted for Upstream Oil and Gas Sector

To enhance the application of the legislations, several Regulations have also been enacted for the sector. These include:

Table 2.1: Key Regulations for Upstream Oil and Gas

<i>Regulations</i>	<i>Legislation/Policy Enacted Under</i>
<i>Petroleum (Local Content and Local Participation Regulations), 2013 (L.I. 2204) As Amended Petroleum (Local Content and Local Participation) (Amendment) Regulations, 2021 (L.I. 2435)</i>	<i>Petroleum Commission Act, 2011 (Act 821)</i>
<i>Petroleum Commission (Fees and Charges) Regulations, 2015 (L.I. 2221)</i>	<i>Petroleum Commission Act, 2011 (Act 821)</i>

Regulations	Legislation/Policy Enacted Under
<i>Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258)</i>	<i>Petroleum (Exploration and Production) Act, 2016 (Act 919)</i>
<i>Petroleum (Exploration and Production) (Measurement) Regulations, 2016 (L.I. 2246)</i>	<i>Petroleum (Exploration and Production) Act, 1984 (PNDCL 84)</i>
<i>Petroleum (Exploration and Data) (Data Management) Regulations, 2017 (L.I. 2257)</i>	<i>Petroleum (Exploration and Production) Act, 2016 (Act 919)</i>
<i>Petroleum (Exploration and Production) (General) Regulations, 2018 (L.I. 2359)</i>	<i>Petroleum (Exploration and Production) Act, 2016 (Act 919)</i>
<i>Petroleum (Exploration and Production) (General) (Amendment) Regulations, 2019 (L.I. 2390)</i>	<i>Petroleum (Exploration and Production) Act, 2016 (Act 919)</i>
<i>Petroleum Revenue Management Regulations, 2019 (L.I. 2381)</i>	<i>Petroleum Revenue Management Act, 2015 (Act 815)</i>
<i>Natural Gas Pipeline Safety (Construction, Operation and Maintenance) Regulations, 2012 (L.I. 2189)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>
<i>Natural Gas Distribution and Sale (Technical and Operational) Rules, 2007(L.I. 1911)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>
<i>Natural Gas Distribution and Sale (Standards of Performance) Regulations, 2007(L.I. 1912)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>
<i>Natural Gas Transmission Utility (Technical and Operational) Rules, 2007(L.I. 1913)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>
<i>Natural Gas Transmission Utility (Technical and Operational) Rules, 2007(L.I. 1913)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>
<i>Natural Gas Transmission Utility (Standards of Performance) Regulations, 2008(L.I. 1936)</i>	<i>Energy Commission Act, 1997 (Act 541)</i>

Regulations	Legislation/Policy Enacted Under
<i>Transfer Pricing Regulations, 2012 (L.I. 2188)</i> <i>Transfer Pricing Regulations, 2020 (L.I. 2412)</i>	<i>Ghana Revenue Authority Act</i>
<i>Environmental Assessment Regulations, 1999 (LI 1652) and the Fees and Charges Amendment Instrument, 2019 (LI 2386)</i>	<i>Environmental Protection Agency Act, 1994 (Act 490)</i>

Source: GHEITI, 2022

2.1.3 Highlights of Selected Regulations

Table 2.2: Highlights of Selected Regulations for Upstream Oil and Gas Sector

Regulations	Description
<i>Petroleum (Local Content and Local Participation Regulations), 2013 (L.I. 2204) as Amended</i>	<p><i>L.I. 2204 outlines the local content requirements of all upstream petroleum companies and contractors.</i></p> <p><i>Under L.I. 2204 an indigenous Ghanaian company shall be afforded first preference in the grant of petroleum rights. An indigenous Ghanaian company is a company incorporated under the Companies Act of Ghana and has at least 51 percent of its equity owned by a citizen of Ghana and has Ghanaian citizens holding at least 80 percent executive and senior management positions and 100 percent of non-managerial and other positions.</i></p> <p><i>Under L.I. 2204, Regulation 4 (2), a foreign company seeking to participate in a petroleum activity in Ghana must afford an indigenous Ghanaian company other than the Corporation (GNPC) an equity participation of at least five (5) percent to be qualified to enter into a petroleum agreement and or a license with the government of the Republic of Ghana.</i></p>
<i>Petroleum (Local Content and Local Participation)</i>	<i>Regulation 4(6) of L.I. 2204 grants an indigenous Ghanaian company an equity holding of at least ten percent in a Joint Venture for the provision of good and services in upstream petroleum operation.</i>

Regulations	Description
(Amendment) Regulations, 2021 (L.I. 2435)	<i>The amendment which is centered around Regulation 4(6) is aimed at providing a solution to some challenges facing the petroleum sector in Ghana, particularly the participation of local firms in high-value activities. The amendments intend to ease the requirement of a joint venture for petroleum operations by creating alternative statutory vehicles such as “strategic alliances” and “channel partnerships” for operating in the industry.</i>
Petroleum (Exploration and Production) (General)(Amendment) Regulations, 2019 (L.I 2390)	<i>L.I. 2359 came into force in June 2018 and was amended in 2019 (L.I. 2390). It provides for the procedures and conditions for the grant of a petroleum right, including qualification requirements, terms and conditions for open and competitive tendering procedures and direct negotiations.</i>
Petroleum (Exploration and Data) (Data Management) Regulations, 2017 (L.I. 2257)	<i>L.I. 2257 applies to the reporting and management of petroleum data obtained from the conduct of petroleum activities within Ghana. This includes the receipt, interpretation and analysis of petroleum data, provision of a safe environment for storage of petroleum data submitted, efficient management of the data and the documentation and reporting for information related to acquisition and submission of petroleum data.</i>
Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258)	<i>L.I. 2258) applies to all petroleum operations. It provides the minimum health and safety requirements applicable to contractors, sub-contractors and other players within the industry.</i>
Transfer Pricing Regulations, 2012 (L.I. 2188) – Repealed by Transfer Pricing Regulations, 2020 (L.I. 2412)	<i>Transfer Pricing Regulations, 2020 (L.I.2412) requires all related party arrangements or transactions to be at arm’s length. Companies are required to file annual TP returns, which include master, and local files and country-by-country reports with the GRA. The Commissioner-General is empowered under Act 896 to adjust non-</i>

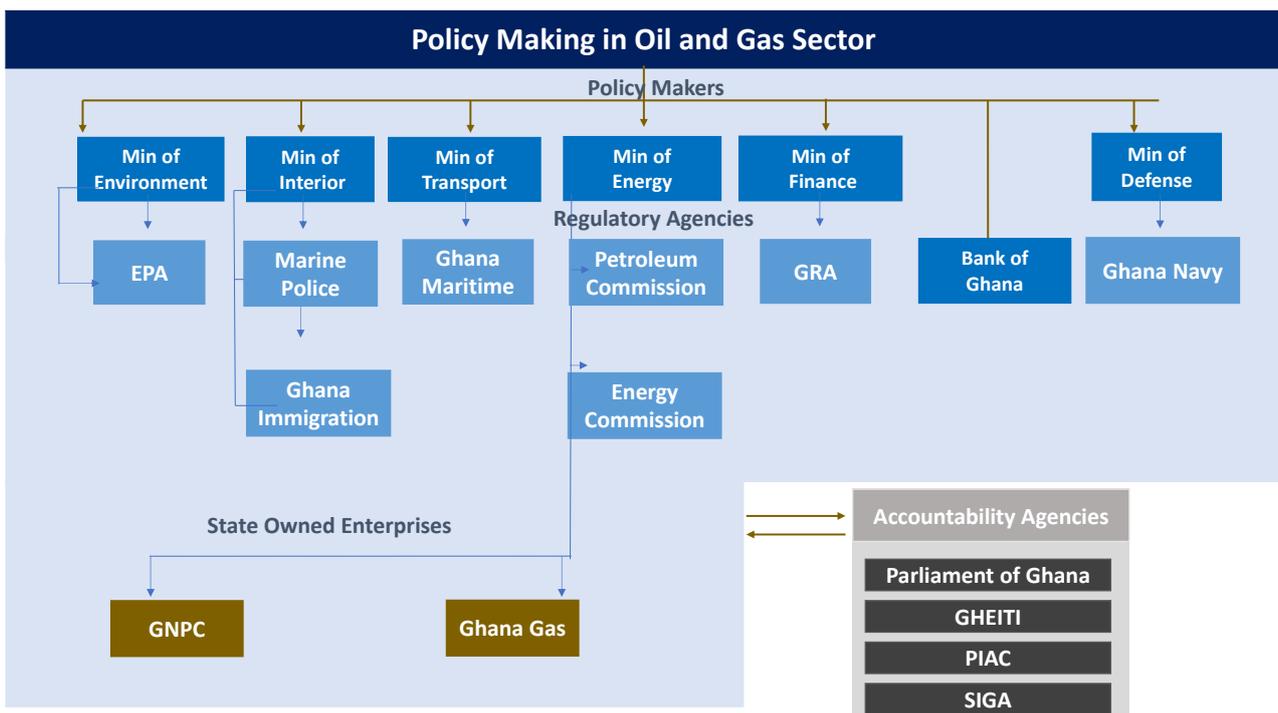
<i>Regulations</i>	<i>Description</i>
	<i>arms-length transfers between related parties in computing the net income for tax purposes.</i>
<i>Income Tax Regulations 2016 (LI 2244)</i>	<i>These regulations have been enacted pursuant to Section 127(1)(a), (b) and (d) of the Income Tax Act 2015, (Act 896). The regulations provide guidance for the implementation of the provisions of the Act.</i>

Source: GHEITI’s construct based on provisions in relevant Regulations, 2022

2.1.4 Institutional Framework

The primary institutions responsible for the regulation of the upstream oil and gas sector include the following:

Figure 2.1: Policy Making Institutions in the Oil and Gas Sector



Source: GHEITI, 2022

- **Ministry of Energy**

The Ministry of Energy is responsible for the coordination and formulation of upstream oil and gas sector policies and legislations as well as conduct the allocation of rights between the State and potential investors in the development of petroleum resources. The Minister of

Energy bears the oversight responsibility over the Petroleum Commission, GNPC, and Ghana Gas Company Limited which are all directly engaged in the sector. <https://www.energymin.gov.gh/>

- **Ministry of Finance**

The Ministry of Finance promotes macroeconomic stability and fiscal prudence to support economic growth. It designs the oil and gas fiscal regime, forecasts and manages revenue from the sector, and disburses budgetary allocations to oil and gas sector agencies (<http://www.mofep.gov.gh>).

- **Bank of Ghana**

The Bank of Ghana is the Central Bank of the Republic. It is responsible for the formulation and implementation of monetary policy to achieve price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payment system. It is also responsible for the day-to-day operational management of the Petroleum Holding Fund and the Ghana Petroleum Funds³. <https://www.bog.gov.gh/>

- **Petroleum Commission**

The Petroleum Commission (PC) is responsible for the day-to-day regulation of upstream oil and gas activities. The Commission monitors and manages the activities and utilisation of petroleum resources and coordinate policies in relation to them, with the ultimate aim of obtaining optimum value from the day-to-day regulation of upstream oil and gas activities, with the Minister being the final decision-making authority.

Its foremost task is to ensure that the State obtains the best value from its petroleum resources. The PC is the authority that processes and grants applications for the exploration and production of petroleum. It also ensures strict adherence to the provisions of laws and policies dealing with the conduct of petroleum activities in Ghana.

It is responsible for regulation and supervision of all petroleum activities. This includes supervision and monitoring compliance with contractual obligations by contractors under the terms and conditions of petroleum agreements, including making recommendations to

³ PRMA, 2011 (Act 815)

the Minister to negotiate, grant, revoke, suspend or renew petroleum rights and authorisations in accordance with Ghana's Petroleum Exploration and Production Act, 2016 (Act 919). <https://www.petrocom.gov.gh/>

- **Ghana Revenue Authority (GRA)**

The GRA's core mandate is to ensure maximum compliance with all relevant tax laws in order to ensure a sustainable revenue flow to the Government, trade facilitation and a controlled and safe flow of goods across the country's borders. The Authority is made up of two operational divisions: Domestic Tax Revenue Division (DTRD), and Customs Division (CD)

- **Domestic Tax Revenue Division**

The Domestic Tax Revenue Division of the GRA is responsible for the collection of taxes under the Income Tax Act, 2015 (Act 896) as amended, the Value Added Tax Act, 2013 (Act 870) as amended, and related laws and regulations. The Petroleum Revenue Management Act, 2011 (Act 815) as amended, also mandates the GRA to assess, collect and account for all petroleum revenues on behalf of the State. <https://gra.gov.gh/domestic-tax/>

- **Customs Division**

The Customs Division, in accordance with the Customs Act, 2015 (Act 891), has responsibility for the collection of import and export duties and all other trade related imposts on behalf of the State. The Division is also responsible for the monitoring of oil production, supervision of oil exports and the conduct of preventive duties. <https://gra.gov.gh/customs/>

- **Ghana National Petroleum Corporation (GNPC)**

GNPC was established to promote the exploration, development and production of petroleum resources, as well as to ensure Ghana obtains the greatest possible benefits from its oil and gas resources. The Corporation is wholly owned by the Government of Ghana and is a partner in all Petroleum Agreements. GNPC had been the National Gas Aggregator until

2020, when Government directed the Ghana National Gas Company Limited to assume that role. <http://www.gnpcghana.com/overview.html>

- **Ghana National Gas Company (GNGC) Limited**

GNGC was set up to build, own and operate infrastructure required for the gathering, processing, transporting and marketing of natural gas resources in Ghana and internationally. <https://www.ghanagas.com.gh/about>.

On May 11th 2020, a decision by Cabinet assigned GNGC the Gas Aggregator Role, which effectively extended GNGC's role in the petroleum sector to include the upstream. The necessary protocols are currently being followed to give full effect to this change.

- **Ghana Maritime Authority**

The Ghana Maritime Authority (GMA) is a regulatory body established by Act 630 of 2002, charged with the responsibility of regulating, monitoring, and coordinating the activities in the maritime space.

The GMA provides vessel traffic management services, deals with matters pertaining to maritime search and rescue, and co-ordinates the activities of the Ghana Armed Forces, the Ports and Harbours Authority and any other body during search and rescue operations.

It alerts mariners to the presence of maritime hazards, including oil installations such as underwater well heads and production system to ensure that mariners including fishermen and vessels transiting the area will avoid interference with terminal operations at the offshore fields.

The Authority has the powers to audit and inspect both Ghanaian and foreign-registered vessels including Mobile Offshore Drilling Units and offshore installations located in Ghanaian waters in enforcing compliance with the International Maritime Organization (IMO) standards.

- **Ghana Immigration Service (GIS)**

Established under PNDC Law 226 in 1989, the Ghana Immigration Service (GIS) remains the sole institution with the statutory mandate to regulate and monitor the entry, residence, employment, and the exit of nationals/foreigners in the country. In 2016, a new Act (Act 908) which repealed PNDC

Law 226 expanded the mandate of the Ghana Immigration Service to include among others, the granting of Immigrant Quotas to companies operating in the country including the oil/gas sector.

In relation to the Oil and Gas sector, the GIS established the Oil and Gas Desk with the following mandate:

- Receipts and vetting of all work permit applications from the oil and gas industry;
 - Gather accurate statistical information of the issuance of all permits, and any other permits for persons associated with oil and gas companies; and
 - Liaise with the GIS Advisor at the Petroleum Commission and its Takoradi offices for information on all expatriates arriving by sea to work in Ghana and ensure the respective oil and gas company complies with the applicable laws.
- **Marine Police**

The Marine Police, hitherto called the 'Water Police', was formed as far back as 1916 to maintain law and order at the country's ports and territorial waters but was disbanded in 1942. However, when Ghana discovered oil in commercial quantities in 2007, it became necessary to re-establish the unit to provide security for the maritime environment.

- **Ghana Navy**

The Ghana Navy is responsible for providing external security and protection of Ghana's maritime boundaries within the Ghana Armed Forces. The Navy, along with the Ghana Army and the Ghana Air Force make up the Ghana Armed Forces.

It is mandated to:

- Monitor, control and provide surveillance of marine activities;
- Provide maritime presence in the West African Waters and Naval support in the region and crises areas when requested; and
- Provide surveillance, effective patrol and control of Ghana's territorial waters and Exclusive Economic Zone (EEZ).

In 2021, the Ghana Navy and Tullow Ghana signed a Memorandum of Understanding (MoU) to provide security services in the Ghanaian waters, allowing the company to continue operations in its offshore fields. Similar MoUs have been signed with other operators of oil blocks in Ghana.

2.1.5. Fiscal Regime

Before the enactment of the Petroleum (Exploration and Production) Act, 2016 (Act 919), the upstream fiscal regime was modelled on negotiable fiscal terms. The table below presents the current fiscal regime based on Act 919. It also presents the fiscal regime based on Petroleum Agreements signed before and after the enactment of Act 919.

Table 2.3: Fiscal Regime for Upstream Oil and Gas Sector

<i>Fiscal Terms</i>	<i>Current Terms</i>	<i>Pre-Act 919</i>	<i>Post – Act 919</i>
<i>Royalty Oil</i>	<i>Biddable/Negotiable</i>	<i>5.0%– 12.5%</i>	<i>10.0%</i>
<i>Royalty Gas</i>	<i>Biddable/Negotiable</i>	<i>3.0%– 5.0%</i>	<i>5.0%</i>
<i>Initial Participation (GNPC Pays production cost only)</i>	<i>Minimum 15%</i>	<i>10.0% - 15%</i>	<i>15.0%</i>
<i>Additional Participation (GNPC Pays Development and production costs)</i>	<i>Biddable/Negotiable</i>	<i>2.5% - 5.0%</i>	<i>Biddable/Negotiable</i>
<i>Commercial Interest</i>	<i>Negotiable</i>	<i>4% - 24%</i>	<i>Optional & pre-emptive rights available to GNPC during disposal of petroleum rights</i>
<i>Additional Oil Entitlement</i>	<i>AOE is based on Contractor after tax-inflation- adjusted rate of return exceeding a specified level in a Petroleum Agreement</i>	<i>4 tier varying by PA</i>	<i>4 tier specified in legislation (L.I. 2359)</i>

<i>Fiscal Terms</i>	<i>Current Terms</i>	<i>Pre-Act 919</i>	<i>Post – Act 919</i>
<i>Bonus Payments</i>	<i>Biddable/Negotiable (Signature or Production bonus)</i>	<i>None</i>	<i>Biddable/Negotiable</i>
<i>Income Tax</i>	<i>35% (based on Income Tax Act, 2015)</i>	<i>35%</i>	<i>35%</i>
<i>Surface (Onshore) Rentals</i>	<i>US\$225- US\$900/ sq.km/year depending on stage of operation</i>	<i>NA</i>	<i>US\$225- US\$900/sq.km/year depending on stage of operation</i>
<i>Surface (Offshore) Rentals</i>	<i>US\$150-US\$600/ sq.km/year depending on stage of operation</i>	<i>US\$30US\$200/ sq.km/year depending on stage of operation</i>	<i>US\$150- US\$600/sq.km/year depending on stage of operation</i>
<i>Indirect Taxes</i>	<i>Exempt</i>	<i>Exempt</i>	<i>Exempt</i>
<i>Local Content Fund</i>	<i>As set out in Petroleum Agreement 1% of all subcontracts</i>	<i>Nil</i>	<i>1% of all subcontracts</i>

Source: GHEITI & PC's Construct based on Act 919 and Petroleum Agreements,2022

2.1.6 Description of Key Fiscal Terms

Initial Participating Carried Interest

GNPC, on behalf of the State, is entitled to at least 15 percent initial participating carried interest in each contract area as per Act 919. GNPC is “carried” during the exploration and development phases. All costs related to exploration and development are borne by the oil companies.

Additional Participating Interest

The State is entitled to acquire additional interest in each contract area, for which it contributes to development and production costs. The allowable percentage of this interest is subject to negotiation. Additionally, section 18 of Act 919 grants Ghana preemptive rights (right of first refusal) in case a contractor decides to dispose all or part of its interest in a Petroleum Agreement (PA).

Additional Oil Entitlement (AOE)

AOE is the additional payment to be made to the government based on after-tax inflation adjusted rate of return that the contractor achieved with respect to each development and production area. For existing producing fields, the rates are indicated in Table 2.3.

Cost Recovery

The Income Tax Act allows full cost recovery of exploration, development, and production, as well as service and general expenses incurred. Contractors are granted five-year capital allowance recoverable at a rate of 20 percent per annum and a five-year carry-forward of losses.

Thin Capitalisation

Deduction for interests incurred on debt employed in petroleum operation is allowable at a debt-to-equity ratio of 3:1.

Transfer Pricing (TP)

Transfer Pricing Regulations, 2020 (L.I. 2412) requires all related party arrangements or transactions to be at arm’s length. Companies are required to file annual TP returns, which include master, and local files and country-by-country reports with the GRA. The Commissioner-General is empowered

under Act 896 to adjust non-arms-length transfers between related parties in computing the net income for tax purposes.

Stabilisation Clauses

Stabilisation clauses provide protection to contractors from fiscal regime changes and other contractual terms that may have adverse effects on contractors' economic situation as provided in petroleum agreements. Section 20 of Act 919 enables the terms of a PA to be reviewed by the parties to the agreement where there is a material change in the circumstances that prevailed at the time the agreement was executed or the last review of the agreement.

Fiscal Decentralisation

The Local Governance Act, 2016 (Act 936) empowers Metropolitan, Municipal, District Assemblies (MMDAs) to administer and collect property rates in respect of extractive companies operating in their jurisdictional areas. There is also a Business Operating Permit (BOP) chargeable on all enterprises and it is usually a specified rate depending on the business category.

2.1.7 Fiscal Regime Governing Existing Producing Fields

The fiscal regime for the Jubilee, TEN and SGN Fields which were in production in 2020 are shown below.

Table 2.4: Fiscal Regime Governing Jubilee, TEN & SGN Operations

<i>Producing Field</i>	<i>Royalty on Gross Oil Production</i>	<i>Royalty on Gross Gas Production</i>	<i>Carried and Additional Participation Interests</i>	<i>Corporate Income Tax</i>
<i>Jubilee</i>	5%	5%	13.64%**	35%
<i>TEN</i>	5%	3%	15%**	35%
<i>SGN</i>	7.5%	5%	20%	35%

Source: GHEITI & PC's Construct based on existing PAs (2022)

** This is subject to change following the acquisition of an additional 7% of Anadarko's stake in Jubilee and TEN

Table 2.5: Fiscal Regime Governing Existing Non-Producing Blocks

<i>Non-Producing Blocks</i>	<i>Royalty on Gross Oil Production</i>	<i>Royalty on Gross Gas Production</i>	<i>Carried and Participation Interest</i>	<i>Corporate Income Tax</i>
<i>Deep Water Tano Cape Three Points Block</i>	4	3	10	35
<i>South Deep Water Tano Block</i>	10	5	34	35
<i>East Cape Three Points Block</i>	10	5	10	35
<i>South West Saltpond Block</i>	10	6	20	35
<i>Shallow Water Cape Three Points Block</i>	12.5	5	10	35
<i>Offshore Cape Three Points South Block</i>	12.5	5	13	35
<i>Central Tano Block</i>	12.5	5	10	35
<i>Expanded Shallow Water Tano Block</i>	12.5	7.5	20	35
<i>East Keta Block</i>	10	5	11.6	35
<i>Offshore South West Tano Block</i>	12.5	10	8.8	35
<i>Deep Water Cape Three Points West Offshore Block</i>	12.5	10	17.35	35
<i>West Cape Three Points Block 2</i>	12.5			35
<i>Onshore/Shallow Keta Block</i>	13	6	12	35

<i>Non-Producing Blocks</i>	<i>Royalty on Gross Oil Production</i>	<i>Royalty on Gross Gas Production</i>	<i>Carried and Participation Interest</i>	<i>Corporate Income Tax</i>
<i>Offshore Cape Three Points Block 4</i>	10	7.5	14	35
<i>Deep Water Cape Three Points Block (DWCTP)</i>	10	5	15	35

Source: GHEITI's Construct based on existing PAs (2022)

Table 2.6: Trigger Points for Additional Oil Entitlement

<i>Contract</i>	<i>WCTP</i>	<i>DWT</i>	<i>OCTP</i>
<i>Project Field</i>	<i>Jubilee Greater Jubilee (%)</i>	<i>TEN (%)</i>	<i>SGN (%)</i>
<i>Royalty Rate</i>			
<i>Crude Oil</i>	5	5	7.5
<i>Gas</i>	5	3	5
<i>Other Interest</i>			
<i>Carried Interest</i>	10	10	15
<i>Participating Interest</i>	3.64	2.5	5
<i>Additional Oil Entitlement</i>			
<i>AOE Trigger 1</i>	7.5	5	10
<i>AOE Trigger 2</i>	15	10	12.5
<i>AOE Trigger 3</i>	25	15	16

<i>Contract</i>	<i>WCTP</i>	<i>DWT</i>	<i>OCTP</i>
<i>AOE Trigger 4</i>		20	20
<i>AOE Trigger 5</i>		25	
<i>ROR Thresholds</i>			
<i>ROR Trigger 1</i>	25	19	12.5
<i>ROR Trigger 2</i>	30	20	17.5
<i>ROR Trigger 3</i>	40	25	22.5
<i>ROR Trigger 4</i>		30	27.5
<i>ROR Trigger 5</i>		40	

Source: Ministry of Energy & Ghana Commodity Trading Pilot Report, 2017
www.ghanapetroleumregister.com

Ongoing Reforms

- **Draft Regulations on Environmental Management in Oil and Gas Development**

Draft Regulations on environmental management in oil and gas development are currently being worked on by the Environmental Protection Agency. They are meant to comprehensively address the specific issues relating to the environmental assessment and management of the sector which have been addressed broadly in the Environmental Assessment Regulations of 1999 (L.I. 1652).

- **Amendment of the Ghana Infrastructure Investment Fund Act**

The Ghana Infrastructure Investment Fund (GIIF) was established under the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) as a wholly owned Government of Ghana Fund, to mobilise, manage, coordinate, and provide financial resources for investment in a diversified portfolio of infrastructure projects for national development. Section 5(1)(b) of Act 877 provides for the disbursement of not more than 25 percent of the Annual Budget Funding Amount (ABFA) of petroleum revenues to GIIF. Subsequently, the 2015

Amendment of the PRMA ensured consistency between Act 877 and the PRMA in respect of this provision.

In 2017 however, the Earmarked Funds Capping and Realignment Act (Act 947) was passed, Section 9 of which repealed among others, the provision for allocation of ABFA to GIIF. By this enactment, the Government discontinued ABFA disbursements to GIIF in 2018.

Following sustained advocacy by GHEITI, PIAC and other CSOs, the Government in 2021, passed the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063) which repealed Section 9 of Act 947 to allow for a resumption of allocation of ABFA to GIIF. In 2021, an amount of US\$49.39 million was disbursed to GIIF in line with the provision in the GIIF Act as amended.

- **Growth and Sustainability Levy (GSL)**

The government in paragraph 220 of the 2023 Budget Statement, proposed to convert the National Fiscal Stabilisation Levy Act, 2013 (Act 862) into a Growth and Sustainability Levy (GSL), to cover all entities. The object of the GSL is to raise revenue for growth and fiscal sustainability of the Ghanaian economy.

Subsequently, the government has introduced a Bill in Parliament seeking to impose a one percent (1%) levy on gross production of mining and upstream oil and gas projects. For other sectors of the economy, the levy is to be imposed on profit before tax. The levy, when passed, is not an allowable deduction for the purpose of ascertaining the chargeable income of an entity under the Income Tax Act, 2015 (Act 986).

The GSL imposed shall be complied with by all companies despite any provision to the contrary in any agreement or enactment relating to a tax holiday or exemption from direct or indirect tax applicable to a company or institution. The GSL is subject to review by the Minister for Finance in 2025.

2.2. Contract and License Allocations

2.2.1 License Allocations

The Petroleum (Exploration and Production) Act, 2016 (Act 919) provides for an open competitive tendering as the default arrangement for the allocation of oil blocks in Ghana. However, section 10 (9) of the Act empowers the Minister for Energy to enter into direct negotiations where direct negotiations represent the most efficient manner to achieve optimal exploration, development and production of petroleum resources in a defined area.

2.2.1.1. Competitive Bidding Round

The competitive tendering process is an introduction by Act 919 which is given further elaboration by L.I. 2359. Regulation 9 of L.I. 2359 specifies the general procedural requirements for the bidding processes leading to the grant of an oil block.

It provides that the tender processes should include:

- Expression of interest;
- Invitation to tender;
- Submission of bids;
- Evaluation of bids;
- Decision on bids, and
- Entry into petroleum agreement.

2.2.1.2. Pre-Qualification

The Minister has the discretion to direct that a pre-qualification process on the applicant be undertaken before the tender process. The pre-qualification requirement is provided for under Regulation 11 of L.I. 2359. The Minister is empowered to come out with specific pre-qualification requirements for prospective operators and for indigenous Ghanaian companies. The deadline for the submission of bids must be determined by the Minister taking into consideration the conditions

and circumstances of the tender process. However, the deadline should not be less than 120 days from the publication of the invitation to tender or the invitation for direct negotiations.

The decision to enter into petroleum agreement is made by the Minister based on the objective criteria provided under Regulation 16 of L.I. 2359 as follows:

1. Responsiveness of the applicant to the policy objective of the bid;
2. Proposed work programme based on any minimum requirements set out in the invitation to tender;
3. Geological understanding and assessment of the prospectivity of the area;
4. Proposal of the Initial Participating Carried Interest and Additional Participating Interest;
5. Proposed level of local content compliance in accordance with L.I. 2204;
6. Royalty rate exceeding the minimum rate (set for the purposes of the bidding only);
7. Bonus, if any;
8. Methodology and plan for the transfer of knowledge and skills;
9. Training and technology support;
10. Relevant experience from similar geological settings and presence in the sub-region;
11. Relevant experience in the protection of health, safety and environmental systems for continuous improvement;
12. Financial capabilities;
13. Relevant technical capabilities; and
14. Other criteria to be determined by the Minister

Update on outcome of Open Competitive Bidding

Sixteen (16) companies expressed interest and submitted 59 applications for the blocks on offer, of which 41 applications were for competitive bidding (Blocks 2, 3 and 4) and 16 were also for direct negotiations (Blocks 5 and 6). Two out of the 16 companies were disqualified after the prequalification evaluation. One applicant was disqualified for submitting an application for Block 1 which was reserved for the national oil company and was not part of the blocks published for tender or direct negotiation. Another company was disqualified for not meeting the prequalification requirements. The 14 prequalified companies were invited to make formal bid submissions to the government through the Licencing Bid Round and Negotiation (LBRN) Committee. However, out of the 14 companies, only three companies submitted bids for two of the blocks available for competitive bidding: Tullow Ghana and Eni Ghana Exploration and Production Limited submitted bids for Block 3, whereas First Exploration and Petroleum Development Company submitted bids for Block 2. The bids were publicly opened on 21st May 2019 while an announcement of the successful bidders was made on the 2nd of July 2019. First Exploration and Petroleum Development Company in partnership with Elandel Energy Limited as its local partner, won the bid for Block 2. Eni Ghana Exploration and Production Limited, and Vitol Upstream Tano Limited in partnership with their local partner, Woodfield Upstream Limited, were selected as the winners for Block 3. Negotiations with winning companies began on 3rd July 2019 and was progressing until the country was locked down in March 2020 as a result of the Covid-19 pandemic, which led to suspension of the negotiations. The negotiations were resumed virtually in June 2020 in the initial meetings and later in person.

The negotiations are yet to be completed as at the time of compiling this report.

Table 2.7: List of companies that submitted applications for blocks during the LBRN

<i>SRN</i>	<i>Companies</i>
1.	ExxonMobil E&P Ghana Limited
2.	CNOOC UK Limited (CNOOC Nexen)
3.	Qatar Petroleum International Upstream
4.	Equinor Holdings Netherlands BV

<i>SRN</i>	<i>Companies</i>
5.	Cairn Energy (Capricorn Ghana)
6.	Tullow Ghana Ltd
7.	Vitol Upstream Tano Limited
8.	Total E&P Activities Petrolieres (TEPAP)
9.	ENI Ghana
10.	Kosmos Energy
11.	First E&P
12.	BP Exploration Operating Company
13.	Aker Energy Ghana Ltd
14.	Sasol Africa PTY Ltd
15.	Global Petroleum

Source: GHEITI's construct based on Data from Ministry of Energy, 2022

GHEITI's Assessment of Ghana's Licencing Round

Ghana's 2019 Licencing Round was the country's first attempt at open contracting, and therefore served as an important learning opportunity for strengthening the licencing regime in the upstream petroleum industry. Judging from the outcome, i.e., the fact that, out of 14 pre-qualified companies, only three proceeded to submit bids; and also that, three years after the bid round, not a single Petroleum Agreement (PA) has been entered into with any of the winning parties, it cannot be said that the bid round has been an efficient approach to the award of licences in the context of Ghana's petroleum industry.

Reasons cited for the rather poor outcome of the bid round, include the small sizes of the blocks presented for tendering, poor data quality, and in respect of delayed negotiations with the winning parties, supply chain disruptions caused by the onset of the COVID-19 pandemic.

2.2.1.3. Direct Negotiation for Petroleum Blocks

Direct negotiation is allowed under Section 10 (9) of Act 919. The Minister may in consultation with the Petroleum Commission determine that a Petroleum Agreement should be entered into by direct negotiations without public tender, that is where direct negotiations represent the most efficient manner to achieve optimal exploration, development, and production of petroleum resources in a defined area. However, any entity or body corporate that the Minister intends to engage in direct negotiation must first meet the pre-qualification requirements under Section 10 of Act 919, and additional requirements under Regulation 16 of L.I 2359. This notwithstanding, the Minister is required to publish the reasons for entering into direct negotiation, the area concerned and the potential contractor in the National Gazette, at least two state-owned daily newspapers, the website of the Ministry responsible for Petroleum; or any other medium of public communication. The process of acquiring oil block can be found at the following websites:

<https://energymin.gov.gh/grant-petroleum-agreement-through-competitive-tender>

<https://www.petrocom.gov.gh/licensing-and-permit/>

Update on the Outcome of Direct Negotiations

In 2020, Ghana entered into direct negotiations with the China National Offshore Oil Company (CNOOC) for five blocks (GH_EB_03, GH_EB_04, GH_EB_05, GH_EB_13 & GH_EB_14), and KOKA Energy Ghana Limited for block GH_WB_04.

The negotiations are still ongoing for the above-mentioned blocks.

Table 2.8: List of applicants for blocks under direct negotiations

SRN	Companies
1	ExxonMobil E&P Ghana Limited
2	CNOOC UK Limited (CNOOC Nexen)
3	Qatar Petroleum International Upstream
4	Equinor Holdings Netherlands BV
5	Total E&P Activities Petrolieres (TEPAP)
6	ENI Ghana

SRN	Companies
7	Aker Energy Ghana Ltd
8	Sasol Africa PTY Ltd
9	Harmony Oil and Gas Corporation
10	Global Petroleum

Source: GHEITI's construct based on Data from Ministry of Energy, 2022

2.2.1.4. Technical and Financial Evaluation Criteria for Bid Assessment

After the following technical and financial criteria are considered, the Petroleum Commission will submit a recommendation to the Minister:

i) Technical Capabilities

1. Establish what the needs of the Area of Influence (AOI) are (data available, well density, etc.)
2. Applicant's operations worldwide (operator or partner): It is essential to establish if the applicant or the intended operator of the block (partner) has previous experience of operations similar to the one it is applying for or the profile of its staff to be assigned to the project demonstrates similar capabilities as it is an important ingredient to the operational success or failure of the project.
3. Applicant's area of specialisation (onshore, shallow or deepwater player) and compare to the area under consideration.
4. What stage(s) is (are) applicant's operations elsewhere (exploration/appraisal/developments or production?). Indicate reserves or any production.
5. Applicants work commitments elsewhere.
6. Key technical Personnel for the Ghana Project and evaluate CVs submitted.

The technical criteria seek to evaluate the competence of the applicant to establish if it possesses the requisite technical capability to execute the work programme pertinent to area applied for. In order to make the right and informed decisions, the factors listed above are taken into consideration during the evaluation process.

ii) Financial Capabilities

Establishing financial capability can be considered as one of the most salient assignments to be undertaken under the due diligence process. Financial stagnation during a project's life can doom it and render it worthless for life. For this fact, the financial due diligence is as important as the technical evaluation.

The financial criteria establishes the basis for the applicant/partner's financial resources to commit to the activities of the risky exploration business especially during the exploration and the appraisal phase. An informed decision is made, taken into consideration these factors listed below:

1. **Ownership Information:** It must be established beyond doubt the owners of the company applying for the acreage. All shareholders of interest above five (5) percent need to be disclosed and supported by legal documentations from the appropriate government institutions/agencies. Due diligence must ensure that the applicant has included certified copies of Certificates of Incorporation and Certificate to Commence Business. This is to check against fictitious entities and to authenticate the existence of the applicant. This should be done for both the applicant and its parent company where the parent company has indicated to guarantee the activities of its subsidiary. The company background checks could be accomplished through checks from the Registrar of Companies in Ghana as well as liaising with the Ghana's Mission abroad for the exercise.

Box 1: Bid Evaluation Criteria for Ghana's First Licensing and Bid Round in the Upstream Oil and Gas Sector

The criteria used in bid evaluation are:

Bid Evaluation Criteria – Technical

Obligation	Determining criteria	Weight (%)	Total Weight
Exploratory well	Commitment to drill an exploratory well during the initial period	30%	40%
New 3D seismic survey	Area (km ²) *	10%	

	Volume of seismic data covering entire block		
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Bid Evaluation Criteria- Fiscal/Financials

Fiscal terms	Weights	Total Weight
Royalty ≥12.5%	15%	40%
Initial participation carried interest ≥15%	13%	
Additional participation paying interest ≥5%	5%	
Signature bonus ≥US\$250,000	7%	

Local Content

Local content terms	Weights	Total Weight
Technology transfer (onetime payment) ≥US\$6M	5%	20%
Annual training fees ≥US\$2M	10%	
Planned infrastructure ≥US\$5M	5%	

<https://www.ghanapetroleumregister.com/licensing-bid-rounds-and-negotiation>

2. **Cross-check financial statement with auditors:** The financial statements to support the application must be audited by a credible auditing firm to lead credence to information contained therein. Unaudited financial statements are not considered and provide enough

justification for the rejection of the application. The diligence process requires that credentials of the auditor are checked and established that it is in good standing and a member of an accredited association in the country of operation. In situations where the accounts presented raise issues of doubt, the auditor is contacted to establish the authenticity of the financial statements. The following actions are taken during review of financial statements:

- Analyse last three years of audited financial statements;
- Cross-check financial statement with auditors where necessary;
- Public or listed company;
- Pay attention to cash flows from operations;
- Applicant's main financiers;
- Assets and overall financial commitments of applicant to other projects; and
- Overall financial state of applicant (growing profits or making losses) and compare with minimum expenditure required for Initial Exploration Period (data acquisition and one well).

The decision to enter into Petroleum Agreement (PA) is based on the bid with the highest numerical score. During the first licensing and bids rounds in 2018, the scoring criteria was 40 percent technical, 40 percent fiscals, and 20 percent Local Content. Both unsuccessful and successful or preferred bidders shall be issued with a written notice from the Minister after the evaluation of bids and the decision to enter into one or more petroleum agreements. Notice to the preferred bidders shall be accompanied by an invitation to negotiate the detailed terms of the PA. <https://www.petrocom.gov.gh/wp-content/uploads/2019/12/PETROLEUM-EXPLORATION-AND-PRODUCTION-GENERAL-REGULATIONS-2018-L.I-2359.pdf>

2.2.1.5. Deviations from the Applicable Legal and Regulatory Framework

From GHEITI's review of the licensing regime and the petroleum register, corroborated by the Petroleum Commission, there were no new contracts signed during the period and therefore no material deviations from the applicable legal and regulatory framework during the period under review.

2.2.1.6. Amendment to Petroleum Agreement - Transfer of interests

A number of divestments have happened in Ghana's upstream oil industry since 2011. For instance, Tullow Oil in 2011 acquired EO Group's 3.5 percent stake in Jubilee for US\$305 million. Others include the acquisition of Sabre Oil's 4.05 percent stake in the Jubilee Field by PetroSA for US\$500 million in 2012 and Hess Ghana's 50 percent stake in the Deepwater Tano Cape Three Points block (DWT/CTP) by Aker Energy in 2018 for US\$100 million among others. The following divestments have come to the attention of GHEITI:

- In 2019, there was an amendment to the South Deepwater Tano Contract Area Petroleum Agreement in which GNPC Exploration and Production Company Ltd (Explorco) agreed to transfer twenty-four percent (24%) Participating Interest to AGM Petroleum Ghana Limited. Pursuant to Regulation 4(2) of the Petroleum (Local Content and Local Participation) Regulations, 2013 (L. I. 2204), Quad Energy Limited acquired five percent (5%) interest in the Petroleum Agreement. These amendments were ratified by the Parliament of Ghana on 9th May, 2019. This is contained in Amendment No. 1 to the referenced Petroleum Agreement.

Table 2.9: Changes to parties' interests in the South Deepwater Tano (SDWT) Petroleum Agreement

Parties	Original Agreement	New Agreement
GNPC	10%	15%
AGM Petroleum	66%	80%
Quad Energy	Not applicable	5%
GNPC Explorco	24%	Not applicable
Total	100%	100%

Source: GHEITI's construct based on SDWT PA & Amendments, 2022

- Anadarko has been party to the Joint Venture Partnership on the Jubilee and TEN fields since commencement of operations. However, in 2019, Anadarko began a process to dispose of its interest in these fields which was successfully acquired by Occidental (Oxy). In 2020, Oxy initiated the sale of its Africa assets including its interest in the Ghanaian fields to Total Energies (Total) but the transaction was embroiled in demands for the payment of US\$500 million in capital gains tax by

the Ghana Revenue Authority (GRA), and the transaction eventually stalled⁴. In early 2021, Oxy agreed to sell its stakes in the two oil fields, Jubilee and TEN, for US\$750 million.

Tullow acquired Occidental Petroleum's stake for US\$118 million increasing its equity interests to 38.9% in the Jubilee Field and to 54.8% in the TEN Field.

PetroSA Ghana Limited (PGL)⁵ exercised its pre-emptive rights on the Occidental Petroleum divestment of its interests in the Jubilee and TEN fields. This transaction is still subject to approval by the Ministry of Energy and the regulatory authority.

Exercising its right of pre-emption, GNPC expressed interest in acquiring part of Anadarko's Jubilee and TEN fields' interest and notified the Ministry of Energy. GNPC in a statement⁶ on the 15th of October 2021 announced that it had acquired seven percent (7%) Commercial Interest in both the Jubilee and TEN fields, from Oxy for a purchase price of US\$199 million and that consideration due OXY at completion was approximately USD165 million after taking into account closing adjustments. This acquisition adds to GNPC's existing Carried and Additional Participating Interest (CAPI) of 13.64 percent in the Jubilee Field, and the 15 percent in the TEN Field.

GNPC has indicated that the acquisition was made through Jubilee Oil Holdings Limited (JOHL) incorporated by Anadarko Offshore, in Cayman Islands to hold the seven percent commercial interest in the interim and to be transferred to its subsidiary, the GNPC Exploration and Production Company (GNPC Explorco) once the transaction was completed. In a press statement⁷ issued on 14th January 2022, GNPC indicated it was in the "process of transferring JOHL's stake to GNPC Explorco," and that it was never a ploy by the Corporation to "live unto itself, not the law and the nation's strategy for its existence" as some have suggested.

⁴ www.acep.africa/works/gnpcs-acquisition-of-7-interest-in-jubilee-and-ten-fields-must-fulfill-all-legal-righteousness/

⁵ <http://www.petrosa.co.za/PressReleases/Pages/MediaRelease-12-November-2021.aspx>

⁶ <https://www.gnpcghana.com/press55.html>

⁷ <https://www.ghanaweb.com/GhanaHomePage/NewsArchive/FULL-TEXT-GNPC-denies-claims-of-setting-up-offshore-company-in-Cayman-Islands-1445608>

GNPC has also disclosed that it engaged the Ministry of Finance and secured a “loan” of US\$164,798,691 from the Ministry to fund the payment to Anadarko (Oxy’s locally registered company) after which Anadarko offloaded JOHL to GNPC.

From crude oil lifting data⁸ published by the Petroleum Commission, JOHL lifted one parcel of crude oil on 26th April 2022 for which it has received US\$100,748,907.95 million. From the 2022 Semi-Annual Report published by the Bank of Ghana, this amount has not reflected in the Petroleum Holding Fund, in clear violation of Section 3(1)(2) of the PRMA. In response, GNPC indicated that being a commercial interest, the revenue from the JOHL would not be routed through the Petroleum Holding Fund (PHF) in line with an Attorney General’s (AG) opinion on treatment of revenue accruing from commercial interests. Though the said AG’s advice is not publicly accessible, both PIAC and GHEITI have had access to it.

GNPC explains further as follows:

1. JOHL, as an external company under the Companies Act, 2019 (Act 992), is a separate legal entity distinct from GNPC and has its commercial operations regulated by Act 992 and not by the Ghana National Petroleum Corporations Act, 1983 (the GNPC Act). Section 29 of the GNPC Act requires subsidiaries of GNPC to be “... established under the Companies Code, 1963 (Act 179)” (now Companies Act, 2019 (Act 992)). Therefore, Act 992, and not the GNPC Act, guides JOHL’s governance and operational structure.
2. Under section 7(1) of the PRMA, revenue due from the Republic of Ghana’s direct and indirect participation in petroleum operations is payable into the PHF. The activities of GNPC and its subsidiaries constitute indirect participation of the Republic. However, the revenue due from GNPC or its subsidiaries must be determined considering the relevant laws. In accordance with Act 992, the only revenue payable by JOHL to GNPC in its capacity as the sole shareholder of JOHL is dividends; GNPC is not entitled to the direct revenue or proceeds from each JOHL lifting and its operations. Thus, by extension, revenue payable into the PHF by JOHL through GNPC is dividend declared by JOHL and not proceeds from each lifting.
3. Payment of dividends from JOHL by GNPC into the PHF is in line with the PRMA. Section 6 recognises that GNPC may pay dividends from its subsidiaries into the PHF. The PRMA

⁸ <https://www.petrocom.gov.gh/lifting-figures/>

therefore does not affect the application of Act 992 to the operations of JOHL as a limited liability company. GNPC must however ensure that it complies with the requirements under both the PRMA and Act 992 and pay any monies due to be paid from JOHL appropriately into the PHF.

Following the lifting and sale of crude oil by JOHL, two Ghanaian Civil Society Organisations, ACEP and IMANI in October 2022, issued a joint statement⁹ indicating that JOHL repaid US\$60 million of the “loan” to the Finance Ministry and that JOHL is further planning to raise a loan of US\$500 million to settle the outstanding balance to the Ministry and invest the remainder in oil blocks in which Explorco holds interest. GHEITI’s checks with GNPC and Ministry of Finance, however, reveals that JOHL does not intend raising any loan. Further checks with the Ministry of Finance and GNPC confirms the payments as shown in the table.

Table 2.10: Loan Repayments from GNPC to the Ministry of Finance

Date	Payment Amount (US’ million)
June, 2022	60.00
December, 2022	68.01
Total	128.01

Source: GHEITI’s construct based on data from GNPC and MoF, 2022

Table 2.11: Changes in GNPC’s equity interests following the transaction

- **TEN**

Partner	Pre-Acquisition Paying Interest		Post-Acquisition Paying Interest	
	Development	Production	Development	Production
GNPC	5.00%	15.00%	5.00%	15.00%
JOHL	0.000%	0.000%	6.650%	5.950%

- **Jubilee**

⁹ www.acep.africa/works/how-gnpcs-decisions-further-harm-ghanas-battered-economy/

Partner	Pre-Acquisition Paying		Post-Acquisition Paying	
	Interest		Interest	
	Development	Production	Development	Production
GNPC	3.641%	13.641%	3.6408%	13.6408%
JOHL	0.000%	0.000%	6.745%	6.0451%

Source: GHEITI's construct based on data from GNPC, 2022

GHEITI's Observations

- The JOHL's Commercial Interest in DWT and WCTP acquired through indirect means (not through direct agreement with the State) be appropriately deemed indirect "participating interest." Section 6(e) of Petroleum Revenue Management (Amendment) Act, 2015, (Act 893) makes accommodation for such indirect working interests and stipulates that "Revenue due from direct and indirect participation of the Republic in petroleum operations including the carried and participating interest be paid into the Petroleum Holding Fund." Section 3(a) of PNDCL. 64 mandates GNPC to form subsidiary and affiliate companies, branches, or agencies to carry out activities which the Corporation is authorized to undertake." GNPC is the NOC representing the "Republic". Its activities are currently fully funded by the State so the production activities of its subsidiaries including JOHL and Explorco must be authorized by the State.

- Checks at the Registrar of Companies reveal that JOHL was registered in Ghana as an external (foreign) company on 15th August, 2022 with presence in the country. This implies that at the time of lifting, JOHL had not been registered to conduct business in Ghana. Furthermore, to hold interest in a petroleum block, the Petroleum (Exploration and Production) Act, 2016 (Act 919) requires the incorporation of a local company. Therefore, the acquisition of a stake and subsequent lifting of crude oil by JOHL ahead of its incorporation in Ghana is in contravention of Section 70(1)(a) of Act 919, which mandates such incorporation in order to carry out petroleum activities

in Ghana. Section 70(1)(a)(i) of Act 919 stipulates that the incorporated company must be the legal entity for the purposes of granting of licence and signatory to a Petroleum Agreement.

- As at the time of compiling this report (11 months after GNPC’s assurance of JOHL transfer to Explorco), the Corporation has still not honoured its pledge. If the current arrangement remains, JOHL will continue to lift and sell crude oil as well as bear the cost of funding its commercial interest in the two fields as a subsidiary of GNPC.
- There is no loan agreement specifying the tenure and terms of repayment of the loan. The transaction was based on written communication between the Ministry of Finance and GNPC.
- Additionally, the grant of a loan of US\$164 million to GNPC for JOHL acquisition without Parliamentary approval is in contravention of Article 181(1)(2)(3) of the 1992 Constitution, and Section 57(1)(f) of the Public Financial Management Act, 2016 (Act 921).

Recommendations

- It is recommended that JOHL’s commercial interest be classified under indirect “participating interest” and subjected to payment into the PHF.
- It is recommended that the Ministry of Energy regularises the activities of GNPC and bring it in conformity with P.N.D.C.L. 64, PRMA, 2011 (Act 815) as amended in Act 893, and E&P Act, 2016 (Act 919).
- The Ministry of Finance should bring the loan transaction to Parliament for ratification. GHEITI’s position is consistent with that of the Auditor-General¹⁰ in respect of procurement breaches reported in 2020.
- GNPC should provide clear timelines for the transfer of the JOHL interests to Explorco.

¹⁰ [https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana – Public Boards Corporations and other Statutory Institutions for the period ended 31 December 2020.pdf](https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana_-_Public_Boards_Corporations_and_other_Statutory_Institutions_for_the_period_ended_31_December_2020.pdf)

2.3. Register of Licenses

Section 56 of Act 919 mandates the establishment of a register of Petroleum Agreements, Licenses, Permits and Authorisations. Pursuant to this, the Petroleum Commission launched its Online Petroleum Register in 2018. It contains PAs for all the 15 active blocks¹¹.

For each of the petroleum blocks, it displays the agreement, license holders' details or partners for the Agreement, date of application, date of award, duration of license, date of Agreement, effective date of registration, current phase of operation, exploration, drilling, development, and production permits where applicable. The Register highlights the operator of the license, and the equity holdings of the contracting parties. It also shows the block sizes of the contract area.

In addition, the Government further discloses other relevant information such as authorisations, permits, and operational licenses. The Register currently publishes the following additional documents:

- Registration Permits;
- Exploration and Development Permits;
- Licenses to Install and Operate Facilities;
- Permits to Install and Operate Facilities;
- Reconnaissance Licenses;
- Drilling Permits;
- Production Permits;
- Flaring or Venting Authorisations;

¹¹ Four (4) Pas were terminated in 2021 for non-performance

- Approval of Third-Party Access;
- Permitted Mortgages;
- Assignment; and
- Any Other Permit, Authorisation, Approval, Certificate or Consent.

2.3.1 Accessibility to Ghana Petroleum Register

The Register is online, and no entry registration or fee is required to access information. However, in 2021, four licences were revoked for non-performance, bringing the number of licences to date to 15. <https://www.ghanapetroleumregister.com/>

GHEITI's Observation

- GHEITI has observed that while the duration of all the licences are specified in the individual PAs, they are not summarised into a table in a manner that allows users to have a complete overview at a glance.

Recommendation

- The Petroleum Commission is encouraged to summarise the licence tenure information in the various contracts and other vital contractual details for ease of reference.

2.4 Contracts

2.4.1 Disclosure Policy

Government does not have a standalone policy on contract disclosure, however, the provisions for contract disclosures are enshrined in section 56 of Act 919 which mandates that:

- i. The Commission shall establish and maintain a Register of Petroleum Agreements, licenses, permits and authorisations as prescribed; and
- ii. The Register shall be open to the public.

Also, in compliance with EITI requirements, the Government has publicly disclosed all the Petroleum Agreements entered into by the Republic in the Petroleum Register. The Agreements

stipulate parties' interests, contract area, exploration period and spell out contractor rights and obligations in relation to the National Oil Company, GNPC among others.

The Model Petroleum Agreement is also publicly displayed on the Ministry of Energy's website at <https://energymin.gov.gh/>.

Two Oil and Gas companies have independently disclosed some agreements on their websites. These are Tullow Ghana Ltd (<https://www.tulloil.com/our-operations/africa/ghana/>) and Kosmos Energy (<https://www.kosmosenergy.com/>).

Tullow Ghana has published two Petroleum Agreements: Deep Water Tano Contract Area and the West Cape Three Points Contract Area. Copies of the relevant Deeds of Assignment (DoA) on these Agreements have been published.

It has the under listed Deeds of Assignment also on display on its website.

- West Cape Three Points DoA March 2008
- West Cape Three Points DoA December 2008
- Deepwater Tano DoA September 2006
- Deepwater Tano DoA March 2008
- West Cape Three Points DoA September 2006

Access link: <https://www.tulloil.com/operations/west-africa/ghana/petroleum-agreements>

Kosmos Energy Ghana has the following Agreements publicly displayed:

- West Cape Three Points
- Joint Operating Agreement, West Cape Three Points
- Joint Operating Agreement, Deepwater Tano
- Deed of Assignment – Deepwater Tano
- Unitisation and Unit Operating Agreement – Jubilee Field Unit

The above Agreements can be accessed through the official website of Kosmos Energy Ltd. <http://www.kosmosenergy.com/responsibility/transparency.php>

2.5 Beneficial Ownership

Ghana has a functioning Beneficial Ownership (BO) Register, backed by the Companies Act, 2019 (Act 992) which requires all companies, including those limited by shares, limited by guarantee, State-Owned Enterprises, unlimited companies, and external companies, to disclose BO data during incorporation, registration or filing of annual returns. Once BO details are submitted, they are initially authenticated with the Ghana National ID card database, processed, and integrated into the Central Register of Companies. BO information is available to the public on request and conditioned on the payment of a fee (GHS 25.00, the equivalent of US\$ 2.00 as at the time of publication of this report). Upon request for BO information of any company, the following information will be provided:

- Name of the beneficial owner, including any former name(s);
- Business address;
- Percentage of beneficial ownership interest;
- Nature of interest; and
- Declaration as to whether the beneficial owner meets the definition of a Politically Exposed Person(s).

The full BO information collected by the Office of the Registrar of Companies is accessible to all competent authorities and law enforcement agencies.

Figure 2.2: BO Implementation in Ghana

BO Implementation in Ghana: From Commitment to Implementation

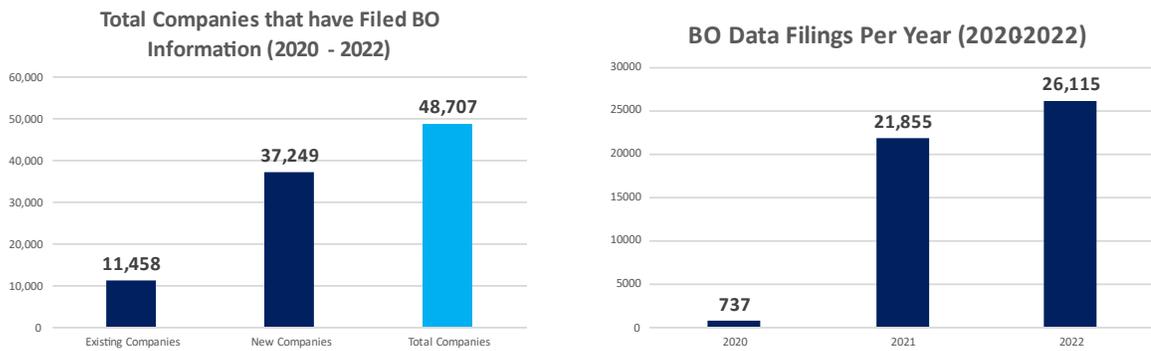
Commitment to BOD Reforms	BO Becomes an Encouraged Standard under EITI	National Consultation Session on BO	Ghana amends Companies Act to provide for BOD	Replacement of the Companies Act to close gaps in BO provisions	Establishment of BO Implementation Systems and Collection of BO Data
2012	2013	2015	2016	2018/2019	2020-2021
Ghana failed a GIABA peer review partly on account of the non-existence of a BOD regime and committed to addressing the gaps	GHEITI first attempted to report on BO in its Annual Reconciliation Report, but information was largely on legal owners	GHEITI organised its first stakeholder consultation for both state and non-state actors (CSOs, media and professional bodies) to share understanding, and elicit support for BO implementation	The Government of Ghana commits to BO implementation at the London Anti-Corruption Summit and subsequently amends the Companies Act of 1963 (Act 179).	Public awareness of BO increased in Northern, Middle, and Southern zones of Ghana by GHEITI & ORC. Consultations with parliament, media, CSOs, and professional bodies on BO. Enactment of a new Companies Act, 2019 (Act 992)	annual returns. Development of regulations and other internal procedures for BO data processing and publication. Ghana signs up to the OEP and convenes a peer learning and exchange program on BO for four countries, namely Ghana, Nigeria, Liberia, Zambia,

Source: GHEITI's construct based on data from ORC

Implementation Statistics

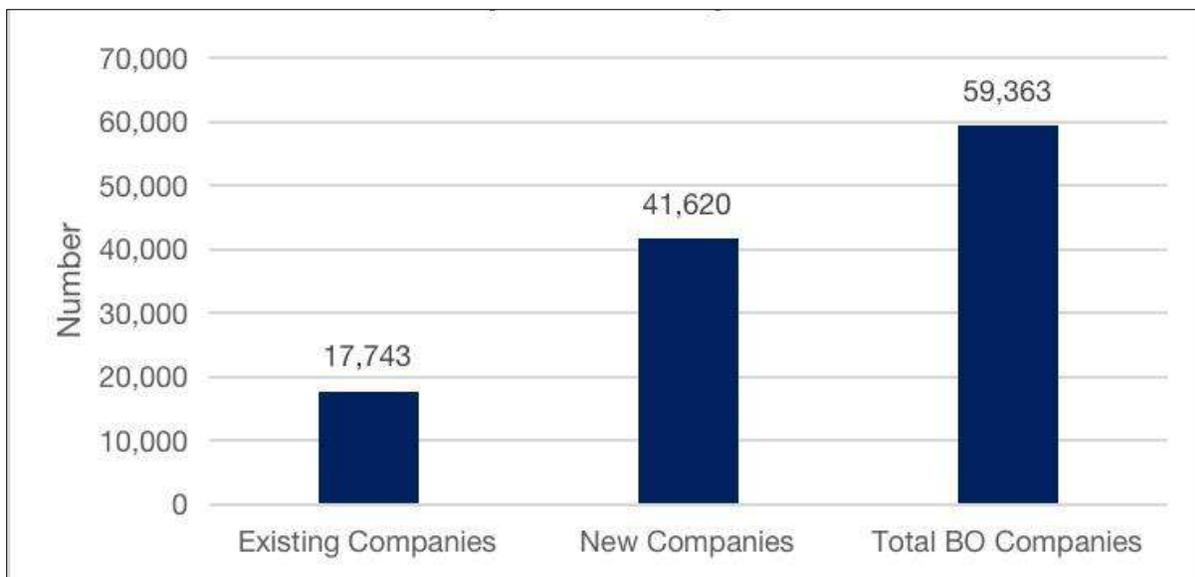
Between January 2020 and June 2022, a total of 48,707 companies have filed their BO data with the Office of the Registrar of Companies (ORC). Out of this, 37,249 representing 76.5 percent are new registrations or incorporations, while 11,458 are existing companies, representing 23.5 percent. This information is summarized in figure 2.2.

Figure 2.3: BO Implementation Statistics



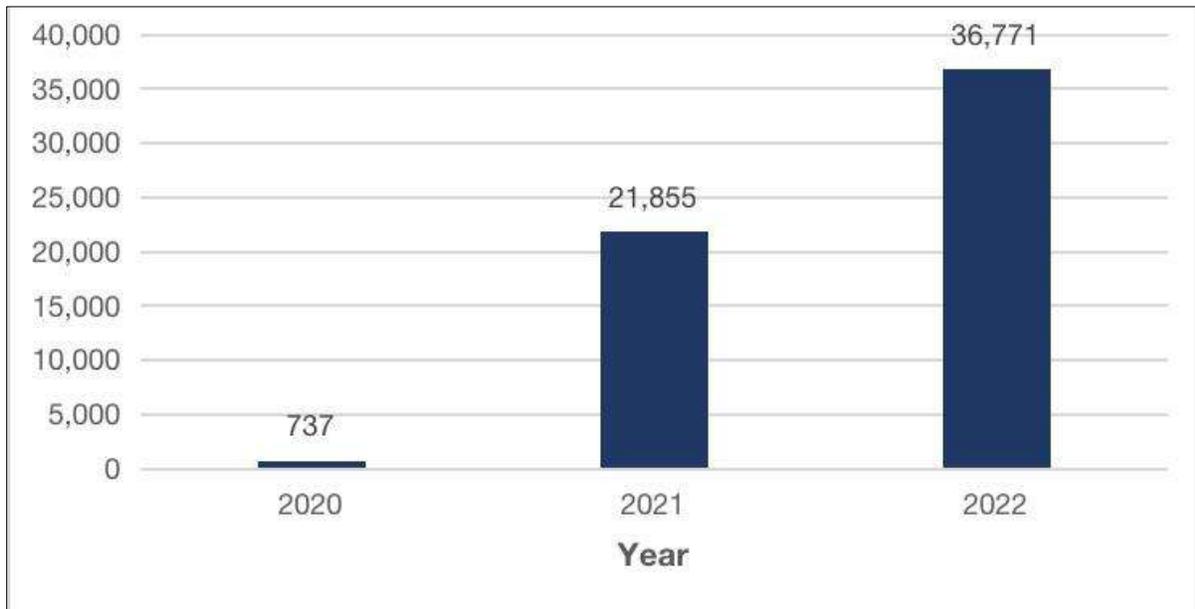
Source: GHEITI's construct based on data from ORC, 2022

Figure 2.4 BO Filings by New and Existing Companies (2020 – 2022)



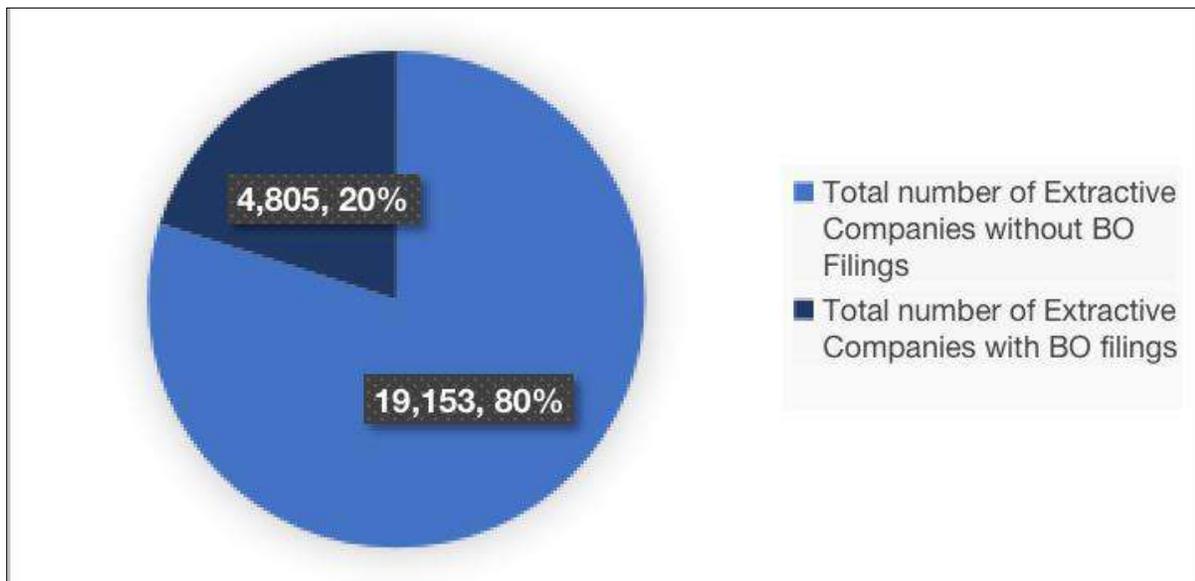
Source: GHEITI's construct based on data from ORC, 2022

Figure 2.5: Company BO Filings by Year (2020 – 2022)



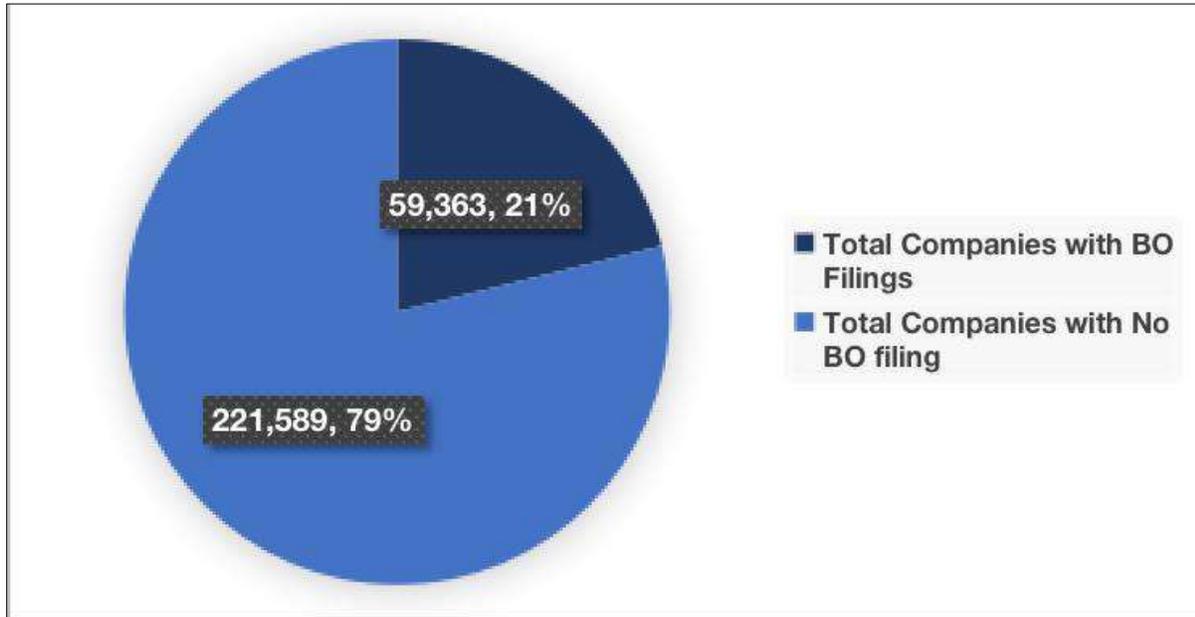
Source: GHEITI's construct based on data from ORC, 2022

Figure 2.6: Share of extractive companies with BO filings



Source: GHEITI's construct based on data from ORC, 2022

Figure 2.7: Share of companies with BO filings (2020-2022)



Source: GHEITI's construct based on data from ORC, 2022

Table 2.12: Beneficial and legal ownership information of reporting companies

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
Tullow Ghana Exploration and Production Ltd	Private	Tullow Overseas Holdings B.V 100% Shareholding	Tullow Oil Plc	British	Indirect Voting rights – 100% Controlling rights – right to appoint and remove majority of directors	9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT	No
Vitol Upstream (Ghana) Ltd	Private	Atlantic Energy Limited - 100 % shareholding	James Thornburn	NA	Controlling rights – right to appoint and remove majority of directors	Level 2, 437 Roberts Road Subiaco, Western Australia 6008 Australia	No
ENI Ghana Exploration and Production Ltd	Private	ENI International B.V- 100% shareholding	ENI Spa Listed on Milan Stock Exchange and NYSE Link	Italian	Financial Voting rights – 100% Controlling rights – right to appoint and remove majority of directors	Milan headquarters. Piazza Ezio Vanoni, 1 – 20097 San Donato Milanese	No
Quad Energy Limited	Private	TanOil Limited – 100% Shareholdings	Anthony Oteng Gyasi	Ghanaian	Indirect Voting rights	3 Emmause 2nd Close, Labone Accra Ghana	No
			Angela List	Ghanaian	Indirect Voting rights	3 Emmause 2nd Close, Labone Accra Ghana	

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
			David Adomako	Ghanaian	Indirect Voting	3 Emmause 2nd Close, Labone Accra Ghana	
Fuel Trade Limited	Private	Dzifa Cudjoe - 30% Shareholding	Dzifa Cudjoe	Ghanaian	30% Direct Shareholding Interest 30% Direct voting rights Right to appoint and remove majority of directors	6th Floor, Advantage Place, Ridge West, Accra, Ghana	No
		Chris Chinebuah – 70% Shareholding	Chris Chinebuah	Ghanaian	70% Direct Shareholding Interest 70% Direct voting rights Right to appoint and remove majority of directors	6th Floor, Advantage Place, Ridge West, Accra, Ghana	No
Jubilee Oil Holdings Limited (External Company incorporated in Cayman Islands)	Public	GNPC 100% Shareholding	GNPC	Ghanaian	100% direct shareholding 100% Direct Voting rights	GNPC, PMB, Petroleum House Tema-Ghana	No

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
					Right to appoint and remove majority of directors		
Kosmos Energy Ghana HC (External Company incorporated in Cayman Islands)	Private	NA	Kosmos Energy Ltd Listed on NYSE Link12	USA	Indirect Voting rights – 100% Right to appoint and remove majority of directors	15011 Katy Freeway, Suite 700 Houston, Texas 77094	No
AGM Petroleum Ghana Ltd	Private	TRG Energy AS – 100% Shareholding	KJell Inge Rokke	Norwegian	Indirect Shareholding – 100% Indirect Voting Rights – 87%	Oksenøyveien 10 1366, LYSAKER, VIKEN Norway	No

Source: GHEITI's construct based on data from ORC, 2022

Link to the Beneficial Ownership Data

http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=413:beneficial-ownership-information-and-legal-ownership-information-for-reporting-company&id=68:beneficial-ownership-database&Itemid=54

¹² <https://www.nyse.com/quote/XNYS:KOS>

Opening Extractives Programme

Ghana accepted to join the Opening Extractives Programme (OEP) in July 2021 and officially launched the programme in September the same year. The OEP is a global programme aimed at transforming the availability and use of beneficial ownership data for effective governance of the extractive sector. The OEP is implemented by the EITI International Secretariat and Open Ownership.

The programme seeks to achieve the following by the end of 2025:

1. Ensure government, industry, and civil society actors have greater access to comprehensive and reliable information on the ultimate owners of extractive industry companies;
2. Enable government, industry, and civil society actors to easily identify and address corruption and mismanagement risks associated with hidden ownership; and
3. Advance beneficial ownership transparency in the extractive industries and beyond in a post-COVID-19 context, by documenting and communicating the impact and outcomes of the programme.

2.6 State Participation

2.6.1 Ghana National Petroleum Corporation

The Ghana National Petroleum Corporation (GNPC) is the State's representative in the upstream oil and gas sector. It is mandated under Act 919 to hold a minimum 15 percent in Carried and Participating Interest (CAPI) in all oil blocks. Equity holdings as at 2021 in all fields can be seen in Table 2.14.

The financial statements of the SOEs are disclosed to the State Interest and Governance Authority (SIGA), who in turn publishes them in its Annual State Ownership Report. The Ministry of Finance also discloses the State Ownership Report on its website¹³.

¹³ <https://mofep.gov.gh/index.php/reports/2022-04-01/2020-state-ownership-report>

2.6.1.1 GNPC Financing

The financing of GNPC's activities is provided for in Section 4 and 15 of the P.N.D.C.L., 1983 (Act 64), which requires GNPC to finance its operations from borrowings and to ensure that the returns on its investments are sufficient to meet:

- interest payments;
- provide for a reasonable proportion of the funds needed for expanding the Corporation's activities and increasing its working capital;
- provide reserves for replacement of fixed assets and equipment;
- provide for contributions to any welfare or provident fund established by the Corporation; and
- pay dividends into the Consolidated Fund.

Furthermore, Section 16 of the Act permits government to make advances and grants to the Corporation through the national budget.

The Petroleum Revenue Management Act (PRMA) provides an alternative source of financing for GNPC's activities. Section 7(3) of the Act stipulates that for a period not exceeding 15 years after the commencement of this Act, the cash or the equivalent in barrels of oil ceded to the National Oil Company shall not exceed 55 percent of the net cash flow from the Carried and Participating Interests after deducting the equity financing cost. This provision is to be reviewed every three years by Parliament.

Table 2.13: Transfers to GNPC from the State and external Borrowing

Year	Equity Financing (US\$' million)	Net CAPI (US\$' million)	Borrowing (US\$' million)	Total Amount (US\$' million)
2020	154.81	43.83	-	198.65
2021	157.79	70.54	16.16*	244.49

* Borrowing from Société Générale Ghana

Source: GHEITI's construct based on data from GNPC/Ministry of Finance

Table 2.14: Composition of State Interest in Producing Upstream Oil and Gas Blocks (2021)

No.	Project/field/Block	Operator	Entities	Ownership Structure	Status
1	West Cape Three Points Block – Jubilee	Tullow	-Tullow -Kosmos Energy -Occidental Petroleum -Petro SA -GNPC	35.47954% 24.07710% 24.07710% 2.72544% 13.64084%	Production
2	Deep Water Tano Block -TEN	Tullow	-Tullow -Kosmos Energy -Occidental Petroleum -PetroSA -GNPC	47.175% 17.00% 17.00% 3.825% 15.00%	Production
3	Offshore Cape Three Points Block - SGN	ENI	-ENI Ghana E & P Ltd -Vitol Upstream Ghana Ltd -GNPC	44% 36% 15%	Production

No.	Project/field/Block	Operator	Entities	Ownership Structure	Status
			Carried Interest -GNPC additional Interest	5%	
4	Deepwater Tano Cape three Points (DWTCTP) Operator - Hess	Aker	-Aker -Lukoil -Fueltrade -GNPC	50.00% 38.00% 2.00% 10.00%	Exploration
5	South Deepwater Tano Block Operator - AGM	AGM	-AGM Consortium -Quad Energy -GNPC Interest	80.00% 5.00% 15.00%	Exploration

Source: GNPC, 2022

The terms attached to each equity stake is enshrined in the Petroleum Agreements (PAs) for of the contract area which is disclosed on the Petroleum register at <https://www.ghanapetroleumregister.com/contractareas>

2.6.1.2 GNPC Subsidiaries and Joint Ventures

GNPC has a broad portfolio of subsidiaries and investments across different sectors of the economy from E&P operations, upstream services company, and other non-core investments.

1. Prestea Sankofa Gold Limited (PSGL)

Background	<ul style="list-style-type: none"> • PSGL was incorporated in 1994 as a joint venture between Samax Gold Resources (a Canada-based gold mining company) and GNPC • In 1998 Ashanti Goldfields acquired the shares of Samax but shortly ceded its shares to GNPC, bringing GNPC's total shares to 90%; with the government of Ghana holding the remaining 10% shares • The facility is a Carbon In Leach (CIL) tailing processing Plant with a capacity of 300,000 tonnes per year. • The Company boasts of an unexplored underground rock reserve with a prospecting license covering an area of 89.77 sq.km.
Ownership	<ul style="list-style-type: none"> • GNPC: 90% • GoG: 10%
Current Status	<ul style="list-style-type: none"> • Through the intervention of GNPC, the following major works and upgrades were done to the Plant between 2019 and June 2021 in readiness for the Company's reopening. <ul style="list-style-type: none"> ○ Refurbishment of the Plant; ○ Test runs on the tailings from Bondoye (village near Prestea); ○ Sub-production to change the mail liners; ○ Repair to the elution tanks; and ○ Major work to raise the tailings parameter. • PSGL resumed operations on 1st July 2021 after it had been shut down in 2016 • As at April 2022, the outstanding salary arrears stood at GHS52 million (representing 29 months of unpaid salary during the shutdown period), and the outstanding payroll deduction stood at GHS21 million for the same period • As at April 2022, unpaid creditors stood at GHS62.8 million.

2. Saltpond Offshore Producing Company Limited (SOPCL)

Background	<ul style="list-style-type: none"> • SOPCL was a Joint venture between GNPC and Lushann Eternit Energy Ghana Ltd. (a subsidiary of Lushann International Energy Corporation based in Texas) which operated the Saltpond Oilfield. • Commercial production from the field began in October 1978 and ceased production due to operational and technical challenges, in December 2015. • GNPC was directed by the Minister for Energy to execute and finance the decommissioning of the project, roughly estimated at \$10 million, over three years. As at 2022, the projected total spend stands at US\$116,749,193.42, including taxes (this covers April 2022 to May 2023).
Ownership	<p>The Petroleum Agreement (PA) covering the block was terminated by the Ministry of Energy in August 2016 and the assets reverted to GNPC, thus 100% GNPC owned.</p> <p>SOUTH WEST SALTPOND BLOCK</p> <p>BRITANNIA U (OP) 76%</p> <p>GNPC. 20%</p> <p>HILLS OIL. 4%</p> <p>————</p> <p>LUSHANN TOOK OVER AFTER 2000 WITH A NEW AGREEMENT</p> <p>GNPC. 45%</p> <p>LUSHANN. 55%</p>

Status	<ul style="list-style-type: none"> Project is currently going through decommissioning
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3. GNPC Exploration and Production Company (Explorco)

Background	<ul style="list-style-type: none"> Explorco was incorporated under the companies' code on 30th November 2012 as a wholly owned E&P subsidiary of GNPC The Company's business model involves the use of Joint Operating Companies (JOC) and Joint Ventures (JV) with strategic partners Since 2017 GNPC has been hosting Explorco and its staff The Company is fully funded by the Parent Company (GNPC) 			
Ownership	<ul style="list-style-type: none"> GNPC: 100 percent 			
Explorco Assets				
Block	Operator	Participating Interest	2022 Work Programme	Status
Expanded Shallow Water Tano	Base Energy	22.50 percent	Evaluation of oil and gas discoveries; Planning for new 3D seismic	Operator is still in the initial exploration period
Offshore South-West Tano	GOSCO ¹⁴ (OSWT & EK Operating	8.80 percent	Ongoing Geological and Geophysical (G&G) Studies;	The Operator has requested for 2 years extension period.

¹⁴ Originally incorporated as GOSCO but now known as OSWT & EK Operating Company Ltd (OPCO). The petroleum desk at GRA however, claims not be aware of this change.

	Company Ltd (OPCO))		Prospects identified; Drilling in 2023	Waiting for approval from the Ministry of Energy
Deep Water Cape Three Points West	Eco Atlantic	4.35 percent	Ongoing G&G Studies; Prospects identified; Drilling in 2023	Drilling work was suspended due to Covid-19. Preparing to drill in 2023
East Keta	GOSCO (OPCO)	11.60 percent	Delayed 3D seismic acquisition	Force Majeure (Boundary dispute with Togo)
West Cape Three Points Block 2	Springfield E & P Limited	5.00 percent for new discoveries / 10.00 percent for existing discoveries	New 3D seismic acquired; Evaluation of Odum and Banda oil and gas discoveries done. Appraisal of Afina 1x yet to be carried out	The unitisation discussion between ENI and Springfield still ongoing
Cape Three Points Block 4	ENI Ghana	4 percent	New 3D seismic acquired; G&G studies; Three Oil and Gas Discoveries made.	Aprokuma 1x has been drilled and a discovery made. Conditional approval granted ENI to appraise Akoma and Eban.

4. GNPC Technip Engineering Services (GTES)

Background

- The GTES is a Joint Venture between GNPC and the engineering firm TechnipFMC Ghana;
- The partnership has been in operation since August 2012. The JV Company was incorporated in Ghana on 27th March 2013 [GNPC to confirm];

	<ul style="list-style-type: none"> • The JV is a strategic vehicle to achieve accelerated capacity building and technology transfer in engineering services; • In 2020, the Company had a budgeted project manhours of 13,481 but closed the year with actual project manhours of 13,636. • After seven (7) years GNPC may offer to buy up to 21 percent of the total share capital and become majority shareholder; •
Ownership	<ul style="list-style-type: none"> • GNPC: 30 percent • TechnipFMC Ghana: 70 percent
Current Status	<ul style="list-style-type: none"> • GTES discontinued operations on 1st January 2021 and initiated a voluntary liquidation process which is ongoing • GNPC explains that it did not exercise its entitlement because the JV was having difficulty generating revenue at the time. • The decision to liquidate the JV was made at a meeting of the parent company's (TechnipFMC PLC) Board of Directors in early 2020 where all underperforming subsidiaries were identified for disbandment. GNPC-Technip was slated for liquidation because it was struggling to generate revenue.

5. Jubilee Oil Holding Limited (JOHL)

Background	<p>JOHL is a wholly owned subsidiary of Ghana National Petroleum Corporation (GNPC). JOHL was originally incorporated as an exempted company (offshore company) in the Cayman Islands by Anadarko Offshore Petroleum LLC on 23rd September 2021. It was registered as an external company in Ghana under the Companies Act, 2019 (Act 992). The registration was concluded on 15th August 2022.</p>
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<p>Ownership</p>	<p>GNPC acquired a hundred percent shareholding in JOHL on 13th October 2021, pursuant to a share purchase agreement between Anadarko Offshore Petroleum LLC (“Anadarko”) and GNPC, and the approval of the Minister for Energy. Cost of acquisition to GNPC is US\$164,798,691.</p> <p>The stake acquired by GNPC was funded by Ministry of Finance and repayable at an interest.</p> <p>In a press statement issued on 14th January 2022¹⁵, GNPC disclosed that JOHL’s directors comprised of its Board Chair, Mr. Freddie Blay, and the then Chief Executive, Dr. K.K. Sarpong.</p> <p>JOHL’s participating interest was carved out of the participating interest held by Anadarko WCTP Company in the Deep Water Tano (DWT) and West Cape Three Points (WCTP) Petroleum Agreements. JOHL holds seven percent (7%) participating interest in each of the DWT and WCTP Petroleum Agreements.</p> <p>The seven percent Joint Operating Agreement (JOA) interest held includes JOHL’s proportionate share of GNPC’s Carried Interest. Consequently, the production equity interests of JOHL are 6.04514 percent and 5.95 percent in Jubilee and TEN respectively.</p> <p>GNPC’s acquisition of JOHL was to increase the State and GNPC’s commercial stake in the DWT and WCTP Petroleum Agreements through JOHL’s participating interest.</p>
<p>Current Status</p>	<p>GNPC is in the process of transferring the participating interests of JOHL to GNPC’s exploration subsidiary, Explorco. This has been approved by the Minister for Energy.</p> <p>JOHL has made a total of US\$239,897,508.12 from inception to 5th November 2022, in respect of its 6.0451 percent of the crude produced in Jubilee and 5.95 percent of TEN oil production. Breakdown provided in table:</p>

¹⁵ <https://www.ghanaweb.com/GhanaHomePage/business/IMANI-ACEP-report-on-us-is-misleading-not-factual-GNPC-1651382>

JOHL oil revenue from inception to 5th November 2022

Date	Detail	Amount (US\$)
27 Oct 2021	Pooled cargo	16,708,779.98
13 Dec 2021	Pooled cargo	18,301,749.14
31 Jan 2022	Pooled cargo	17,429,219.81
27 Apr 2022	JOHL Sale	100,748,907.95
5 Nov 2022	JOHL Sale	86,708,851.24
Total Revenue		239,897,508.12

Out of the US\$153.19 million revenue made as of the 30th of September 2022, an amount of US\$146.08 million has been utilised primarily to pay for:

1. JOHL Cash Call obligations in DWT and WCTP, as well as,
2. Explorco Cash Call obligations in ENI Block 4, Springfield, and the other blocks in which Explorco has commercial interests.

Breakdown of utilisation in table below:

No.	Description	Amount (US\$ million)
1.	Cash Call for Jubilee & TEN operations	64.22
2.	Repayment of the amount advanced by MoF	60.00
3.	JOHL share of 2021 Qtr.3 Tax, paid to GRA by Anadarko	16.44
4.	Explorco Cash Calls in ENI Block 4 & Springfield	4.68
5.	Operational Expenditure	0.74
	TOTAL	146.08

Background	<p>JOHL is a contractual party under the DWT and WCTP petroleum agreements, and it is bound by all the agreements entered by the contractor parties governing the Jubilee and TEN Fields including the JOAs and Unitisation and Unit Operating Agreement (UUOA).</p> <p>JOHL, like the other partners, is required to fully fund its cash calls in advance of any petroleum activity including, where applicable, its portion of GNPC's carried interest.</p> <p>As an external company registered in Ghana, the Board of JOHL is expected to prepare its first financial account by 31st December 2022.</p>
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6. Mole Motel

Background	<ul style="list-style-type: none"> • The motel is a one-star hotel with thirty-four (34) guest rooms, comprising chalets, double-bed and three-bed family rooms, that renders hospitality services including accommodation, restaurant and bar services, and swimming services to guests • The Motel is located within the Mole National Park which is the largest wildlife reserve in Ghana covering 4,577 square kilometers of land space • The Motel is in the West Gonja District of the Savannah Region, 24km from Damongo, the district capital, and 146km from Tamale
Ownership	<ul style="list-style-type: none"> • GNPC: 60 percent • Wildlife Division of Forestry Commission: 40 percent
Status	<ul style="list-style-type: none"> • In 2015, GNPC lent an GHS771,850 (US\$200,000) to the Mole Motel as a loan facility with the following terms. • Out of the GHS771,850 (US\$200,000) loan received from GNPC in 2015, GHS656,073 (principal and interest) is outstanding with repayment expected to resume after the 36-month moratorium expires.

	<p>The Motel was granted the moratorium in September 2020 after it was forced to shut down due to the Covid-19 outbreak in early 2020.</p> <ul style="list-style-type: none"> • The Motel has still not fully recovered from the impact of the Covid-19 pandemic. The first quarter of the year 2021 saw a very low Average Daily Occupancy rate (ADO) of 14 percent due to Covid-19. The ADO gradually and steadily increased to 26 percent, 29 percent and 44 percent in the second, third and last quarters of the year respectively. This positive trend resulted in the average of 28 percent at the close of the year, which was above the projected annual ADO of 27 percent. • The Motel is physically and functionally obsolete and requires major renovations to the physical structures and needs other infrastructure including sewage and drainage systems, storage, conference hall and warehousing.
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7. Valley Farms

Background	<ul style="list-style-type: none"> • Valley Farms Limited was incorporated in March 1987 to undertake the cultivation of cocoa beans and its associated integration/processing • The plantations are in three different locations: <ol style="list-style-type: none"> i. Assin Nsuta (1,200 acres) ii. Enchi Nyankoman (877.7 acres), and iii. Dadieso (1,500 acres) 	
Ownership	J.W. Wilson	68.54 percent
	Merban Investment Holding (on behalf of GNPC)	23.34 percent
	E.K. Mensah	3.69 percent
	Allan Beals	2.95 percent
	E.R. Ofori	1.47 percent
Status	<ul style="list-style-type: none"> • The Company is insolvent • Currently, there are no farming activities on all the three plantations 	

8. GNPC Foundation

Background	<ul style="list-style-type: none"> • GNPC Foundation is the arm of the Sustainability Department of GNPC which spearheads the Corporate Social Responsibilities (CSR) of the Corporation; • The Foundation replaced the GNPC Oil and Gas Learning Foundation which was set up in 2012; • The previous GNPC Oil and Gas Learning Foundation was modified in scope and mandate, to emphasise the role and function of CSR within the Corporate agenda at GNPC. The Foundation was established in 2017; • The primary objective of the Foundation is to make GNPC more visible and socially responsible through community engagements and interventions through skills improvement, livelihood enhancement, and social interventionist programmes; • GNPC Foundation is not an income generating entity; • The Foundation is headquartered at Takoradi in the Western Region 										
Ownership	<ul style="list-style-type: none"> • GNPC: 100 percent 										
Status	<ul style="list-style-type: none"> • The GNPC Foundation has been established with three key thematic areas of support: <ul style="list-style-type: none"> ○ Education and Training; ○ Economic Empowerment; and ○ Environment and Social Amenities. • The Foundation spent on the following in 2021: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Education & Training</th> <th style="text-align: right;">GHS</th> </tr> </thead> <tbody> <tr> <td>Educational Infrastructure</td> <td style="text-align: right;">11,312,994</td> </tr> <tr> <td>Scholarships</td> <td style="text-align: right;">34,368,824</td> </tr> <tr> <td>Capacity Development</td> <td style="text-align: right;">161</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">45,681,979</td> </tr> </tbody> </table>	Education & Training	GHS	Educational Infrastructure	11,312,994	Scholarships	34,368,824	Capacity Development	161	Total	45,681,979
Education & Training	GHS										
Educational Infrastructure	11,312,994										
Scholarships	34,368,824										
Capacity Development	161										
Total	45,681,979										

	Environment & Social Amenities	
	Sanitation	1,779,270
	Water: Boreholes	1,718,331
	Health: Support for Health Facilities/Campaigns	375,035
	Sports	8,936,224
	Total	12,808,860
	Economic Empowerment	
	Agricultural Support	0
	Entrepreneurial Training	974,558
	Total	974,558
Grand Total	59,465,397	
	•	

9. Osagyefo Power Barge

Background	<ul style="list-style-type: none"> • This is a 125MW barge-mounted gas turbine power generating unit located at Effasu; • The Barge was acquired by the Ghana government in 1995 with financial assistance from the Japanese government; • The Barge was initially under the management of GNPC but was transferred to Volta River Authority (VRA) in 2003; • In 2014/15 the Ministry of Energy requested GNPC to take over the facility and to operate it; • GNPC signed an MOU with Aenerg Holdings in February 2016 to undertake feasibility studies of the barge's assets with a view to rehabilitating same into a 185MW combined cycle power plant. The MOU expired in June 2016 with the studies and the rehabilitation works still outstanding.
Ownership	<ul style="list-style-type: none"> • GoG: 100 percent

Status	<ul style="list-style-type: none"> • The Barge is in extremely poor condition, because it has not been maintained for over 20 years • On the 5th of February 2019, GNPC held meetings with the Japanese International Cooperation Agency (JICA) to assist in funding the feasibility studies and subsequent rehabilitation; • JICA declined to offer support to GNPC on the basis that they are unsure of the Corporation's commitment to rehabilitate the barge if GNPC was unable to afford to conduct feasibility studies; and • The Minister for Energy has directed GNPC to engage with Misak Company Limited to decommission the Barge.
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2.6.2 State Participation in Oil and Gas

State definitions of categories of participation¹⁶

1. State-owned Enterprises (SOEs) - entities, whether incorporated or not under the Companies Act, whose shares are wholly held or controlled by the State and are typically commercially oriented, although some of them are required to perform specific public policy objectives. Special Purpose Vehicles (SPVs) sponsored by Government are also classified as SOEs.
2. Joint Venture Company (JVCs) - entities in which Government has either majority (i.e. at least 50 percent voting interests) or minority stake of above 10 percent.
3. Other State Entities (OSEs) - entities wholly owned by the State, other than SOEs, and declared as Specified Entities in accordance with the State Interests and Governance Authority Act, 2019 (Act 990). Examples are regulatory bodies and statutory agencies.
4. Minority interests - entities in which Government has a minority stake of 10 percent or less.

¹⁶ State Ownership Report 2020

2.6.3 Transactions Involving State Owned Companies

TEN Partner Financing involves DWT Contractor providing funding for GNPC's share of the cost of development of TEN fields. This funding is at the election of GNPC to have the contractor fund its additional interest of five (5) percent in the field at the LIBOR plus 1.5 percent per annum. GNPC applies 40 percent revenue from its share of the TEN proceeds towards this debt servicing.

2.6.4 GNPC Related Party Transactions (2020)

Table 2.14: GNPC Related Party Transactions (2020)

Related Party	Amount (US\$)	END BALANCE	Nature of transaction
GNPC Exploration and Production Co. Ltd	3,861,487	14,528,914	Equity financing
Prestea Sankofa Gold Ltd	3,648,367	20,532,464	
Saltpond Offshore Producing Co. Ltd	578,097	6,748,738	
Mole Motel	-	221,662	
GNPC Technip	-	12,118	

Source: GHEITI's construct based on data from GNPC, 2022

2.6.5 Terms and Conditions of Related Party Transactions

These are unsecured and interest free end balances and settlement is in cash. Similarly, no guarantees have been provided.

2.6.6 2020 Procurement-related audit findings against GNPC

According to the Auditor General's 2020 Report,¹⁷ GNPC failed to obtain Parliamentary approval for five projects contracted between 2015 -2017.

GNPC claimed the transactions were all proprietary products, that needed to be procured from the original equipment manufacturer (OEM) and had Public Procurement Authority's approval.

¹⁷ [https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana - Public Boards Corporations and other Statutory Institutions for the period ended 31 December 2020.pdf](https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana_-_Public_Boards_Corporations_and_other_Statutory_Institutions_for_the_period_ended_31_December_2020.pdf)

GNPC further explained that, the items were captured in their annual budget which was approved by Parliament.

The Auditor General's position was that parliamentary approval of GNPC's budget did not imply approval for international business contract, since the budget did not indicate vendor selection and procurement method.

The five contracts totaled US\$34,165,235.15, and £464,963.13. refer to Table 2.15 for further details:

Table 2.15: Three of five contracts that needed parliamentary approval according to the Auditor General

No.	Description of Transaction	Transaction Date	Contractor	Amount (US\$)	Procurement Method.
1.	Procurement of Seismic Survey Design Software and related activities	23 rd June 2017	Messrs GX Technology, GMG Products Division	116,039.15	Single Sourcing
2	Procurement of a contractor to acquire and process 2D Seismic Data over the Voltaian Basin for GNPC	14 th April 2015	Messrs. BGP-Bay Geophysical Limited	33,989,096.00	Restrictive Tendering
3.	Development of Brand Architecture for GNPC and Explorco	27 th November 2015	Future Brand	417,080.00	Single Sourcing

Source: Auditor General's Report for period Jan-Dec 2020.

2.6.7 Ghana National Gas Company

Ghana National Gas Company (GNGC) was incorporated in July, 2011 under the Companies Code 1963 (Act 179).

GNGC's core mandate is to process, transport, market and sell natural gas and gas liquids produced in the country. GNGC commenced commercial operations in 2015.

Ownership

GoG has a 100 percent ownership stake in GNGC.

GOVERNANCE STRUCTURE

GNGC has a Board of nine members. Gender distribution of the Board is 27 percent female and staff made up of 30 percent female.

KEY OIL AND GAS ACTIVITIES IN 2020

- i Planned maintenance shutdown activity was carried out at the Atuabo Gas Processing facility and other associated gas infrastructure.
- ii Gas processing plant was shut down due to offshore pipeline restrictions during the early part of 2020.
- iii The Takoradi-Tema interconnection Project: TDS portion was handed over to GNGC at a cost of US\$56.5million.
- iv Mainline Compressor Station at Atuabo: To maximize pipeline capacity from 135MMscfd to 405MMscfd
- v 52km pipeline from Atuabo to Siringabo (20"): Pipeline to transport natural gas to Cote D'Ivoire as well as gas supply to the fertilizer plant in Domunli

GNGC Financing

As earlier indicated, GNGC was established as a limited liability company and therefore, its activities are regulated by the Companies Act, 2019 (Act 992). It does not receive any funding from the government for its operations. It finances its operations with proceeds from the following activities:

- Sale of lean gas to the Volta River Authority (VRA) and Independent Power Producers (IPPs);
- The sale of Liquefied Petroleum Gas (LPG) to offtakers; and
- The sale of condensates
- Proceeds from Cash Waterfall Mechanism¹⁸ (CWM)

¹⁸ The CWM sets out the principles, methodology and processes for determination and disbursement of tariff revenue collected by the Electricity Company of Ghana to various beneficiaries along the Electricity Value Chain.

Table 2.16: CWM Payments/Inflows to GNGC

Details	Amount (GH¢)	Amount (US\$)
Cash Received	99,738,189.79	17,491,002.16
CWM Payments to PURC on behalf of GNGC	9,440,305.38	1,678,913.44
CWM Payments to GNPC on behalf of GNGC	18,440,134.14	3,204,130.47
Total	127,618,629.31	22,374,046.08

Source: GNGC, 2022

GNGC reported a total revenue of GHS817.89 million in 2020 representing a decline of 11.19 percent on the revenue of GHS920.91 million reported in 2019.

Table 2.17: Total Assets Value 2018-2020

Year	2018	2019	2020
Total Assets Value (GHS' million)	7,442.00	8,997.92	9,738.11

Source: GNGC, 2022

Table 2.18: Total Receipts and Outstanding Receivables from GNGC as at June 30th 2022

Items	Amount
	(US\$)
Total Invoice Amount (Jub/TEN, OCTP) from Jan - June 2022	108,343,000.31
Total Receipts 2022:	
CWM/NGCH ¹⁹ (Credit Notes Issued to GNGC over the period) from Jan - June 2022	-144,276,298.84

¹⁹ CWM/NGCH: Cash Waterfall Mechanism / Natural Gas Clearing House

Items	Amount
Outstanding Balance from Jan – June 2022	-35,933,298.53
Outstanding Balance b/f as of 31st December 2021	610,816,022.13
Total Outstanding Receivables	574,882,723.60

Source: GNPC, 2022

VOLUNTARY SOCIAL CONTRIBUTION

GNGC spent approximately GHS21.09 million on CSR activities during the year 2020.

3.0 EXPLORATION AND PRODUCTION

This section covers disclosures of information related to exploration and production, enabling stakeholders to understand the potential of the sector. The EITI requirements related to the transparency in exploration and production activities, include: (3.1) Information about exploration activities; (3.2) Production data; and (3.3) Export data.

3.1 Exploration

3.1.1 Deep Water Tano Cape Three Points (DWT/CTP) Field

In 2020, Aker Energy, the Operator of the DWT/CTP contract started undertaking further studies in preparation to re-submit the Pecan Field Plan of Development (PoD). The Company, in a letter dated 27th March 2020, informed the Minister for Energy of its decision to postpone investment in the Pecan Field Development. This was due to the effect of the COVID-19 pandemic on the global oil and gas industry and supply chain. The Minister responded to acknowledge the decision by the partners to postpone the project pending easing of the impact of COVID-19.

As part of the preparations leading to the submission of a revised PoD, Aker Energy Ghana Ltd (Aker), the Operator, in 2021 undertook a geotechnical survey in the block with the Fugro Scout vessel. This was completed on the 3rd of January 2022.

The project partners had completed Technical and Commercial evaluation of FPSO FEED tender among three (3) vendors in first quarter of 2021. While DB-1 (Ocean Yields) was selected for Pecan Development Project, G&G survey contract was awarded to Fugro. Geotechnical survey was completed in May 2021. At this same time, the project Partners selected and approved a Development Concept.

The Integrated Pecan development project progressed with the completion of the preparation of the Pecan Field PoD for submission to the Minister for Energy. The plan was to submit the PoD to the Minister for Energy on 30th June 2022. However, due to the US sanctions on Russian interests across the world, there have been fears among service providers to work in the Pecan Field because of the presence of Lukoil (a Russian owned company). The Minister for Energy granted a three-month extension for the submission of the Pecan Field PoD, following a request from Aker. This expired on 30th September and has further been extended to December 2022.

3.1.2 Cape Three Point (CTP) Block 4

In 2021, Eni contracted Saipem 10,000 Drillship to drill its second exploration well, Eban-1X, in the CTP Block 4. This well was in fulfilment of work obligation for the First Extension Exploration Period. Eban-1X was spudded on 6th May and was drilled to a total depth of 4,179m in June. Eni announced discovery and proceeded to conduct studies on the discoveries leading to the submission of an Appraisal Programme to the Commission in December 2021. The approval was granted in 2020.

3.1.3 South Deepwater Tano (SDWT) Block

There was no major exploration activity at SDWT in 2020.

3.1.4 West Cape Three Points Block 2

Springfield Exploration and Production Limited, the Operator of the West Cape Three Points Block 2 (WCTP2), undertook exploratory drilling in the block between October and November, and as part of the exercise, drilled the Afina-1X well, to test for the presence of hydrocarbons within the Cenomanian, Albian, Turonian, and Lower Campanian reservoirs. The well, which was drilled in water depths between 1,030 metres and 4,082 metres, encountered about 52 metres of light net oil pay. The contractor is, however, yet to appraise the discovery.

Eni and Springfield were directed by the Minister for Energy to begin discussion on the unitisation of the Afina-1X Cenomanian discovery, operated by Springfield E&P Ltd (SEP), and the Sankofa Cenomanian field, operated by Eni.

According to the Ministry, the directive to unitise both fields was to ensure optimum exploitation and recovery of the hydrocarbon resources of the fields, consistent with section 34 of Petroleum (Exploration and Production) Act, 2016 (Act 919).

Eni and Vitol have challenged the Minister's directive to unitise the Afina and Sankofa fields in court. The parties are of the view that the directive was not issued in accordance with Ghanaian law, international best practices, and the relevant contractual arrangements. The legal processes

challenging the validity of the directives and implementation are ongoing in both Ghanaian courts and the International Court of Arbitration in London.

Acquisition of 3D seismic on GH-WB-01 Block (The block reserved for GNPC at the last bid round)

New direction from Ministry of Energy (MoEn) to participate in multi-client survey. 3D Acquisition planning and ongoing discussions with multiclient contractor for acquiring new seismic data in the **1,200 sq. km** acreage.

3.1.5 Saltpond Decommissioning Project

In 2020, GNPC received approval from the Public Procurement Authority (PPA) to proceed with its procurement of a contractor to undertake the decommissioning of the Saltpond Oilfield. The Corporation spent US\$0.58 million within the half year, towards the decommissioning. The tender process for the decommissioning of the Mr. Louie Platform has been completed. As at December 2021, a decommissioning contractor, Hans & Co. Oil and Gas Company Limited, an indigenous Ghanaian company, had been selected, and a decommissioning contract had been duly negotiated and signed.

3.1.6 Voltaian Basin Project

The COVID-19-induced lockdown and the running of shifts in GNPC slowed down other activities that were to be undertaken on the Voltaian Basin Project (VBP). However, following the signing of the Phase-2 Contract for the VBP between GNPC and BGP-Bay, the VBP team, set out to undertake the following activities as part of its 2020 work programme:

- a. **Acquisition of the remaining 500-line km of 2D seismic data for the Phase-II programme.** GNPC continued with Phase Two of the 2D Seismic Data Acquisition Programme in the Voltaian Basin, which commenced in 2019, and was completed in March 2020 with a total coverage of 667km. This was just before the first case of COVID-19 was recorded in Ghana. A major challenge that was faced during the seismic acquisition programme was the frequent delays in the payment of invoices to the Contractor.

- b. **Processing of the entire Phase-II Seismic Data (667 km).** All the 2D data (667km) were shipped to BGP's processing Centre in China for processing. Processing was completed in late July after which the data was interpreted both in-house and at BGP-Bay's office. Based on results from the seismic data processing and interpretation, both teams made recommendations for the consideration of GNPC's management.
- c. **Deployment of additional technologies to complement the seismic data.** Following several leads identified in Phases One and Two of the project, and presentations done by various companies on technologies they believe can help in further exploration of the basin, a team was tasked to research on cost-effective technologies to complement the seismic data, locate anomalies, or hydrocarbon pools, and help define well locations. The Voltaian Basin Team explored other technologies with similar technique and relatively comparable capabilities such as the Magnetotelluric (MT), Ground Penetrating Radar (GPR), and Satellite Imagery and Remote Sensing, from other vendors. Eventually, the Satellite Imagery Technology, also known as the Sub Terrain Prospection (STeP) technology was determined to have closely met GNPC's requirement in terms of capabilities, success rate, time, cost and deliverables. The vendor, TerraPlanoAfrique, submitted a proposal. However, due to some issues raised, the procurement process for acquiring the STeP technology was halted, pending Management direction for the way forward.
- d. **Completion of the necessary permitting and compensation activities.** All conditions precedent to permitting were met and compensations were paid to over 1000 affected farmers.

Table 3.1: Number of farmers/lands registered and the total payment

SUMMARY- VBP PHASE-3 PERMIT & COMPENSATION- NORTHERN SECTOR		
S/N	DESCRIPTION	TOTAL
1	No of farms measured	1824
2	Number of farms Cropped	1188
3	Number of Void farms	636
4	Total Number paid	1137
5	Total Amount Paid (GHS)	666,091

Source: GNPC, 2022

- A letter was received from the Piengwa Divisional Council of Manya Krobo, requesting GNPC’s assistance to investigate the potentials of “several oil pits” in the Anyaboni, Aframase, Apimso, Bisa, Sedorm and surrounding areas in the Upper Manya Krobo District of the Eastern Region. These oil substances were reportedly identified in several boreholes drilled by Volta River Authority in the mid-1960s.
- GNPC’s investigation concluded that the supposed “oil gush” -fluid is not a hydrocarbon seepage from the subsurface.

Further to this, GNPC executed a Phase-3 Infill Campaign to acquire an additional 1,655 kilometres of 2D seismic lines. This campaign started in Q4 2021 and will continue for a period of 12 months. Phase three (3) of GNPC’s 2D seismic (Infill Campaign) acquisition programme commenced in December 2021. This infill campaign is expected to acquire an additional one thousand six hundred and fifty-five (1,655) line-kilometer (Km) of 2D seismic lines and will continue for a period of 12 months. The seismic data will be acquired and processed by BGP-BAY Geophysical Services Limited.

Voltaian Basin (2022)- Acquisition, processing, and interpretation of 1600 sq. km of 2D seismic data to identify at least 2 leads and 2 prospects. A total of 14,583 Seismic Vibrator Points (VPs) were acquired for the quarter. This translates to 729.15 km of 2D data.

3.2 Production

For the year 2020, a total of 66,926,806 barrels (bbls) of oil were obtained from the three producing fields. This is lower than the 2019 figure of 71,439,585 bbls by 6.3 percent. The relatively lower production volume in 2020 was due to challenges associated with gas evacuation, from Jubilee and TEN.

For the year 2021, a total of 55,050,391 bbls were obtained from the three producing fields. This is lower than the 2020 figure of 66,926,806 bbls by 17.7 percent and lower than the 2021 Benchmark crude oil output of 64.86 million barrels by 15 percent. The rather low output for 2021 was partly due to poor reservoir performance.

The production data is systematically disclosed by the Petroleum Commission and Bank of Ghana and on their respective websites <https://www.petrocom.gov.gh/production-figures/> and <https://www.bog.gov.gh/publications/statistical-bulletin/>.

3.2.1 Jubilee Field

In 2020, Jubilee Field produced 30,424,539 bbls, compared with a 2019 output of 31,915,377 bbls. The Jubilee Field continues to contribute nearly half the total national output, even though production reduced slightly by 4.7 percent.

In 2021, Jubilee Field contributed half (27,335,481 bbls) of the total output, even though production reduced by 10 percent from the 2020 output (30,424,539 bbls). The highest monthly production volume on the Jubilee Field was recorded in December and the lowest in February. Production rate increased in the second half of 2021 due to the addition of two production wells J56-P and J57-P and one water injection well, J55-WI

Table 3.2: Jubilee Field Monthly Production Data 1st Jan – 31st December, 2020

Year 2020	Oil Production (Barrels)	
	Monthly Total	Daily Average
Jan-2020	1,979,020	63,839
Feb-2020	2,494,587	86,020
Mar-2020	2,730,483	88,080
Apr-2020	2,663,824	88,794
May-2020	2,814,085	90,777
Jun-2020	2,724,904	90,830
Jul-2020	2,757,447	88,950
Aug-2020	2,790,002	90,000
Sep-2020	2,523,194	84,106
Oct-2020	2,468,421	79,626
Nov-2020	2,275,389	75,846
Dec-2020	2,203,183	71,070
Total	30,424,539	83,162

Source: GNPC, 2022

Table 3.3: Jubilee Field Monthly Production Data 1st Jan – 31st December, 2021

Year 2021	Oil Production (Barrels)	
	Monthly Total	Daily Average
Jan-2020	2,255,226	72,749
Feb-2020	1,975,758	70,563
Mar-2020	2,102,802	67,832
Apr-2020	2,155,621	71,85
May-2020	2,182,699	70,410
Jun-2020	2,109,221	70,307
Jul-2020	2,379,739	76,766
Aug-2020	2,389,790	77,090
Sep-2020	2,389,622	79,654

Year	Oil Production (Barrels)	
	Monthly Total	Daily Average
2021		
Oct-2020	2,488,514	80,275
Nov-2020	2,351,159	78,372
Dec-2020	2,555,330	82,430
Total/Average	27,335,481	74,858

Source: GNPC,2021

3.2.2 Tweneboa-Enyenra-Ntomme (TEN) Fields

In 2020, the TEN Field produced 17,802,536 bbls as against 22,319,137 bbls in 2019. This represents a decline of 20 percent. This can be attributed to the drilling and completion activities of the Nt09-P well and other maintenance activities which led to a loss in production time.

Again, the TEN Field's production declined by 32.7 percent from 17,802,536 bbls in 2020 to 11,978,064 bbls in 2021. The TEN Field recorded its highest oil production in January and declined thereafter recording its lowest output in November. The decline in production was attributed to poor reservoir performance.

Table 3.4: TEN Fields Monthly Production Data 1st Jan – 31st December 2020

Year	Oil Production (Barrels)	
	Monthly total	Daily Average
2020		
JANUARY	1,621,291	52,300
FEBRUARY	1,496,247	51,595
MARCH	1,589,781	51,283
APRIL	1,544,641	51,488
MAY	1,549,299	49,977
JUNE	1,465,613	48,854
JULY	1,479,589	47,729
AUGUST	1,563,285	50,429

Year	Oil Production (Barrels)	
	Monthly total	Daily Average
2020		
SEPTEMBER	1,516,707	50,557
OCTOBER	1,425,111	45,971
NOVEMBER	1,288,217	42,941
DECEMBER	1,262,755	40,734
Total/Average	17,802,536	48,655

Source: GNPC,2020

Table 3.5: TEN Fields Monthly Production Data 1st Jan – 31st December 2021

Year	Oil Production (Barrels)	
	Monthly total	Daily Average
2021		
JANUARY	1,226,811	39,575
FEBRUARY	1,070,128	38,219
MARCH	1,199,090	38,680
APRIL	1,093,932	36,464
MAY	1,121,622	36,181
JUNE	972,682	32,423
JULY	967,207	31,200
AUGUST	949,750	30,637
SEPTEMBER	875,267	29,176
OCTOBER	862,105	27,810
NOVEMBER	815,764	27,192
DECEMBER	823,706	26,571
Total/Average	11,978,064	32,844

Source: GNPC,2021

3.2.3 Sankofa-Gye Nyame Project

In 2020, the SGN Field produced 18,699,731.01 bbls relative to 17,205,070.85 bbls in 2019. The SGN Field recorded its third full-year production, increasing its output by 8.7 percent. The performance was attributable to stable production operations, resulting from the FPSO John Agyekum Kuffuor's (JAK) improved plant uptime and the coming on stream of the OP-9 and OP-10 producer wells. The highest monthly production volumes were recorded in January.

However, in 2021, the SGN's fourth full-year production reduced by 15.8 percent from 18,699,731.01 bbls in 2020 to 15,736,846.10 bbls in 2021. The production decline was due to the activation of an Emergency Shutdown (ESD).

Table 3.6: SGN Field Monthly Production Data 1st January – 31st December 2020

Year	Oil Production (Barrels)	
	Monthly Total	Daily Average
2020		
JANUARY	1,713,653.61	55,279.15
FEBRUARY	1,570,658.75	54,160.65
MARCH	1,656,707.66	53,442.18
APRIL	1,573,676.51	52,455.88
MAY	1,564,642.07	50,472.32
JUNE	1,483,483.37	49,449.45
JULY	1,471,793.82	47,477.22
AUGUST	1,590,074.04	51,292.71
SEPTEMBER	1,512,338.08	50,411.27
OCTOBER	1,562,968.82	50,418.35
NOVEMBER	1,483,176.42	49,439.21
DECEMBER	1,516,557.90	48,921.22
Total/Average	18,699,731.01	51,101.63

Source: GNPC,2022

Table 3.7: SGN Field Monthly Production Data 1st January – 31st December 2021

Year	Oil Production (Barrels)	
	Monthly Total	Daily Average
2021		
JANUARY	1,500,247.40	48,395.08
FEBRUARY	1,315,370.69	46,977.52
MARCH	1,399,777.61	45,154.12
APRIL	1,382,375.87	46,079.20
MAY	1,402,449.08	45,240.29
JUNE	1,302,046.12	43,401.54
JULY	1,284,007.65	41,419.60
AUGUST	1,314,393.09	42,399.78
SEPTEMBER	1,214,873.30	40,495.78
OCTOBER	1,264,933.55	40,804.31
NOVEMBER	1,187,800.82	39,593.36
DECEMBER	1,168,570.92	37,695.84
Total/Average	15,736,846.10	43,138.03

Source: GNPC, 2022

3.2.4 Gas Production

Gas production experienced a significant rise in 2020 since the commercialisation of natural gas in Ghana. A total of 237,962.82 MMSCF of Associated Gas (AG) and Non-Associated Gas (NAG) was produced in 2020, about a 40 percent increase over the 2019 volume of 169,508.61 MMSCF of raw gas produced from the Jubilee, TEN, and SGN Fields.

For the second consecutive time, the SGN Field produced the highest volume of combined AG and NAG with 114,825.74 MMSCF while the Jubilee and TEN Fields produced 64,462.41 MMSCF and 58,674.67 MMSCF respectively.

Jubilee gas production was relatively lower in the first two months of the year due to maintenance works on the gas pipelines. There was an increase in gas production and stable production operations in the Field in the ensuing months. The TEN field gas production was relatively stable, with higher output towards the end of the third and last quarters of the year. The production of gas from the SGN field recorded a significant increase of 64 percent from 69,941.60 MMSCF in 2019 to 114,825.74 MMSCF in 2020. The highest production of NAG (7,418.16 MMSCF) was recorded in March 2020.

Gas production in 2021 increased by 7.7 percent relative to that of 2020. A total of 256,262.04 MMSCF of Associated Gas (AG) and Non-Associated Gas (NAG) was produced in 2021 from the three Fields compared to the 2020 volume of 237,962.82 MMSCF of raw gas produced. The SGN Field, relatively gas-concentrated, produced the highest volume of combined AG and NAG of 121,604.96 MMSCF while the Jubilee and TEN Fields produced 70,527.21 MMSCF and 64,129.87 MMSCF respectively.

Jubilee gas production increased by 9.4 percent from 64,462.41 MMSCF in 2020 to 70,527.21 MMSCF in 2021. Gas production on the TEN Field also increased by 9.3 percent from 58,674.67 MMSCF in 2020 to 64,129.87 MMSCF in 2021. The TEN Field encountered flow assurance challenges during 2021 and continued the gas lift operations to manage these issues. The production of gas from the SGN field recorded an increase of 6 percent from 114,825.74 MMSCF in 2020 to 121,604.96 MMSCF in 2021. The highest production of NAG (6,906.20 MMSCF) was recorded in January.

3.2.4.1 Jubilee

Table 3.8: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st December-2020

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	3,688.67	1,274.40	-	1,917.42	258.80	238.05	118.99
Feb	4,732.37	147.28	-	3,266.83	292.65	1,025.61	163.19
Mar	5,657.56	169.24	-	4,183.21	347.19	957.91	182.50
Apr	5,515.32	2,450.46	-	1,872.98	298.03	893.86	183.84
May	5,841.01	2,573.61	-	2,066.74	300.69	899.97	188.42
Jun	5,634.44	2,648.21	-	1,828.35	296.42	861.46	187.81
Jul	5,836.19	2,715.47	-	1,918.98	316.42	885.33	188.26
Aug	5,771.10	2,924.95	-	1,601.28	301.10	943.77	186.16
Sep	5,387.93	2,017.15	-	2,143.61	286.06	941.10	179.60
Oct	5,442.57	3,006.99	-	1,171.12	313.62	950.83	175.57
Nov	5,383.76	3,041.81	-	1,170.67	266.25	905.03	179.46
Dec	5,571.49	3,445.31	-	855.50	298.30	972.38	179.73
Total	64,462.41	26,414.88	-	23,996.69	3,575.53	10,475.30	
Average/ MMscfd	176.61	72.37	-	65.74	9.80	28.70	

Source: GNPC, 2020

Table 3.9: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st December-2021

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	5,728.94	3,307.48	-	1,090.67	372.87	957.92	184.80
Feb	5,187.61	2,887.03	-	1,070.88	331.28	898.42	185.27
Mar	5,502.36	2,811.45	-	1,371.20	343.14	976.57	177.50
Apr	6,044.63	3,249.76	-	1,448.77	356.83	989.27	201.49
May	5,986.46	3,264.89	-	1,333.26	354.80	1,033.51	193.11
Jun	5,910.84	2,632.69	-	1,913.76	362.32	1,002.07	197.03
Jul	6,109.60	2,880.79	-	1,816.48	367.51	1,044.83	197.08
Aug	6,016.36	2,933.69	-	1,633.30	349.52	1,095.71	194.08
Sep	5,957.41	2,576.89	-	2,053.87	332.76	993.89	198.58
Oct	6,071.98	983.82	-	3,768.17	321.01	998.98	195.87
Nov	5,835.21	1,042.12	-	3,426.15	348.60	1,036.33	194.51
Dec	6,157.81	2,423.19	-	2,344.24	364.46	1,025.93	198.64
Total	70,509.21	30,993.80	-	23,270.75	4,205.10	12,053.43	
Average/ MMscfd	193.18	84.91	-	63.76	11.52	33.02	

Source: GNPC, 2021

Table 3.10: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st March 2022

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	6,290.92	3,019.95	-	1,895.33	358.51	1,017.13	202.93
Feb	5,606.36	2,906.96	-	1,438.89	307.31	953.19	200.23
Mar	6,276.19	2,836.14	-	2,058.67	352.13	1,029.25	202.46
Apr							
May							
Jun							
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
Total	18,173.47	8,763.05	-	5,392.89	1,017.95	2,999.57	
Average/ MMscfd	6,057.82	2,921.02	-	1,797.63	339.32	999.86	201.87

Source: GNPC, 2021

3.2.4.2 TEN Field

Table 3.11: TEN Fields Gas Production and Utilisation 1st Jan – 31st December 2020

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,549.83	231.85	-	3,739.46	333.35	245.17	146.77
Feb	4,350.99	324.46	-	2,882.73	310.87	832.94	150.03
Mar	4,742.79	470.42	-	3,001.99	331.53	935.85	152.99
Apr	4,726.24	230.17	-	3,314.16	320.47	861.44	157.54
May	4,758.18	574.32	-	3,078.90	324.66	780.30	153.49
Jun	4,724.02	697.41	-	3,039.44	346.10	641.07	157.47
Jul	4,747.48	573.47	-	3,251.08	348.99	573.93	153.14
Aug	4,911.63	444.68	-	3,463.89	333.14	696.92	158.44
Sep	5,447.58	853.67	-	3,392.85	353.36	847.70	181.59
Oct	5,322.91	360.06	-	3,852.05	326.92	783.89	171.71
Nov	5,132.20	305.70	-	3,982.36	309.86	534.27	171.07
Dec	5,260.82	478.53	-	3,893.77	342.97	545.55	169.70
Total	58,674.67	5,544.74	-	40,892.68	3,982.22	8,279.03	
Average/ MMscfd	160.75	15.19	-	112.03	10.91	22.68	

Source: GNPC, 2020

Table 3.12: TEN Fields Gas Production and Utilisation 1st Jan – 31st December 2021

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	5,249.05	209.42	-	4,027.34	320.77	691.52	169.32
Feb	4,692.82	200.76	-	3,388.93	273.89	829.24	167.60
Mar	5,353.88	732.88	-	3,351.52	299.87	969.60	172.71
Apr	5,081.47	166.75	-	3,883.34	296.70	734.67	169.38
May	5,730.39	202.99	-	4,437.82	390.11	699.47	184.85
Jun	5,310.50	199.70	-	4,071.52	291.16	748.12	177.02
Jul	5,617.26	264.63	-	4,294.86	312.81	744.96	181.20
Aug	5,771.43	325.53	-	4,494.09	317.07	630.46	186.18
Sep	5,301.21	197.22	-	4,296.26	305.29	502.45	176.71
Oct	5,605.88	3.07	-	4,540.46	398.79	663.56	180.83
Nov	5,420.15	70.90	-	4,534.82	329.76	484.67	180.67
Dec	4,995.83	183.21	-	3,918.67	318.99	574.95	161.16
Total	64,129.87	2,757.06	-	49,239.63	3,855.21	8,273.67	
Average/ MMscfd	175.70	7.55	-	134.90	10.56	22.67	

Source: GNPC, 2021

Table 3.13: TEN Fields Gas Production and Utilisation 1st Jan – 31st March 2022

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,724.80	245.44	-	3,515.50	309.26	654.59	152.41
Feb	4,330.66	87.65	-	3,399.79	273.72	569.50	154.67
Mar	4,921.73	68.47	-	3,780.28	305.64	767.34	158.77
Apr							
May							
Jun							
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
Total	13,977.19	401.56	-	10,695.57	888.62	1,991.43	
Average/ MMscfd	4,659.06	133.85	-	3,565.19	296.21	663.81	155.28

Source: GNPC, 2022

3.2.4.3 SGN

Table 3.14: SGN Field Monthly Gas Utilisation 1st Jan – 31st December 2020

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	3,082.85	5,949.65	4,638.84	3,857.23	536.52	60.07	99.45
Feb	3,243.06	5,403.19	4,115.39	4,032.58	414.16	6.77	111.83
Mar	3,417.57	7,418.16	6,037.04	4,274.90	412.04	27.62	110.24
Apr	3,473.47	6,467.19	5,214.85	4,157.59	403.59	81.85	115.78
May	3,677.15	5,875.11	4,723.71	4,246.10	421.45	86.19	118.62
Jun	3,543.17	5,901.10	4,792.61	3,997.20	409.59	169.23	118.11
Jul	3,571.72	5,915.13	4,637.90	4,250.84	428.57	92.91	115.22
Aug	3,753.22	4,949.84	3,785.93	4,433.87	370.69	37.64	121.07
Sep	4,053.19	4,651.33	3,701.81	4,477.91	353.72	94.76	135.11
Oct	4,285.17	5,830.30	4,827.20	4,714.40	355.66	137.75	138.23
Nov	4,143.64	5,485.30	4,576.10	4,505.14	348.54	124.69	138.12
Dec	4,225.83	6,509.40	5,519.61	4,743.64	358.98	89.14	136.32
Total	44,470.04	70,355.70	56,570.99	51,691.40	4,813.51	1,008.62	
Average/ MMscfd	121.84	192.76	154.99	141.62	13.19	2.76	

Source: GNPC, 2020

Table 3.15: SGN Field Monthly Gas Utilisation 1st Jan – 31st December 2021

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,190.78	6,906.20	5,905.01	4,683.72	357.95	64.11	135.19
Feb	3,781.97	6,473.50	5,572.65	4,155.40	312.95	132.29	135.07
Mar	4,414.32	5,932.10	5,484.34	4,404.13	343.72	28.97	142.40
Apr	4,220.77	6,276.20	5,984.50	3,980.97	329.59	113.91	140.69
May	4,522.95	5,686.42	5,427.81	4,324.06	343.01	30.72	145.90
Jun	3,873.82	5,438.06	5,168.62	3,631.08	324.01	106.95	129.13
Jul	3,531.10	5,579.93	5,300.75	3,164.80	318.99	227.71	113.91
Aug	4,813.50	5,177.85	4,898.29	4,604.96	360.41	46.53	155.27
Sep	4,094.45	4,656.10	4,401.50	3,852.14	333.39	73.73	136.48
Oct	4,868.60	5,899.09	5,630.45	4,680.14	354.30	22.64	157.05
Nov	4,732.39	5,586.05	5,330.79	4,533.70	345.37	30.02	157.75
Dec	4,614.65	6,334.16	6,036.57	4,464.61	342.27	17.64	148.86
Total	51,659.30	69,945.66	65,141.28	50,479.71	4,065.96	895.22	
Average/ MMscfd	141.53	191.63	178.47	138.30	11.14	2.45	

Source: GNPC, 2021

Table 3.16: SGN Field Monthly Gas Utilisation 1st Jan – 31st March 2022

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,475.64	6,439.00	6,061.45	3,642.33	321.70	804.59	144.38
Feb	4,086.61	5,123.30	4,839.35	3,561.34	268.72	473.97	145.95
Mar	5,307.86	5,836.82	5,567.41	4,667.65	350.89	475.01	171.22
Apr							
May							
Jun							
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
Total	13,870.11	17,399.12	16,468.21	11,871.32	941.31	1,753.57	
Average/ MMscfd	4,623.37	5,799.71	5,489.40	3,957.11	313.77	584.52	153.85

Source: GNPC, 2020

Table 3.17: Associated and Non- Associated Gas- 2020 (All fields)

Month	Jubilee	TEN	SGN (AG)	SGN (NAG)
Jan	3,688.67	4,549.83	3,082.85	5,949.65
Feb	4,732.37	4,350.99	3,243.06	5,403.19
Mar	5,657.56	4,742.79	3,417.57	7,418.16
Apr	5,515.32	4,726.24	3,473.47	6,467.19
May	5,841.01	4,758.18	3,677.15	5,875.11
Jun	5,634.44	4,724.02	3,543.17	5,901.10
Jul	5,836.19	4,747.48	3,571.72	5,915.13
Aug	5,771.10	4,911.63	3,753.22	4,949.84
Sep	5,387.93	5,447.58	4,053.19	4,651.33
Oct	5,442.57	5,322.91	4,285.17	5,830.30
Nov	5,383.76	5,132.20	4,143.64	5,485.30
Dec	5,571.49	5,260.82	4,225.83	6,509.40

Source: PIAC, 2020 Annual Report

Table 3.18: Associated and Non- Associated Gas- 2021

Month	Jubilee	TEN	SGN (AG)	SGN (NAD)
Jan	5,728.9	5,249.0	4,190.7	6,906.2
Feb	5,187.6	4,692.8	3,781.9	6,473.5
Mar	5,502.3	5,353.8	4,414.3	5,932.1
Apr	6,044.6	5,081.4	4,220.7	6,276.2
May	5,986.4	5,730.3	4,522.9	5,686.4
Jun	5,910.8	5,310.5	3,873.8	5,438.0
Jul	6,109.6	5,617.2	3,531.1	5,579.9
Aug	6,016.3	5,771.4	4,813.5	5,177.8
Sep	5,957.4	5,301.2	4,094.4	4,656.1
Oct	6,071.9	5,605.8	4,868.6	5,899.0
Nov	5,853.2	5,420.1	4,732.3	5,586.0
Dec	6,157.8	4,995.8	4,614.6	6,334.1

Source: PIAC, 2021 Annual Report

Table 3.19: Production Profiles of the various producing fields

Oil Reserves				
Fields	Initial Oil Reserve, MMBL	Remaining Reserve, MMbbl	Estimated Daily Production of remaining reserves (Mid Case), bopd	Remaining field License
JUBILEE	682.00	319.00	63,178.74	13.83
TEN	200.70	92.70	18,359.47	13.83
OCTP	146.10	69.10	13,685.43	13.83
Total	1,028.80	480.80	95,223.63	13.83

Source: GNPC, 2020

Table 3.20: Gas Reserves

Gas Reserves				
Fields	Initial Gas Reserve Bcf	Remaining Reserve, bcf	Estimated Daily Production of remaining reserves (Mid Case), MMscfd	Remaining field License
JUBILEE	967.00	765.19	151.55	13.83
TEN	276.00	254.98	54.08	13.83
OCTP	1,070.90	859.45	172.43	13.83
Total	2,313.90	1,879.62	378.06	13.83

Source: GNPC, 2020

Table 3. 21: Oil Production BOPD

OIL PRODUCTION BOPD			
DATE	JUBILEE	TEN	OCTP

OIL PRODUCTION BOPD			
2010	38,099.61	-	
2011	66,290.12	-	
2012	71,998.03	-	
2013	97,500.16	-	
2014	101,922.44	-	
2015	102,497.70		
2016	73,720.33	38,803.94	
2017	89,725.96	56,034.46	24,139.43
2018	77,977.41	64,540.72	27,715.94
2019	87,439.39	61,148.32	47,137.18
2020	83,127.16	48,640.81	51,092.16
2021	74,891.73	32,816.61	43,114.65
2022	84,676.89	23,544.72	35,282.71

Source: GNPC, 2022

Table 3.22: Gas Production

GAS PRODUCTION (MMSCF/D)				
DATE	JUBILEE	TEN	OCTP ASS. GAS	OCTP NAG
2010	47.87			
2011	83.90			
2012	90.08			
2013	129.95			
2014	152.76			
2015	143.97			
2016	104.97	47.68		
2017	121.18	73.47	31.924	
2018	122.85	108.14	47.329	38.83
2019	140.49	132.57	78.788	112.83
2020	176.13	160.31	121.503	192.23
2021	193.23	175.70	141.532	191.63
2022	185.24	152.36	160.390	196.07

Source: GNPC, 2022

Table 3.23: Gas Export

GAS EXPORT (MMSCF/D)			
DATE	JUBILEE	TEN	OCTP
2010			
2011			
2012			
2013			
2014	31.31		
2015	66.40		
2016	58.96		

GAS EXPORT (MMSCF/D)			
2017	83.67	1.21	
2018	52.99	22.99	33.47
2019	56.69	1.90	89.51
2020	72.17	15.15	154.57
2021	84.93	7.57	178.47
2022	95.62	12.21	186.48

Source: GNPC, 2022

Table 3.24: 2020 Oil and Gas Production and Exports

OIL & GAS - 2020				
	PRODUCTION		EXPORTS	
	Volume/Quantity	Value (US\$ million)	Volume/Quantity	Value (US\$ million)
Crude Oil (bbl)	66,926,806	2,825.04	67,458,206	2,847.47
Gas (MMscf)	237,962.82	1,321.54	88,530.61	491.66
TOTAL		4,146.58		3,339.13

Source: GNPC, 2020

Crude Oil Production Value Computation

The Average price of US\$42.211(Simple average of unit prices obtained by Ghana Group from the Jubilee, TEN and SGN crude oil sales) was used in the computation of production value. Production value was thus determined by multiplying production volume (bbl) by average price of US\$42.211/bbl

Crude Oil Export Value Computation

The Average price of US\$42.211(Simple average of unit prices obtained by Ghana Group from the Jubilee, TEN and SGN crude oil sales) was used in the computation of export value. Export

value was thus determined by multiplying production volume (bbl) by average price of US\$42.211/bbl

Gas Production Value Computation

The average price of US\$ 5.34/MMbtu (Average gas price obtained from gas sales to GNCC in 2020) was used in computing Gas Values for both Production and Export Values. (1,040 MMbtu =1 MMscf)

3.3 Exports

This section covers exports of crude oil from Ghana’s three producing fields. The term **liftings** is used to represent exports.

3.3.1 Jubilee Field

In 2020, a total of 32 liftings (30,865,105.00 bbls) were made by the Jubilee Partners, representing a slight decrease from the 33 liftings (31,573,759 bbls) recorded in 2019. As shown in Table below, the Ghana Group, represented by GNPC, lifted six parcels totaling 5,788,676.00 bbls, representing 18.75 percent of total liftings. This is a slight decrease from the 5,871,303 bbls lifted in 2019.

A total of 29 liftings, (27,613,382 bbls), were made in 2021 by the Jubilee Partners, representing a slight decrease from the 32 liftings (30,865,105 bbls) recorded in 2020. The Ghana Group, represented by GNPC, lifted five parcels totaling 4,789,064 bbls, representing 17.34 percent of total liftings. This is a slight decrease from the 5,788,676 bbls lifted in 2020.

Table 3.25: Jubilee Field Liftings 1st Jan – 31st December 2020

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY LIFTED (BBLs)
05-Jan-20	JC-0292	Tullow Ghana Limited-0099	949,322
16-Jan-2020	JC-0293	Anadarko & PetroSA Ghana Limited-0075	947,181
03-Feb-2020	JC-0294	Ghana Group-0053	951,954
15-Feb-2020	JC-0295	Tullow Ghana Limited-0100	948,237

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY LIFTED (BBLs)
28-Feb-2020	JC-0296	Kosmos-0068	948,478
12-Mar-2020	JC-0297	Anadarko & PetroSA Ghana Limited-0076	946,333
23-Mar-2020	JC-0298	Tullow Ghana Limited-0101	949,596
4-Apr-2020	JC-0299	Ghana Group-0054	992,896
14-Apr-2020	JC-0300	Tullow Ghana Limited-0102	964,441
25-Apr-2020	JC-0301	Kosmos-0069	992,147
7-May-2020	JC-0302	Anadarko & PetroSA Ghana Limited-0077	973,480
20-May-2020	JC-0303	Tullow Ghana Limited-0103	991,968
29-May-2020	JC-0304	Anadarko & PetroSA Ghana Limited-0078	993,331
9-Jun-2020	JC-0305	Kosmos-0070	993,340
23-Jun-2020	JC-0306	Ghana Group-0055	994,324
4-Jul-2020	JC-0307	Tullow Ghana Limited-0104	948,838
14-Jul-2020	JC-0308	Anadarko & PetroSA Ghana Limited-0079	994,868
26-Jul-2020	JC-0309	Tullow Ghana Limited-0105	995,162
8-Aug-2020	JC-0310	Kosmos-0071	952,633
28-Aug-2020	JC-0311	Ghana Group-0056	951,586
29-Aug-2020	JC-0312	Tullow Ghana Limited-0106	993,665
10-Sep-2020	JC-0313	Anadarko & PetroSA Ghana Limited-0080	995,458
19-Sep-2020	JC-0314	Kosmos-0072	947,591

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY LIFTED (BBLs)
29-Sep-2020	JC-0315	Tullow Ghana Limited-0107	936,250
7-Oct-2020	JC-0316	Ghana Group-0057	946,755
16-Oct-2020	JC-0317	Anadarko & PetroSA Ghana Limited-0081	949,060
27-Oct-2020	JC-0318	Tullow Ghana Limited-0108	952,159
5-Nov-2020	JC-0319	Kosmos-0073	949,077
19-Nov-2020	JC-0320	Anadarko & PetroSA Ghana Limited-0082	963,000
7-Dec-2020	JC-0321	Tullow Ghana Limited-0109	950,952
10-Dec-2020	JC-0321	Ghana Group-0058	951,161
23-Dec-2020	JC-0321	Kosmos-0074	949,862
TOTAL			30,865,105

Source: GNPC 2020

Table 3.26: Jubilee Field Liftings 1st Jan – 31st December 2021

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY LIFTED (BBLs)
10-Jan-21	JC-0324	Tullow Ghana Limited-0110	948,596
24-Jan-2021	JC-0325	Anadarko & PetroSA Ghana Limited-0083	948,648
12-Feb-2021	JC-0326	Kosmos-0075	962,793
21-Feb-2021	JC-0327	Tullow Ghana Limited-0111	952,311

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY (BBLs)	LIFTED
6-Mar-2021	JC-0328	Ghana Group-0059	995,549	
20-Mar-2021	JC-0329	Anadarko & PetroSA Ghana Limited-0084	950,738	
2-Apr-2021	JC-0330	Tullow Ghana Limited-0112	949,630	
14-Apr-2021	JC-0331	Kosmos-0076	948,120	
27-Apr-2021	JC-0332	Ghana Group-0060	948,888	
11-May-2021	JC-0333	Tullow Ghana Limited-0113	973,351	
24-May-2021	JC-0334	Anadarko & PetroSA Ghana Limited-0085	952,669	
8-Jun-2021	JC-0335	Kosmos-0077	948,982	
20-Jun-2021	JC-0336	Tullow Ghana Limited-0114	951,914	
4-Jul-2021	JC-0337	Anadarko & PetroSA Ghana Limited-0086	918,603	
16-Jul-2021	JC-0338	Ghana Group-0061	948,499	

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY (BBLs)	LIFTED
28-Jul-2021	JC-0339	Tullow Ghana Limited-0115	908,386	
9-Aug-2021	JC-0340	Kosmos-0078	951,601	
21-Aug-2021	JC-0341	Anadarko & PetroSA Ghana Limited-0087	951,513	
3-Sep-2021	JC-0342	Tullow Ghana Limited-0116	950,600	
15-Sep-2021	JC-0343	Ghana Group-0062	948,095	
27-Sep-2021	JC-0344	Anadarko & PetroSA Ghana Limited-0088	949,650	
9-Oct-2021	JC-0345	Tullow Ghana Limited-0117	947,680	
21-Oct-2021	JC-0346	Kosmos-0079	947,643	
1-Nov-2021	JC-0347	Tullow Ghana Limited-0118	950,259	
13-Nov-2021	JC-0348	Anadarko & PetroSA Ghana Limited-0089	987,820	
26-Nov-2021	JC-0349	Kosmos-0080	967,619	
8-Dec-2021	JC-0350	Ghana Group-0063	948,033	

LIFTING DATE	Parcel No	JUBILEE PARTNER	QTY LIFTED (BBLs)
20-Dec-2021	JC-0351	Tullow Ghana Limited-0119	952,453
30-Dec-2021	JC-0352	Anadarko & PetroSA Ghana Limited-0090	952,739
TOTAL			27,613,382

Source: GNPC, 2021

Table 3.27: Jubilee Field Lifting Schedule 1st Jan – 30th April 2022

LIFTING DATE	JUBILEE PARTNER	QTY LIFTED (BBLs)
11-Jan-22	Kosmos-0082	948,594
21-Jan-2022	Tullow Ghana Limited-0120	952,086
01-Feb-22	Ghana Group-0064	953,343
11-Feb-2022	Kosmos & AWCTP-0082	988,168
23-Feb-2022	Tullow Ghana Limited & PetroSA Ghana Limited-121	951,119
4-Mar-2022	Kosmos & AWCTP-0083	947,823
15-Mar-2022	Tullow Ghana Limited & PetroSA Ghana Limited-0122	952,245
26-Mar-2022	Ghana Group-0065	903,844
5-Apr-2022	Kosmos & AWCTP-0084	948,178
13-Apr-2022	Tullow Ghana Limited & PetroSA Ghana Limited-0123	948,234
26-Apr-2022	JOHL-0001	944,164

Source: GNPC and PC, 2022

3.3.2 Tweneboa-Enyenra-Ntomme (TEN) Fields

The TEN Partners in 2020 lifted a total of 18,627,127 bbls from 19 liftings, as opposed to 22,349,325 bbls from 23 liftings in 2019. GNPC lifted three parcels on behalf of the Ghana Group in 2020, two parcels lower than its 2019 liftings. This represents 16.02 percent of total liftings in 2020 compared with 17.01 percent in the previous year.

The TEN Partners lifted a total of 11,706,740 bbls from 12 liftings in 2021, as compared with 18,627,127 bbls from 19 liftings in 2020. GNPC lifted three (3) parcels on behalf of the Ghana Group in 2021, amounting to 2,887,021 barrels, similar to the three (3) parcels constituting a volume of 2,983,208 barrels, lifted in 2020. This represents 24.66 percent of total liftings in 2021 compared with 16.02 percent in the previous year.

Table 3.28: TEN Field Lifting Schedule 1st Jan – 31st December 2020

LIFTING DATE	PARCEL NO	TEN PARTNER	QTY LIFTED (BBLs)
02-Jan-2020	TC-0074	TEN - Tullow Ghana Limited	948,128
20-Jan-2020	TC-0075	TEN - Anadarko & PetroSA Ghana Limited	994,618
07-Feb-2020	TC-0076	TEN - Tullow Ghana Limited	950,217
26-Feb-2020	TC-0077	TEN-Ghana Group	994,801
18-Mar-2020	TC-0078	TEN - Tullow Ghana Limited	995,290
08-Apr-2020	TC-0079	TEN-Kosmos	989,976
29-Apr-2020	TC-0080	TEN - Anadarko & PetroSA Ghana Limited	993,909
18-May-2020	TC-0081	TEN - Tullow Ghana Limited	996,223
02-Jun-2020	TC-0082	TEN - Tullow Ghana Limited	960,505
21-Jun-2020	TC-0083	TEN-Ghana Group	994,018
12-Jul-2020	TC-0084	TEN-Kosmos	994,989
06-Aug-2020	TC-0085	TEN - Tullow Ghana Limited	947,891

LIFTING DATE	PARCEL NO	TEN PARTNER	QTY LIFTED (BBLS)
21-Aug-2020	TC-0086	TEN - Anadarko & PetroSA Ghana Limited	947,902
08-Sep-2020	TC-0087	TEN - Tullow Ghana Limited	946,072
27-Sep-2020	TC-0088	TEN-Ghana Group	994,389
21-Oct-2020	TC-0089	TEN - Tullow Ghana Limited	995,366
10-Nov-2020	TC-0090	TEN - Anadarko & PetroSA Ghana Limited	994,682
04-Dec-2020	TC-0091	TEN-Kosmos	995,182
27-Dec-2020	TC-0092	TEN - Tullow Ghana Limited	992,969

Source: GNPC, 2020

Table 3.29: TEN Field Lifting Schedule 1st Jan – 31st December 2021

LIFTING DATE	PARCEL NO	TEN PARTNER	QTY LIFTED (BBLS)
27-Jan-2021	TC-0093	TEN - Tullow Ghana Limited d	993,891
16-Feb-2021	TC-0094	TEN-Ghana Group	944,962
16-Mar-2021	TC-0095	TEN - Anadarko & PetroSA Ghana Limited	994,351

LIFTING DATE	PARCEL NO	TEN PARTNER	QTY LIFTED (BBLs)
11-Apr-2021	TC-0096	TEN - Tullow Ghana Limited	954,614
06-May-2021	TC-0097	TEN-Kosmos	994,429
01-Jun-2021	TC-0098	TEN - Tullow Ghana Limited	993,774
06-Jul-2021	TC-0099	TEN-Ghana Group	947,108
03-Aug-2021	TC-0100	TEN - Anadarko & PetroSA Ghana Limited	947,140
05-Sep-2021	TC-0101	TEN - Tullow Ghana Limited	994,897
03-Oct-2021	TC-0102	TEN - Tullow Ghana Limited	994,431
09-Nov-2021	TC-0103	TEN-Kosmos	952,192
15-Dec-2021	TC-0104	TEN-Ghana Group	994,951

Source: GNPC, 2021

Table 3.30: Lifting Schedules of the TEN Field-2020

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
GHANA GROUP	3	2,983,208	16.02
TULLOW GH LTD	9	8,732,661	46.88

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
KOSMOS ENERGY	3	2,980,147	16.0
ANADARKO & PETRO SA	4	3,931,111	21.10
TOTAL	19	18,627,127	100.00

Source: GNPC, 2020

Table 3.31: Lifting Schedules of the TEN Field-2021

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
GHANA GROUP	3	2,887,021	24.66%
TULLOW GH LTD	5	4,931,607	42.13%
KOSMOS ENERGY	2	1,946,621	16.63%
ANADARKO & PETRO SA	2	1,941,491	16.58
TOTAL	12	11,706,740	100.00

Source: GNPC, 2021

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
VITOL	7	6,702,103	37.30
ENI GHANA	9	8,415,496	46.84
TOTAL	19	17,965,974	100.00

Source: GNPC, 2020

Table 3.34: Liftings of the SGN Field-2021

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
GHANA GROUP	2	1,853,127	11.51%
VITOL	8	7,548,151	46.90%
ENI GHANA	7	6,694,448	41.59%
TOTAL	17	16,095,726	100.00

Source: GNPC, 2021

2020 JUBILEE CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
Ghana Group-0053	SKOPELOS	04-Feb-2020	951,954	55.441	0.833	56.274	53,570,259.40	76,156.32	53,646,415.72	38,710,441.19	14,935,974.53
Ghana Group-0054	M/T XIN MAO YANG	04-Apr-2020	992,896	18.679	-6.438	12.242	12,155,032.83	79,431.68	12,234,464.51	8,828,204.32	3,406,260.19
Ghana Group-0055	M/T NEW VITALITY	23-Jun-2020	994,324	41.091	0.684	41.775	41,537,885.10	79,545.92	41,617,431.02	30,030,507.99	11,586,923.03
Ghana Group-0056	M/T STENA SUEDE	28-Aug-2020	951,586	42.124	-0.435	41.689	39,670,668.75	76,126.88	39,746,795.63	28,680,685.82	11,066,109.81
Ghana Group-0057	M/T NEW PROSPERITY	07-Oct-2020	946,755	39.846	-0.336	39.510	37,406,290.05	75,740.40	37,482,030.45	27,046,465.56	10,435,564.89
Ghana Group-0058	M/T COSWISDOM LAKE	14-Dec-2020	951,161	49.862	0.133	49.995	47,553,294.20	47,558.05	47,600,852.25	34,348,054.14	13,252,798.11
TOTAL			5,788,676				231,893,430.33		232,327,989.58	167,644,359.02	64,683,630.56
AVERAGE			964,779	41.174	-0.93	40.248					

Source: GNPC, 2020

Table 3.37: Ghana Group Lifting from Jubilee Field 1st Jan – 31st December 2021

2021 JUBILEE CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
Ghana Group-0059	M/T KHK MAJESTY	06-Mar-2021	995,549	65.626	-0.615	65.011	64,721,636.04	79,643.92	64,801,279.96	46,759,622.30	18,041,657.66
Ghana Group-0060	M/T FRONT QUEEN	27-Apr-2021	948,888	64.696	-1.063	63.633	60,380,590.10	75,911.04	60,456,501.14	43,624,495.70	16,832,005.44
Ghana Group-0061	M/T AMPHION	16-Jul-2021	948,499	71.806	-0.205	71.601	67,913,476.90	75,879.92	67,989,356.82	49,060,090.28	18,929,266.54
Ghana Group-0062	M/T DHT TAIGA	15-Sep-2021	948,095	74.576	-0.807	73.769	69,940,020.06	75,847.60	70,015,867.66	50,522,389.81	19,493,477.84
Ghana Group-0063	M/T SEAWAYS CAPE HENRY	08-Dec-2021	948,033	74.096	0.093	74.189	70,333,620.24	75,842.64	70,409,462.88	50,806,402.17	19,603,060.71
TOTAL			4,789,064				333,289,343.33		333,672,468.45	240,773,000.26	92,899,468.19
AVERAGE			957,813	70.160	-0.52	69.641					

Source: GNPC, 2021

Table 3.38: Ghana Group Lifting from TEN Fields 1st Jan – 31st December 2020

2020 TEN CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
Ghana Group-0015	GEM NO. 1	26-Feb-2020	994,801	51.652	-0.85	50.802	50,537,880.40		50,537,880.40	37,411,158.22	13,126,722.18
Ghana Group-0016	NEW VITALITY	21-Jun-2020	994,018	41.728	-5.50	36.228	36,011,284.10		36,011,284.10	26,657,703.82	9,353,580.29
Ghana Group-0017	MT RIDGEBURY MARY SELENA	27-Sep-2020	994,389	39.974	-0.85	39.124	38,904,475.24		38,904,475.24		
TOTAL			2,983,208				125,453,639.74		125,453,639.74	64,068,862.04	22,480,302.47
AVERAGE			994,403		-2.40	42.051					

Source: GNPC, 2020

Table 3.39: Ghana Group Lifting from TEN Fields 1st Jan – 31st December 2021

2021 TEN CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
Ghana Group-0018	MT DHT EDELWEISS	16-Feb-2021	944,962	62.222	-0.65	61.572	58,183,200.26	47,248.10	58,230,448.36	43,105,656.58	15,124,791.78
Ghana Group-0019	MT AMPHION	06-Jul-2021	947,108	75.030	-0.65	74.380	70,445,893.04	47,355.40	70,493,248.44	52,183,313.78	18,309,934.66
Ghana Group-0020	MT FRONT SPARTA	15-Dec-2021	994,951	72.723	-1.35	71.373	71,012,637.72		71,012,637.72	52,567,796.76	18,444,840.97
TOTAL			2,887,021				199,641,731.03		199,736,334.53	147,856,767.12	51,879,567.41
AVERAGE			962,340		-0.88	69.108					

Source: GNPC, 2021

Table 3.40: Ghana Group Lifting from SGN Field 1st Jan – 31st December 2020

2020 SANKOFA CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
4	MT SIENNA	16-Jan-20	950,046	63.164	-0.90	62.264	59,153,664.14		59,153,664.14	0.00	59,153,664.14
5	MT SPEEDWAY	7-Jun-20	949,296	33.042	-0.90	32.142	30,512,272.03	47,464.80	30,559,736.83	0.00	30,559,736.83
6	MT SIENNA	27-Sep-20	949,033	39.026	-0.90	38.600	36,632,673.80	47,451.65	36,680,125.45	0.00	36,680,125.45
TOTAL			2,848,375				126,298,609.98		126,393,526.43	0.00	126,393,526.43
AVERAGE			949,458		-0.90	44.335					

Source: GNPC, 2020

2021 SANKOFA CRUDE OIL REVENUE											
Lifting Account Name and Parcel No	Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
7	MT SCF PRIMORVE	18-Apr-21	948,845	65.476	-0.55	64.926	61,604,710.47		61,604,710.47	0.00	61,604,710.47
8	MT HARMONIC	13-Jul-21	904,282	73.254	-0.60	72.654	65,699,704.43		65,699,704.43	0.00	65,699,704.43
TOTAL			1,853,127				127,304,414.90		127,304,414.90	0.00	127,304,414.90
AVERAGE			926,564		-0.58	68.790					

Source: GNPC, 2021

3.3.4 Gas Production and Export

3.3.4.1 Gas production, total volumes of gas exported and invoiced to GNGC.

Table 3.41: Total Gas Invoice to GNGC & Downstream Customers from Inception, November 2014 – 31st December 2019

COMPANY NAME	OUTSTANDING BALANCE (USD)
AMANDI	1,057.88
ASOGLI GAS	31,787,078.18
CENIT	7,163,336.88
KARPOWERSHIP	9,898,246.34
GNGC	402,065,124.37
GNGC (OCTP GAS)	439,225.64
VRA T'DI	208,650,626.63
VRA TEMA	8,113,650.13
TOTALS	668,118,346.04

Source: GNPC, 2019

Table 3.42: Total Gas Invoice to GNGC & Downstream Customers -2020

NAME OF CUSTOMER	VOLUME (MMBTU)	INVOICE AMOUNT (USD)
GNGC - JUB & TEN	27,753,480.13	140,482,805.90
GNGC – OCTP	1,048,548.74	5,356,698.63
VRA	12,908,514.26	78,470,823.60
CENPOWER	2,835,095.71	17,234,830.35
KARPOWER	26,141,626.09	158,917,559.18
GENSER	5,080,989.41	14,178,750.46
CENIT	8,143,769.01	49,244,034.29
ASOGLI	11,363,653.72	69,004,645.42
AMANDI	1,676,366.27	10,190,798.21
TOTAL	96,952,043.34	543,080,946.04

Source: GNPC, 2020

Table 3.43: Total Gas Invoice to GNGC & Downstream Customers -2021

NAME OF CUSTOMER	VOLUME (MMBTU)	INVOICE AMOUNT (USD)
GNGC - JUB & TEN	38,018,371.84	201,754,904.60

NAME OF CUSTOMER	VOLUME (MMBTU)	INVOICE AMOUNT (USD)
GNGC – OCTP	356,840.35	1,916,767.90
VRA	11,947,584.61	72,581,928.79
CENPOWER	13,163,243.20	80,020,671.74
KARPOWER	17,988,951.69	109,356,636.17
GENSER	8,158,406.01	23,131,344.20
CENIT	5,434,811.66	33,038,763.52
ASOGLI	14,961,112.90	90,950,101.32
AMANDI	8,414,249.48	51,151,064.13
TOTAL	118,443,571.74	663,902,182.36

Source: GNPC, 2021

3.3.5 Total receipts and outstanding receivables from GNGC.

Table 3.44: Total Gas Exports to GNGC & Invoiced Amounts from Inception, November 2014 to December 2019

YEAR	TOTAL INVOICE(USD)	TOTAL PAYMENT (USD)	OUTSTANDING BALANCE(USD)
2014(Nov-Dec)	4,630,642.86	553,815.32	4,076,827.54
2015	74,427,810.96	9,302,806.35	65,125,004.61
2016	66,336,678.15	-	66,336,678.15
2017	94,776,673.24	-	94,776,673.24
2018	85,016,862.82**	-	85,016,862.82
2019	86,733,078.02	-	86,733,078.02
TOTAL	411,921,746.04	9,856,621.67	402,065,124.37

Invoice for October 2018 was reconciled with GNGC and revised in August 2019 and this reduced the total from the previous reports from a total amount of **US\$85,214,825.34 to **US\$85,016,862.82**.

Source: GNPC, 2019

Table 3.45: Invoiced Amounts from the Jubilee & TEN Fields, 2021

Date	Export (MMSCF)	Volume	Invoiced Amount (USD)
Jan	2,967.25		19,003,326.09
Feb	2,613.67		17,970,340.36
Mar	2,983.01		20,509,744.92
Apr	2,854.81		19,628,310.13
May	2,884.59		19,833,021.86
Jun	2,274.38		15,637,572.68
Jul	2,495.64		17,161,050.40
Aug	2,651.32		18,229,189.94
Sep	2,176.82		14,966,741.94
Oct	376.76		2,590,420.92
Nov	485.88		3,340,657.03
Dec	2,029.39		13,953,111.53
Total	26,793.52		182,823,487.80

Source: GNPC, PIAC 2021

Table 3.46: Gas Utilisation – SGN 2021

GNPC DATA FOR SANKOFA FIELD 2021						
	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf
Jan	4,190.78	6,906.20	5,905.01	4,683.72	357.95	64.11
Feb	3,781.97	6,473.50	5,572.65	4,155.40	312.95	132.29
Mar	4,414.32	5,932.10	5,484.34	4,404.13	343.72	28.97
Apr	4,220.77	6,276.20	5,984.50	3,980.97	329.59	113.91
May	4,522.95	5,686.42	5,427.81	4,324.06	343.01	30.72
Jun	3,873.82	5,438.06	5,168.62	3,631.08	324.01	106.95
Jul	3,531.10	5,579.93	5,300.75	3,164.80	318.99	227.71
Aug	4,813.50	5,177.85	4,898.29	4,604.96	360.41	46.53
Sep	4,094.45	4,656.10	4,401.50	3,852.14	333.39	73.73
Oct	4,868.60	5,899.09	5,630.45	4,680.14	354.30	22.64
Nov	4,732.39	5,586.05	5,330.79	4,533.70	345.37	30.02
Dec	4,614.65	6,334.16	6,036.57	4,464.61	342.27	17.64
Total	51,659.30	69,945.66	65,141.28	50,479.71	4,065.96	895.22

Source: GNPC, 2021

3.3.6 Gas production, total volumes of raw gas exported to GNGC and invoiced amount.

Table 3.47: Gas Production, Export & Utilisation from Producing Fields 1st Jan – 30th June 2022

MONTH	GREATER JUBILEE FIELD				
	GAS PRODUCTION (MMSCF)	GAS EXPORT (MMSCF)	INJECTION (MMSCF)	FUEL (MMSCF)	FLARED (MMSCF)
January	6,290.92	3,019.95	1,895.33	358.51	1,017.13
February	5,606.36	2,906.96	1,438.89	307.31	953.19

MONTH	GREATER JUBILEE FIELD				
	GAS PRODUCTION (MMSCF)	GAS EXPORT (MMSCF)	INJECTION (MMSCF)	FUEL (MMSCF)	FLARED (MMSCF)
March	6,276.19	2,836.14	2,058.67	352.13	1,029.25
April	5,404.86	3,033.64	1,280.12	333.67	757.43
May	2,668.77	1,372.86	550.86	139.00	606.05
June	5,626.18	3,007.48	1,259.73	304.75	1,054.22
TOTAL (YTD)	31,873.28	16,177.03	8,483.60	1,795.37	5,417.27
AVERAGE (YTD)	176.10	89.38	46.87	9.92	29.93

Source: GNPC, 2022

MONTH	TEN FIELD				
	GAS PRODUCTION (MMSCF)	GAS EXPORT (MMSCF)	INJECTION (MMSCF)	FUEL (MMSCF)	FLARED (MMSCF)
January	4,724.80	245.44	3,515.50	309.26	654.59
February	4,330.66	87.65	3,399.79	273.72	569.50
March	4,921.73	68.47	3,780.28	305.64	767.34

MONTH	TEN FIELD				
	GAS PRODUCTION (MMSCF)	GAS EXPORT (MMSCF)	INJECTION (MMSCF)	FUEL (MMSCF)	FLARED (MMSCF)
April	4,666.92	240.29	3,295.19	295.42	836.02
May	4,982.08	2,200.92	1,593.25	297.60	890.30
June	4,576.77	351.38	3,064.00	292.28	869.10
TOTAL (YTD)	28,202.96	3,194.15	18,648.01	1,773.92	4,586.85
AVERAGE (YTD)	155.82	17.65	103.03	9.80	25.34

Source: GNPC, 2022

MONTH	SANKOFA GYE-NYAME					
	AG PRODUCTION (MMSCF)	NAG PRODUCTION (MMSCF)	GAS EXPORT (MMSCF)	INJECTION (MMSCF)	FUEL (MMSCF)	FLARED (MMSCF)
January	4,475.64	6,439.00	6,061.45	3,642.33	321.70	804.59
February	4,086.61	5,123.30	4,839.35	3,561.34	268.72	473.97
March	5,307.86	5,836.82	5,567.41	4,667.65	350.89	475.01
April	5,048.86	6,187.36	5,893.24	4,503.84	337.86	414.76

MONTH	SANKOFA GYE-NYAME					
	AG PRODUCT ION (MMSCF)	NAG PRODUCTI ON (MMSCF)	GAS EXPORT (MMSCF)	INJECTIO N (MMSCF)	FUEL (MMSCF)	FLARE D (MMSC F)
May	5,159.56	6,225.61	5,926.00	4,883.66	354.57	130.58
June	4,962.09	6,019.84	5,734.72	4,767.89	343.83	51.97
TOTAL (YTD)	29,040.62	35,831.93	34,022.17	26,026.71	1,977.57	2,350.88
AVERAGE (YTD)	160.45	197.97	187.97	143.79	10.93	12.99

Source: GNPC, 2022

2022 TOTAL GAS EXPORT (SALES) FROM THE THREE (3) FIELDS								
MONTH	GREATER JUBILEE		TEN		SANKOFA GYE NYAME		COMPOSITE	
	MMS CF	MMSCF /D	MMSC F	MMSCF /D	MMSCF	MMSCF/ D	MMSCF	MMSCF/D
JANUA RY	3,020	97.42	245.44	7.92	6,061	195.53	9,327	300.87
FEBRU ARY	2,907	103.82	87.65	3.13	4,839	172.83	7,834	279.78
MARCH	2,836	91.49	68.47	2.21	5,567	179.59	8,472	273.29

2022 TOTAL GAS EXPORT (SALES) FROM THE THREE (3) FIELDS

APRIL	3,034	101.12	240.29	8.01	5,893	196.44	9,167	305.57
MAY	1,373	44.29	2,200.9	71.00	5,926	191.16	9,500	306.44
JUNE	3,007	100.25	351.38	11.71	5,735	191.16	9,094	303.12
TOTAL	16,177	89.38	3,194.1	17.65	34,022	187.97	53,393	294.99

Source: GNPC, 2022

Table 3.48: Gas Export Volumes & Invoiced Amount from Jubilee & TEN Fields 1st Jan – 30th June 2022

Month	Export Vol (MMScf/d)	Invoice (US\$)
Jan-22	2653.697	18,245,546.80
Feb-22	2414.706	16,602,359.40
Mar-22	2330.832	16,025,682.03
Apr-22	2700.141	18,564,873.45
May-22	2909.327	20,003,135.98
Jun-22	2749.087	18,901,402.65
TOTAL	15,757.790	108,343,000.31

Source: GNPC, 2022

3.3.7 Total receipts and outstanding receivables from GNGC.

Table 3.49: Total Receipts & Outstanding Receivables from GNGC as at June 30th 2022

Items	Amount
	(US\$)
Total Invoice Amount (Jub/TEN, OCTP) from Jan - June 2022	108,343,000.31

Items	Amount
Total Receipts 2022:	
CWM/NGC (Credit Notes Issued to GNGC over the period) from Jan - June 2022	-144,276,298.84
Outstanding Balance from Jan – June 2022	-35,933,298.53
Outstanding Balance b/f as of 31st December 2021	610,816,022.13
Total Outstanding Receivables	574,882,723.60

Source: GNPC, 2022

MAKE UP GAS

Make Up Gas (MUG) arises where in any period, subject to the Gas Sales Agreement (GSA), GNPC has paid for a gas volume on the basis of a Take or Pay (ToP) provision under the Gas Sales Agreement, the volume of gas not taken is recorded in a Balance Make Up Gas account on a first-in, first-out basis. GNPC shall be entitled to take delivery of the MUG in the subsequent five (5) years following the MUG year. Any MUG not taken by GNPC by the end of the fifth (5th) year shall be forfeited.

Below is the details of the Balance MUG account from inception of the gas delivery in August 2018 to 2021.

Table 3.50: Details of the Balance MUG account from inception of the gas delivery in August 2018 to 2021.

YEAR	2018	2019	2020	2021
MUG (MMSCF)	6,449.15	26,460.17	2,721.00	0

YEAR	2018	2019	2020	2021
MUG RECOVERED (MMSCF)	0	0	1,867.50	134.35
BALANCE (MMSCF)	6,449.15	26,460.17	35,630.32	35,495.97
FIFTH (5TH) YEAR ENDING	2023	2024	2025	2026

Source: ENI, 2022

In 2020 GNPC recovered a Make-Up Gas (MUG) of 1,867.50Mmscf through an annual reconciliation adjustment as per Gas Sales Agreement. The reconciliation resulted in a credit of US\$15,767,771.85 to GNPC.

In 2021 GNPC recovered 134.353 mmscf of MUG. The MUG recovery which occurred in December 2021 reconciliation amounted to a credit of USD1,235,716.42 to GNPC.

As shown in the table above, GNPC has up to 2023, 2024 and 2025 to recover the MUG volume of 2018, 2019 and 2020 respectively or forfeit any MUG balance not recovered.

GHEITI OBSERVATION

- Inadequate infrastructure for gas evacuation and commercialisation has been a major constraint in Ghana's ability to uptake its MUG from SGN.

RECOMMENDATION

- GNGC and the State must expedite action on the development of the necessary gas transportation infrastructure to enable early recovery of the due MUG estimated at 35,630.32 MMSCF as at the year ended 2020, which translates into an estimated amount of USD300 million recoverable to the State.

4.0 REVENUE COLLECTION

This section covers company payments and government revenues, and it is intended to inform public debate. The EITI requirements related to revenue collection include: (4.1) Comprehensive disclosure of taxes and revenues; (4.2) Sale of the State's share of production or other revenues collected in-kind; (4.3) Infrastructure provisions and barter arrangements; (4.4) Transportation revenues; (4.5) SOE transactions; (4.6) Subnational payments; (4.7) Level of disaggregation; (4.8) Data timeliness; and (4.9) Data quality.

4.1 Disclosure of Taxes and Revenues

In the upstream oil and gas sector, revenue collection is guided by the Petroleum Revenue Management Act, 2011 (Act 815) as amended, and the Income Tax Act, 2015 (Act 896) as amended. Both Acts grant GRA the overarching responsibility to collect fiscal revenues.

The PRMA mandates that receipts from the sale of petroleum are lodged into the Petroleum Holding Fund (PHF) at the Bank of Ghana. Section 2(2) of the Act, states that Petroleum revenue shall be deposited in the Petroleum Holding Fund for subsequent transfers in accordance with the provisions of the Act. Sections 6 and 7 defines petroleum revenues or receipts as:

- a) Royalties from oil and gas, additional oil entitlements, surface rentals, other receipts from any petroleum operations, and from the sale or export of petroleum;
- b) Any amount received from direct or indirect participation of the government in petroleum operations;
- c) Corporate income taxes in cash from upstream and midstream petroleum companies;
- d) Any amount payable by the National Oil Company (NOC) as Corporate Income Tax (CIT), royalty, dividends, or any other amount due in accordance with the laws of Ghana;
- e) Any amount received by government directly or indirectly from petroleum resources not covered by paragraphs (a) to (d), including where applicable, capital gains tax derived from the sale of ownership of exploration, development and production rights; and
- f) Carried and Additional Participating Interest (CAPI) after deducting equity financing and cash or the equivalent of barrels that shall be ceded to the NOC out of CAPI recommended by the Minister and approved by parliament.

Thus, revenues received as CAPI and royalty are all lodged into the PHF. In addition, surface rentals (acreage fee) and petroleum income taxes are also deposited into the PHF. The other collections by the GRA are lodged into the Consolidated Fund. Collections by the EPA, GNPC and Petroleum Commission are utilised as internally generated funds.

Revenues collected into the PHF and their allocations are summarised in Figure 4.1.

Figure 4.1: Sources of Petroleum Holding Fund and Allocation

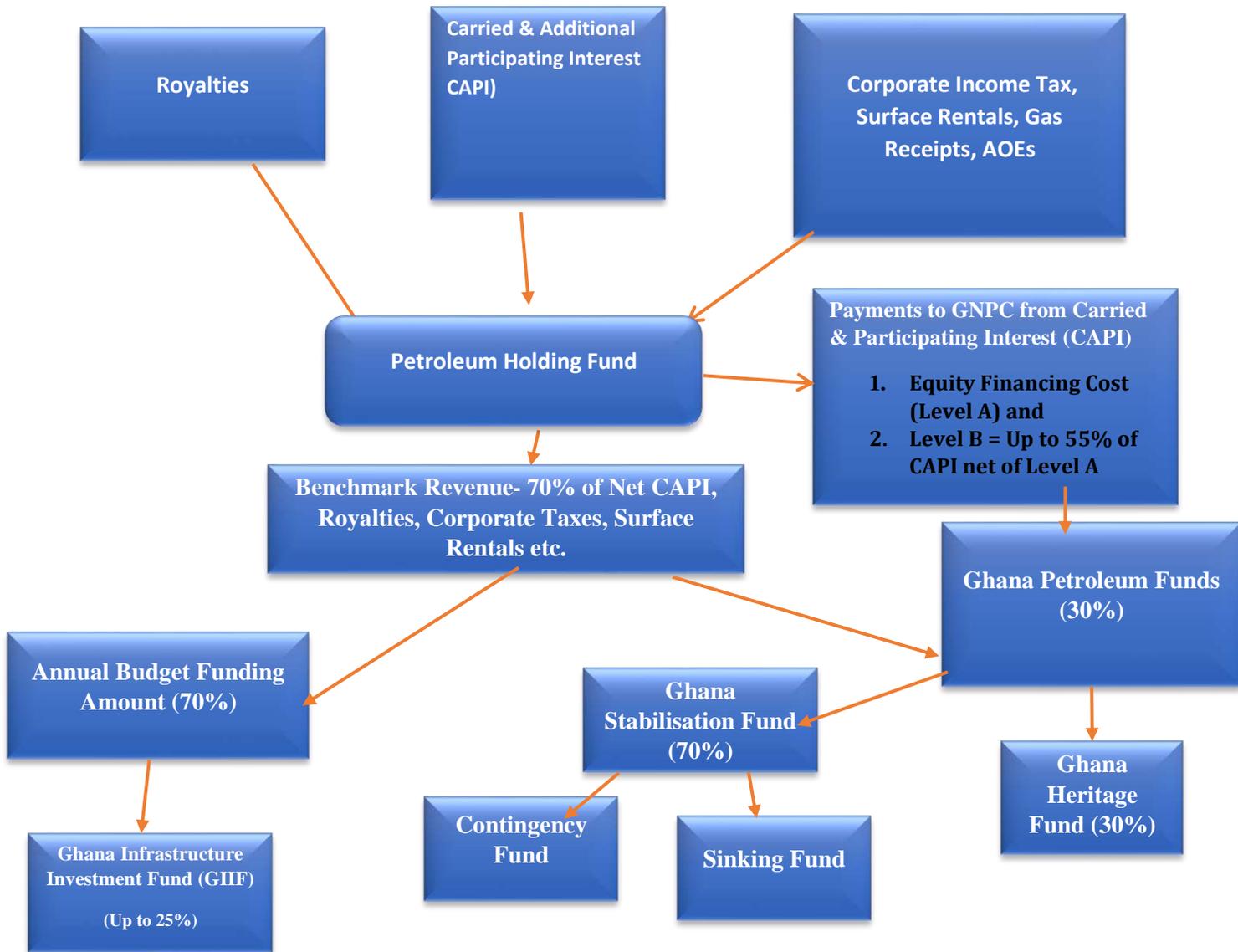


Table 4.1: Revenue flows in the oil and gas sector

<i>Revenue Flows within the Oil/Gas Sector during the scoping period</i>	
<i>Revenue Streams</i>	<i>Receiving Agency</i>
<ul style="list-style-type: none"> ▪ <i>Corporate Income Tax/Petroleum Income Tax</i> ▪ <i>Withholding Tax</i> ▪ <i>Pay-As-You-Earn</i> ▪ <i>Value Added Tax</i> ▪ <i>Excise Duty</i> ▪ <i>Import Duty</i> ▪ <i>Capital Gain tax</i> ▪ <i>Surface rental</i> ▪ <i>Royalty</i> ▪ <i>Initial participating Carried Interest</i> ▪ <i>Surface Rental</i> ▪ <i>Additional participating interest</i> ▪ <i>Additional Oil Entitlement</i> ▪ <i>Bonus as may be prescribed</i> 	<i>Ghana Revenue Authority</i>
<ul style="list-style-type: none"> ▪ <i>EPA Permit and Processing Fees</i> 	<i>EPA</i>
<ul style="list-style-type: none"> ▪ <i>Data Licence fees</i> ▪ <i>Training obligations</i> ▪ <i>Technology and technical support</i> ▪ <i>Licence Application</i> ▪ <i>Production Permit</i> ▪ <i>Installation fees</i> ▪ <i>Extension fees</i> ▪ <i>Application for security clearance for vessels drilling & Well Designation Permit (Per Well)</i> 	<i>Petroleum Commission/GNPC</i>
<i>Port/Shorebase costs</i>	<i>Ghana Ports and Harbour Authority</i>

Source: GHEITI's construct based on PRMA, Model Petroleum Agreement, E&P Act, GRA, PC, and EPA, 2022

GHEITI's Observations on Surface Rental Collection and Management

Section 3 (3) of the Petroleum Revenue Management Act (PRMA) assigns GRA the responsibility for keeping records and accounting for surface rentals, also known as acreage fees, paid into the Petroleum Holding Fund.

In terms of substance and form, surface rental or acreage fees is analogous to ground rent in the mining industry and ought to be collected by the Office of the Administrator of Stool Lands (OASL), in accordance with Article 267 (2) and (6) of the 1992 Constitution, which vests authority in the OASL to collect and distribute stool land revenues, including ground rent, to beneficiaries in accordance with a prescribed formula.

It is GHEITI's view that the current arrangement which mandates the payment of surface rentals into the Petroleum Holding Fund and assigns GRA the responsibility to keep records and to account for these surface rental payments is borne out of the fact that, Ghana's oil and gas production activities are currently offshore and so no stool land is encumbered.

However, when exploitation activities commence onshore, stool and family lands are likely to be encumbered, and the collection of acreage fees or ground rent would have to be taken over by the OASL and distributed as prescribed by the Constitution.

The lack of recognition of this situation in the PRMA runs the risk of overlap of institutional mandate with respect to collection and management of acreage fees onshore.

GHEITI believes it will amount to a flagrant infraction of the Constitution, if ground rent or acreage fees for onshore exploration and production activities are paid into the Petroleum Holding Fund as prescribed by the PRMA.

GHEITI's Recommendation

Two options are available to avert the risk of institutional overlap in the administration of surface rentals / acreage fees in Ghana's oil and gas industry. These are:

- 1) An amendment to the PRMA to limit GRA's role in the collection of surface rental to offshore activities, while OASL takes care of onshore collections.

2) GRA may be allowed to continue to collect surface rental or acreage fees offshore and subsequently onshore but should be made to cede the amounts collected onshore to the OASL for onward distribution to beneficiaries in accordance with the Constitution of the Republic of Ghana.

GHEITI's Observations on Bonuses

GHEITI observes that, while Sect. 6 of the Petroleum Revenue Management Act itemises revenue streams to be received into the Petroleum Holding Fund (PHF), it fails to recognise bonuses, which is provided for in the E&P Act, 2016 (Act 919). The omission may be due to the fact that the PRMA preceded the E&P Act and therefore bonuses could not have been foreseen by the former. Although Sect. 6(a) and (e) provide omnibus clauses under which bonuses could be subsumed, it is irregular that surface rentals, which are often far less than bonuses are mentioned by name as a revenue stream to be received into the PHF, and the relatively bigger stream (bonuses) is subsumed under omnibus clauses.

GHEITI's Recommendation

GHEITI recommends that bonuses are recognised by name as a revenue stream in any future amendments to the PRMA, to ensure coherence between the E&P Act and the PRMA, and to enhance transparency and accountability of such payments.

4.1.1 Scoping/Materiality Determination

In this section the reporting parameters of the 2020 EITI Oil and Gas report are shown. It provides details of the options provided to the MSG, for the determination of materiality thresholds at the inception stage. It also states the means of assuring credibility for data provided by the reporting entities.

The Independent Administrator (IA) produced a scoping document on GHEITI's 2020 Oil and Gas sector EITI report. The IA provided a number of options for materiality thresholds, based on revenue streams obtained from the preliminary payment data received from government agencies. The report also made recommendations on the way to assure data credibility and the cut-off point at which discrepancies are not to be investigated further.

The MSG approved the scoping report on the 2nd of November 2022 during a virtual meeting. The scoping parameters were confirmed subsequently by e-mail.

4.1.2 Determination of Materiality

Materiality thresholds were determined using the total payments made by oil and gas companies. The proportion of the various revenue streams to total revenues received were determined. The revenue considerations were as follows:

- a) Withholding taxes and Pay As You Earn (PAYE) were excluded as these were made by the oil and gas companies on behalf of suppliers and employees.
- b) Total preliminary receipts in the sector, and those revenue streams used in establishing the materiality thresholds are shown in Tables 4.2 and 4.3 respectively. The MSG was provided with options for determining materiality thresholds (see Table 4.3). Details of entities or companies that made payments in 2020 are shown in Appendices 1 & 2.

Table 4.2: Total Preliminary Receipts-2020

<i>Revenue Stream</i>	<i>Amount (\$)</i>
<i>Corporate Income Tax</i>	<i>168,773,046.19</i>
<i>PAYE</i>	<i>18,517,087.15</i>
<i>Withholding Tax</i>	<i>74,816,844.82</i>
<i>VAT</i>	
<i>Excise Duty</i>	
<i>Import Duty</i>	
<i>Capital Gains Tax</i>	
<i>Ports/Shorebase Costs</i>	
<i>Royalty</i>	<i>195,350,005.14</i>
<i>Carried</i>	<i>212,027,272.73</i>
<i>Participating Interest</i>	<i>88,902,727.27</i>
<i>Surface rentals</i>	<i>928,551.81</i>
<i>Data Room & License of Data</i>	<i>3,008,429.17</i>
<i>Permits Fees</i>	<i>2,172,840.12</i>

<i>Revenue Stream</i>	<i>Amount (\$)</i>
<i>Fees & Charges - Admin. & Services</i>	
<i>Charges</i>	163,696.45
<i>Registration Fee</i>	283,146.66
<i>Application Form</i>	10,040.37
<i>Permit Renewal Fee</i>	3,701,640.51
<i>Exploration and Development Permit</i>	346,384.23
<i>Training Allowance</i>	5,488,394.46
<i>Technology Allowance</i>	2,984,912.88
<i>Gas revenue</i>	
<i>EPA Processing Fees</i>	207,866.03
<i>EPA Permit Fees</i>	308,334.81
<i>Property rate</i>	318,742.03
<i>Business Operating Permit</i>	16,974.08
<i>Total</i>	<i>778,326,936.91</i>

Source: GHEITI's Construct based on data from reporting entities, 2022

Table 4.3: 2020 Preliminary receipts for determining materiality thresholds

<i>Revenue Stream</i>	<i>Amount (\$)</i>	Percentage of Total Receipts	Reconciliation Status
<i>Corporate Income Tax</i>	168,773,046.19	24.6387	Reconciled
<i>Royalty</i>	195,350,005.14	28.5185	Reconciled
<i>Carried</i>	212,027,272.73	30.9532	Reconciled
<i>Participating Interest</i>	88,902,727.27	12.9786	Reconciled
<i>Surface rentals</i>	928,551.81	0.1356	Reconciled
<i>Data Room & License of Data</i>	3,008,429.17	0.4392	Reconciled

<i>Revenue Stream</i>	<i>Amount (\$)</i>	<i>Percentage of Total Receipts</i>	<i>Reconciliation Status</i>
<i>Permits Fees</i>	2,172,840.12	0.3172	Reconciled
<i>Fees & Charges - Admin. & Services Charges</i>	163,696.45	0.0239	Not reconciled
<i>Registration Fee</i>	283,146.66	0.0413	Not reconciled
<i>Application Form</i>	10,040.37	0.0015	Not reconciled
<i>Permit Renewal Fee</i>	3,701,640.51	0.5404	Reconciled
<i>Exploration and Development Permit</i>	346,384.23	0.0506	Not reconciled
<i>Training Allowance</i>	5,488,394.46	0.8012	Reconciled
<i>Technology Allowance</i>	2,984,912.88	0.4358	Reconciled
EPA Processing Fees	207,866.03	0.0303	Not reconciled
<i>EPA Permit Fees</i>	308,334.81	0.0450	Not reconciled
<i>Property rate</i>	318,742.03	0.0465	Not reconciled
<i>Business Operating Permit</i>	16,974.08	0.0025	Not reconciled
Total	684,993,004.94	100	

Source: GHEITI's Construct based on data from reporting entities, 2022

4.1.3 Revenue Streams

Any revenue stream that recorded an amount of US\$928,551.81 or more in 2020 was reconciled. In previous reports the MSG/IA pegged the materiality threshold for determining revenue streams for reconciliation and other instances of reporting at one percent (1%) of the preliminary receipts (excluding PAYE, VAT, NHIL and withholding taxes).

For the preliminary receipts in 2020, maintaining the 1% materiality threshold meant that only corporate tax, the revenue streams associated with the sale of petroleum (ie carried interest, Participating interest and royalty) and training and technology fees would have been reconciled. The materiality threshold would have been pegged at US\$ 6,849,930.05

The MSG considered such a threshold as very high, as several other revenue streams would be excluded from reconciliation. Again, as the materiality threshold was linked to the cut-off point at which discrepancies could not be further investigated, adopting the 1% cut-off materiality level would have resulted in substantial discrepancy amounts remaining uninvestigated.

Surface rental which is a revenue stream paid into the Petroleum holding Fund would have been excluded, which would have affected the comprehensiveness of the disclosures.

Considering the above reasons, the MSG opted for a materiality threshold of US\$928,551.819 (see Table 4.4)

Thus, any revenue stream that recorded US\$928,551 or more was to be reconciled. This also meant that any revenue stream with amounts equal to or more than 0.14% of the total revenue streams (excluding PAYE, VAT AND Withholding tax) was to be reconciled.

That paved the way for Data Licence Fees (0.43%); Permit Fees (0.32%), Permit renewal fees (0.54%) and surface rentals (0.14%) to be included in the reconciliation exercise.

The MSG decided that the following revenue streams were to be reconciled for the 2020 GHEITI Oil/Gas sector reconciliation exercise.

- Royalty
- Carried Interest
- Additional Participating Interest
- Surface Rentals
- Data Licence Fees
- Corporate Tax
- Permit Fees
- Permit Renewal Fees
- Training Fees
- Technology Support Allowance

Detailed explanation of revenue streams is shown in Table 4.4

[Table 4.4: Revenue Streams at the time of reporting](#)

SN	Revenue Stream	Purpose				
1	Royalty	<i>It is a production levy which is based on the gross value of oil and gas extracted irrespective of profitability</i>				
2	Corporate Income Tax	<p><i>This is the tax payable on income derived from oil and gas production. The Capital allowance regime is 20% on a straight-line basis. Expenses ranging from exploration, capital expenditure, development and operational costs prior to the year of commencement of commercial production is accumulated and amortized over a 5year period.</i></p> <p><i>Recoverable pre-production expenses relate to exploration, plant and equipment, Fields development comprising of building facilities for oil and gas exploitation such as drilling wells, laying of supporting infrastructure, interest expenses and general and administrative expenses. Petroleum income tax is computed at 35% of the chargeable income derived as follows:</i></p> <p><i>Gross Income Less Allowable expenses, Capital allowances and Losses carried forward</i></p> <p><i>Allowable expenses include Petroleum royalties, contributions to a decommissioning fund, Rentals, interest expense and charges on sums borrowed for petroleum operations.</i></p> <p><i>Under the income tax Act,2015(Act 896), losses are carried forward for five years</i></p>				
3	Surface Rental (acreage fee)	<p><i>According to Petroleum (E&P), 2016 Act (919) and the Petroleum (E&P)(General) Regulations, 2018 (L.I. 2359)</i></p> <table> <tr> <td><i>Phase of Operation</i></td> <td><i>Surface Rental per Annum</i></td> </tr> <tr> <td><i>Initial Exploration Period</i></td> <td><i>US \$ 150 per sq. km</i></td> </tr> </table>	<i>Phase of Operation</i>	<i>Surface Rental per Annum</i>	<i>Initial Exploration Period</i>	<i>US \$ 150 per sq. km</i>
<i>Phase of Operation</i>	<i>Surface Rental per Annum</i>					
<i>Initial Exploration Period</i>	<i>US \$ 150 per sq. km</i>					

<i>SN</i>	<i>Revenue Stream</i>	<i>Purpose</i>
		<p><i>1st Extension Period</i> <i>US \$ 300 per sq. km</i></p> <p><i>2nd Extension Period</i> <i>US \$ 300 per sq. km</i></p> <p><i>Development and Production</i> <i>US \$ 600 per sq. km</i></p>
4	<i>Dividend</i>	<i>Dividends paid by National Oil Company for Government's equity interest.</i>
5	<i>Initial Participating carried Interest</i>	<i>The Initial Participating Carried Interest means an interest held by the Republic in respect of which the contractor pays for the exploration and development costs without any entitlement to reimbursement from the Republic. However, the republic contributes towards production cost. For the Jubilee, TEN and SGN Fields the Initial Participating carried interest are 10%, 10% and 15% respectively.</i>
6	<i>Additional Participating Interest</i>	<i>This is the interest acquired by the GNPC on behalf of the state after the discovery of oil and gas in commercial quantities. Under this arrangement, the GNPC/ Government of Ghana pay its share of development and production costs. The state or government of Ghana however does not contribute towards exploration expenditure.</i>
7	<i>Training Allowance</i>	<i>An annual amount paid by Oil and Gas companies to assist in building the capacity of the Regulator of the sector.</i>
8	<i>Gas revenue</i>	<i>Gas revenue from the jubilee Fields paid into the Petroleum Holding Fund</i>
9	<i>Environmental Permitting Fees</i>	<i>Amounts paid to EPA for engaging in activities that impact the environment negatively.</i>

Source: GHEITI's construct, 2022

4.1.4 Determination of Threshold for Entity Reporting Companies

Appendix 1 shows the total payments made by a company, the percentage contribution to the total payments and the cumulative weight.

Materiality threshold analysis and companies' payments analysis for 2020 are shown in Table 4.5.

Table 4.5: 2020 Materiality threshold Analysis for the selection of companies

Threshold	No. of companies	Weight/Total Revenue Collected (%)	Cumulative % coverage	Comments
Amount ≥ US\$300m	1	49.7577	49.7577	
US\$300m ≥ Amount ≥ US\$100m	1	15.6264	65.3840	
US\$100m ≥ Amount ≥ US\$70m	1	10.5808	75.9648	
US\$70m ≥ Amount ≥ US\$50m	1	8.9378	84.9026	
US\$50m ≥ Amount ≥ US\$20m	2	11.5551	96.4577	
US\$20m ≥ Amount ≥ US\$10m	1	1.9806	98.4383	7 companies
US\$10m ≥ Amount ≥ US\$1m	1	0.3452	98.7835	8 companies-Service company (PGS Ghana Ltd)
US\$1m ≥ Amount ≥ US\$0.4m	1	0.0669	98.8504	Service Company- TGS Nopec

Threshold	No. of companies	Weight/Total Revenue Collected (%)	Cumulative % coverage	Comments
US\$0.4≥Amount≥US\$0.2m	6	0.2196	99.0700	15 companies (including 4 service Companies)

Source: GHEITI's construct, 2022

4.1.5 Materiality Statement

Any oil and gas upstream company that paid at least US\$13,566,644.47 of the relevant revenue streams in 2020 was required to participate in the reconciliation exercise. (see Tables 4.5 and 4.6)

4.1.6 Company Reporting Entities

The in-scope companies required to complete templates (with their preliminary payments indicated) for the 2020 report are shown in Table 4.6.

Table 4.6: Material (In-scope) companies for 2020 reconciliation

	Company	TIN no.	US\$	Weight(%)	Cumulative %
1	GNPC	V0003107108	340,836,575.80	49.7577	49.7577
2	Anadarko WCTP Ltd.	C0003168417	107,039,575.86	15.6264	65.3840
3	Tullow Ghana Ltd	C0002551888	72,477,522.65	10.5808	75.9648
4	Kosmos Energy Ghana HC	C0003831426	61,223,115.24	8.9378	84.9026
5	ENI Ghana Exploration & Production Limited	C0003664996	45,074,764.79	6.5803	91.4829

	<i>Company</i>	<i>TIN no.</i>	<i>US\$</i>	<i>Weight(%)</i>	<i>Cumulative %</i>
6	<i>Vitol</i>	<i>C0004743520</i>	34,077,148.00	4.9748	96.4577
7	<i>PetroSA Ghana Limited</i>	<i>C0021485674</i>	13,566,644.47	1.9806	98.4383

Source: GHEITI's construct, 2022

4.1.7 Reporting Government Agencies

The government agencies that are to contribute to the reconciliation exercise are

- Ghana Revenue Authority
- Ministry of Finance
- Bank of Ghana
- Petroleum Commission
- Ghana National Petroleum Corporation (GNPC)

The MSG's relevant scoping decisions have been summarised in Table 4.7 as follows.

Table 4.7: Scoping decisions for 2020 GHEITI Oil/Gas report

Parameter	
	2020
Materiality threshold for Oil/Gas sector	US\$13,566,644.47
Coverage: in-scope(material) companies' payments to total receipts (excluding PAYE and Withholding Taxes)	98.44%

Parameter	
Coverage: In-scope companies' payments to total receipts (including PAYE and Withholding Taxes)	87.00%
Number of In-Scope Companies	7
Reporting Government Entities	GRA; GNPC; Petroleum Commission; Bank of Ghana; Ministry of Finance

Source: GHEITI's construct, 2022

Cut-Off Point

The MSG/IA agreed that the cut-off point at which resolution of discrepancies will cease is 0.14% of total government receipts (submissions by Government Agencies of reconcilable revenues).

4.1.8 Basis of Reconciliation

The reconciliation is on actual basis. Thus, activities that occurred (both Financial and physical) between 1st January 2020 and 31st December 2020 were considered.

Currency: The reporting currency is the United States Dollar (US\$)²⁰. The exchange rate used was US\$: GHS; 1: 5.6472²¹ in 2020.

4.1.9 Auditing Standard

The reconciliation is based on data that has been audited to international auditing standards. Revenues raised in the form of taxes, grants, loans and other finances are deposited in the Consolidated Fund or government's Treasury in accordance with the provisions of the Public Financial Management Act, 2016 (Act 921).

²⁰ Most transactions within the Oil/Gas sector are denominated in the US dollars.

²¹ The average of the exchange rates at mid-point 1st January 2020 and mid-point 31st December 2020

Expenditures to be made from the revenue paid into the Consolidated Fund are to be approved by Parliament in an Appropriation Act; and without this authority any expenditure made from the Fund is considered irregular and illegal.

Article 187(2) of the 1992 constitution of Ghana empowers the Auditor-General of Ghana to carry out the audit of public accounts²² of Ghana and to report thereon to parliament.

The Auditor-General of Ghana and the Audit Service has completed the audit²³ of all participating government Agencies for 2020.

The Audit Service of Ghana is a member of the International Organisation of Supreme Audit Institutions (INTOSAI) and the Africa Organisation Supreme Audit Institutions (AFROSAI) and applies the International Standards of Supreme Audit Institutions (ISSAI) issued by (INTOSAI) in its auditing work.

The Audit Service monitors the use and management of all public funds and reports to Parliament annually.

The 2020 Auditor-General's Report did not qualify any accounts of the government entities and the revenue streams that are required for the 2020 GHEITI report.

4.1.10 Reporting Companies

Section 128 of the Companies Act, 2019 (Act 992), requires Directors of a Company to cause to be prepared and circulated to members, auditors' report in accordance with Section 137 of the Act.

According to Section 128 (1) of the Act, audited financial statements (including profit and loss accounts and balance sheets) should be sent to members and debenture holders of any company.

The 2020 financial statements for all the participating companies including that of GNPC have been audited by Independent Auditors, appointed by the companies and the Auditor-General respectively. These auditors employ auditing standards issued by the International Auditing and Assurance Standards Board. None of the audited financial statements was qualified.

²² See also sections 11 and 14 of the Audit Service Act, 2000, Act 584

²³ [https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana - Ministries, Departments and Other Agencies \(MDAs\) for the year ended 31 December 2020.pdf](https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana_-_Ministries,_Departments_and_Other_Agencies_(MDAs)_for_the_year_ended_31_December_2020.pdf)

The International Oil Companies (IOCs) that provided data for the report were Kosmos Energy, Tullow (Ghana) Ltd and ENI (Ghana) Ltd. These companies are subsidiaries/branches of companies that are listed on the London and New York stock exchanges. Thus, a stringent data provision regime is required of these companies.

The annual reports of companies including audited financial statements may be obtained from the websites of the companies²⁴. The audited financial statements of the GNPC can be accessed via https://www.gnpcghana.com/GNPC_FY2014422.pdf

For further details on data credibility and assurance, refer to section 4.9

4.1.11 Templates

The MSG designed a template based on benefit streams of previous reports with room for the addition of other streams. The IA reviewed the templates (both for companies and government reporting entities) and found them satisfactory.

Due to time constraints these templates were distributed before the completion of the inception report. A deadline of 20th November 2022 was provided as the date beyond which no templates were to be admitted.

4.1.12 Data Reliability check

All templates collected were scrutinised to ensure that they fully meet the requirements set out for the completion of templates. Data reliability was checked against the following:

Completeness: Templates submitted by participating entities were checked to ensure that all requisite responses have been thoroughly completed.

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www.gnpcghana.com
<https://www.kosmosenergy.com/ghana>
<https://www.tulloil.com>
<http://www.petrosa.co.za>
<https://www.eni.com>

Relevance: Attached documentations such as receipts and schedules were checked for their relevance to figures and periods provided on the templates.

Correctness/Accuracy: Figures provided on the templates were checked for correctness against receipts or other documentations provided. Also figures on receipts were summed up to ensure they tally with the figures provided in the templates.

Certification: Templates were checked to ensure that they have been properly endorsed by completing officers with appropriate signatories and official stamps.

Senior officials signing templates, did so on behalf of the board of directors. It was the position of the MSG that these officials ensure the authenticity of the data provided, as the board of directors are likely to sanction any senior official who provide false data.

4.1.13 Discrepancy

The MSG/IA agreed that the cut-off point at which resolution of discrepancies will cease is 0.14 percent of total government receipts used in determining the materiality (submissions by Government Agencies of reconcilable revenues).

4.1.14 Results of Reconciliation

Companies:

Anadarko WCTP Ltd, Vitol and PetroSA did not submit reporting templates despite constant reminders to the companies. Anadarko Ltd was not operating in Ghana at the time of writing this report.

Tullow(Ghana)Ltd, Kosmos Energy, ENI (Exploration & Production) Ltd and GNPC submitted templates.

All the templates/data submitted met the completeness, integrity and reliability tests. (see section 4.9 on Data Quality).

Government Agencies:

The Petroleum Commission data compared favourably with figures from its Audited Financial Statements.

The data from GRA and GNPC compared favourably with data from their audited financial Statements and other sources, such as PIAC 2020 report and the 2020 reconciliation report on the Petroleum Holding Fund.

There were supporting documents, and the data provided were found to be reliable. The data quality was high.

Reconciliation of Oil and Gas Benefits in 2020

This section presents the reconciliation of payments and receipts in the oil and gas industry at the producing fields of Jubilee, TEN and SGN in 2020. Find below the reconciliation between IOCs, GNPC and Government Agencies.

These are:

- Reconciliation of payments/entitlements made in-kind by IOCs and receipts by GNPC
- Reconciliation of payments made by oil companies including GNPC and receipts by the Bank of Ghana/Ministry of Finance but accounted for by the GRA. The payments by GNPC covered Carried Interest, Additional Participating Interest and royalty²⁵.
- The IOCs' payments for surface rental and Corporate Income Tax (See Tables 4.11 and 4.12)
- Reconciliation of liftings (exports) by IOCs and GNPC to lifting records from the Ghana Revenue Authority (Customs Division).

²⁵ Note that all the royalty oil was not contributed by GNPC only. The IOCs' contributed royalty oil depending on the fiscal regime pertaining to the producing field.

4.1.15 Payment of Royalty by International Oil Companies

Royalty Payment by IOCs are received by the government in-kind as per Act 815. This is based on their Participating Interests and royalty rates in their respective blocks or producing fields (see Figure.4.2).

In 2020, total royalties paid by the respective partners in the producing fields²⁶ amounted to US\$ 195,350,005.14. SGN contribution was 49 percent, whilst Jubilee and TEN were 26 percent and 25 percent, respectively.

Table 4.8 shows the contribution of in-kind royalty based on liftings of crude oil in the three producing areas of Jubilee, TEN and SGN in 2020.

Table 4.8: Royalty contribution by IOCs in 2020

<i>Producing Fields</i>	<i>Royalty (US\$)</i>
<i>Jubilee</i>	51,430,005.1
<i>TEN</i>	48,090,000.00
<i>SGN</i>	95,830,000.00
<i>Total</i>	195,350,005.14

Source: GHEITI's Construct Based on Data from Ministry of Finance

Table 4.9: Royalty Payments by Extractive Companies

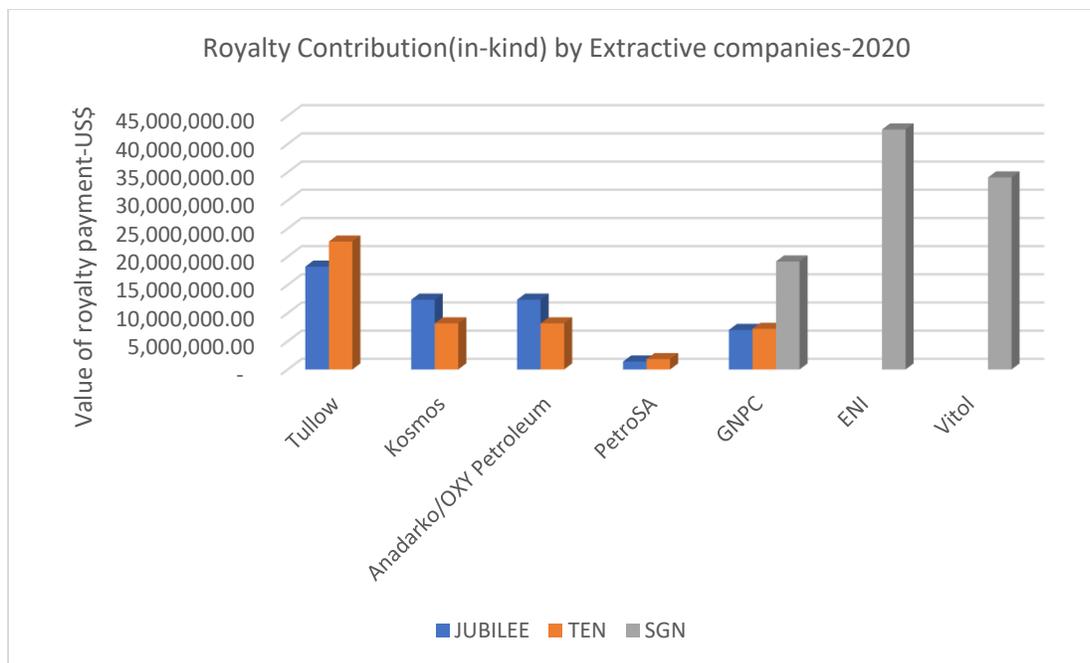
<i>Companies</i>	<i>JUBILEE</i>	<i>TEN</i>	<i>SGN</i>	<i>TOTAL</i>
<i>Tullow</i>	18,247,117.14	22,688,862.00		40,935,979.14
<i>Kosmos</i>	12,382,857.67	8,175,300.00		20,558,157.67
<i>Anadarko WCTP</i>	12,382,852.53	8,175,300.00		20,558,152.53
<i>PetroSA</i>	1,401,693.79	1,837,038.00		3,238,731.79
<i>GNPC</i>	7,015,484.01	7,213,500.00	19,166,000.00	33,394,984.01
<i>ENI</i>			42,586,852.00	42,586,852.00
<i>Vitol</i>			34,077,148.00	34,077,148.00

²⁶ Jubilee, TEN and SGN fields

<i>Companies</i>	<i>JUBILEE</i>	<i>TEN</i>	<i>SGN</i>	<i>TOTAL</i>
<i>TOTAL</i>	51,430,005.14	48,090,000.00	95,830,000.00	195,350,005.14

Source: GHEITI's Construct Based on Data from Ministry of Finance, 2020

Figure 4.2: Royalty Payments(in-kind) by Extractive Companies



Source: GNPC, 2020

The total contribution by IOCs' towards royalty receipts in 2020 was US\$ 161,955,021.13 representing 83% of the total royalty receipts.

4.1.16 Corporate Tax and Surface Rental Payments made by IOCs into the PHF

Surface rental and Corporate Income Tax payments in 2020 by the IOCs; are shown in Table 4.10 below.

Table 4.10: Surface Rental and Corporate Tax Payments in 2020

	<i>Company</i>	<i>Surface Rentals (US\$)</i>	<i>Corporate Tax (US\$)</i>
1	AGM Petroleum Limited	204,527.00	
2	Aker Energy Limited	150,750.00	
3	Eni Ghana Exploration & Production Ltd	115,580.00	
4	Exxon Mobil	73,700.00	
5	Tullow Ghana Ltd	91,838.64	31,409,391.00
6	KOSMOS		40,639,336.30 ²⁷
7	Anadarko		86,419,604.89 ²⁸
8	PetroSA		10,304,714.00
9	Eco Atlantic	-	
10	Springfield Exploration and Production Ltd	33,650.00	
11	Amni Ghana	13,974.00	
12	Medea Development	-	
13	GOSCO	13,512.50	
14	UB Resources Ltd	-	
15	Erin Energy Ghana Ltd	222,294.67	
16	GOSCO	8,725.00	
17	Sahara Energy Fields Ghana	-	
18	Britannia –U	-	
19	Swiss African Oil Company Limited	-	
	Total	928,551.81	168,773,046.19

²⁷ According to Kosmos Energy HC, US\$3,050,905 of this amount was for the payment of withholding Tax.

²⁸ This amount includes US\$25,000,000 which was paid by Anadarko before 2020, but was accounted for in 2020.

Source: GRA, 2022

4.1.17 Reconciliation of Liftings between GNPC and GRA

Table 4.11 shows the reconciliation of liftings in 2020 between the GNPC and GRA.

Lifting of crude oil from producing fields is based on a schedule provided by producing partners at the beginning of every year. GNPC lifts crude oil from the three producing fields on behalf of the State. Section 3(1) of the PRMA requires the GRA to assess, collect and account for petroleum revenues.

Table 4.11: Reconciliation of liftings data between GNPC and GRA

	<i>GNPC</i>	<i>GRA</i>	<i>Discrepancy</i>
<i>JUBILEE</i>			
<i>Lifting</i>	<i>Quantity</i>	<i>Quantity</i>	
<i>Date</i>			
4 Feb 2020	951,954	951,954	0
4-Apr-20	992,896	992,896	0
23 Jun 2020	994,324	994,324	0
28 Aug 2020	951,586	951,586	0
7 Oct 2020	946,755	946,755	0
Total	4,837,515	4,837,515	0
<i>TEN</i>			
15 Dec 2019	945,931	945,931	0
26 Feb 2020	994,801	994,801	0
22 Jun 2020	994,018	994,018	0
27 Sept 2020	994,389	994,389	0
Total	3,929,139	3,929,139	0

	<i>GNPC</i>	<i>GRA</i>	<i>Discrepancy</i>
<i>SGN</i>			
16 Jan 2020	950,046	950,046	0
7 Jun 2020	949,296	949,296	0
27 Sept 2020	949,033	949,033	0
Total	2,848,375	2,848,375	0

Source: GNPC and GRA, 2022

4.1.18 Unilateral Declarations

The declarations by government agencies on payments made by companies that failed to submit templates for reconciliation are shown in Table 4.12. As the report is produced under the flexible reporting dispensation, unilateral declarations by government agencies are acceptable and provided forthwith.

Table 4.12: Unilateral declarations for 2020 EITI Report.

<i>Company/ Gov't Agency/Revenue Stream</i>	<i>GRA (Corporate Tax) (US\$)</i>	<i>Petroleum Commission (Data Licence) (US\$)</i>	<i>Total US\$</i>
<i>Anadarko</i>	86,419,604.89	-	86,419,604.89
<i>Vitol</i>		-	
<i>PetroSA</i>	10,304,714.00		10,304,714.00
<i>Total</i>	96,724,318.89	-	96,724,318.89

Source: GHEITI's construct based on data from GRA, 2020

The GRA provided unilaterally, payments made by Anadarko and PetroSA in 2020. No data was provided by the GRA on Vitol.

The Petroleum Commission did not provide any data on any of the three companies. Thus, no payment was made to the Petroleum Commission in 2020 by any of the companies.

Unilateral declaration for the three companies that failed to submit participate in the reconciliation exercise amounted to US\$96,724,318.89.

RECONCILIATION:

Tables 4.13 and 4.14 provide details of reconciliation by revenue streams and companies respectively.

Table 4.13: Reconciliation by Revenue Streams Reporting Period: 2020

...	Company	Government	Final Amounts	Unresolved							
No. Revenue Stream	Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final	Company	Government	Over	Under	
Revenue Stream										Amount by which declaration by government exceeds that by governmen t	Amount by which declaration by government exceeds that by Company

1	Carried Interest	GR A	212,024,899	-	212,024,899	212,024,899	-	212,024,899	212,024,899	212,024,899	-	-
2	Participating Interest	GR A	88,901,732	-	88,901,732	88,901,732	-	88,901,732	88,901,732	88,901,732	-	-
3	Royalty	GR A	195,359,565	-	195,359,565	195,359,566	-	195,359,566	195,359,565	195,359,566	-	(1)
4	Surface Rental	GR A	193,305	14,113	207,418	207,418	-	207,418	207,418	207,418	0	-
5	Corporate Tax	GR A	68,997,822	3,050,905	72,048,727	72,048,727	-	72,048,727	72,048,727	72,048,727	-	-
6	Permit Fees	PC /G NP C	27,000	-	27,000	-	-	-	27,000	-	27,000	-
7	Permit Renewal Fees	PC /G NP C	-	-	-	-	-	-	-	-	-	-

8	Training/Technology	PC/GNP/C	7,450,000	5,000,000	7,450,000	2,450,000	-	7,450,000	7,450,000	7,450,000	-	-
9	Data License	PC/GNP/C	30,000	-	30,000	-	-	-	30,000	-	30,000	-
TOTAL			572,984,323	8,065,019	576,049,342	570,992,342	-	575,992,342	576,049,342	575,992,342	57,000	(1)

RECONCILIATION BY REVENUE STREAMS

REPORTING PERIOD: 2020

...	Company	Government	Final Amounts	Unresolved
Revenue Stream	Initial Amount US\$	Resolved Final	Initial Amount US\$	Resolved Final Company Government Over Under

	<i>Revenue Stream</i>									Amount by which the company declaration exceeds that by government	Amount by which the declaration by government exceeds that by Company
1	<i>Carried Interest</i>	GR A	212,024,899	-	212,024,899	212,024,899	-	212,024,899	212,024,899	-	-
2	<i>Participating Interest</i>	GR A	88,901,732	-	88,901,732	88,901,732	-	88,901,732	88,901,732	-	-

3	Royalty	G R A	195, 359, 565	-	195 ,35 9,5 65	195, 359, 566	-	195, 359, 566	195, 359, 565	195, 359, 566	-	(1)
4	Surface Rental	G R A	193, 305	14, 11 3	207 ,41 8	207, 418	-	207, 418	207, 418	207, 418	0	-
5	Corporate Tax	G R A	68,9 97,8 22	3,0 50, 90 5	72, 048 ,72 7	72,0 48,7 27	-	72,0 48,7 27	72,0 48,7 27	72,0 48,7 27	-	-
6	Permit Fees	PC /G NP C	27,0 00	-	27, 000	-	-	-	27,0 00	-	27,0 00	-
7	Permit Rental Fees	PC /G NP C	-	-	-	-	-	-	-	-	-	-
8	Trailing Tech	PC /G	7,45 0,00 0	5,0 00,	7,4 50, 000	2,45 0,00 0	-	7,45 0,00 0	7,45 0,00 0	7,45 0,00 0	-	-

		NP		00								
		C		0								
	<i>Data</i>	PC										
9	<i>Licence</i>	/G NP C	30,0 00	-	30, 000	-	-	-	30,0 00	-	30,0 00	-
	TO TA L		572, 984, 323	8,0 65, 01 9	576 ,04 9,3 42	570, 992, 342	-	575, 992, 342	576, 049, 342	575, 992, 342	57,0 00	(1)

Table.4.14: Reconciliation by Companies.

									Unres olved	
	Company			Government			Final Amounts		Over	Under
Company	Initial Amount US\$	Res olve d	Final	Initial Amount US\$	Re sol ve d	Fina l	Company	Gove rnme nt	Amou nt report ed by compa ny and not corrob orated	Amou nt report ed by gover nment agenc y and not

									Unres olved	
									by gov't agenc y	confir med by comp any
OIL & GAS										
KOSMO S	37,614,431	3,05 0,90 5	40,66 5,336	40,639,336	-	40,6 39,3 36	40,665,336	40,63 9,336	26,000	-
TULLO W	31,768,116	14,1 13	31,78 2,229	31,751,229	-	31,7 51,2 29	31,782,229	31,75 1,229	31,000	-
GNPC	496,286,19 6	5,00 0,00 0	501,2 86,19 6	501,286,19 7	-	501, 286, 197	501,286,19 6	501,2 86,19 7	-	(1)
ANADA RKO	-	-	-	-	-	-	-	-	-	-
PETRO SA	-	-	-	-	-	-	-	-	-	-
ENI GHANA E&P LTD	2,315,580	-	2,315 ,580	2,315,580	-	2,31 5,58 0	2,315,580	2,315 ,580	-	-

									Unres olved	
VITOL	-	-	-	-	-	-	-	-	-	-
TOTAL	567,984,323	8,065,019	576,049,342	575,992,342	-	575,992,342	576,049,342	575,992,342	57,000	(1)

4.1.19 Discrepancies

Discrepancies are differences between government receipts and company payments. Discrepancies are positive (over) if for the same revenue stream, the amounts reported by a company exceed that reported by the government agencies as receipts. If the amount received by the government agencies exceeds payment by a company, the resulting discrepancy is negative (under).

The 2020 GHEITI report recorded a net discrepancy²⁹ of US\$57,000 and an absolute discrepancy³⁰ of US\$57,001. The net discrepancy represents 0.008% of the value of revenue streams submitted during reconciliation (that is total preliminary receipts excluding PAYE and withholding tax). When the total preliminary receipts are considered, the net discrepancy is 0.007% of the total preliminary receipts.

²⁹ That is the resulting discrepancy after aggregating negative and positive discrepancies

³⁰ Discrepancy obtained when all the negative discrepancies are considered as positive.

4.1.20 Resolution of Discrepancies

There were three resolutions of discrepancies. All the three involved company related transactions (i.e. adjusting for amounts received by government agencies but not reported by companies).

1. Kosmos Energy HC reported paying corporate tax of US\$ 37,588,431. The GRA reported receiving

US\$ 40,639,336 from Kosmos. The difference was added to the payment by Kosmos Energy HC. According to Kosmos Energy HC, the difference of US\$3,050,905 was supposed to be for withholding tax payment.

2 Tullow submitted surface rental payment of US\$77,725, whilst GRA reported receiving US\$91,838 . The difference of US\$14,113 was added to Tullow's payment.

3.. Petroleum Commission receipt of US\$5,000,000 training/technology allowance from GNPC which was not submitted by GNPC as training fees/technology fees. This was added to GNPC company payments.

4.1.21 Unresolved discrepancies:

Unresolved discrepancies at the end of the reconciliation are shown in tables 4.15 and 4.16 for revenue streams and companies respectively. Thus, an amount US\$57,000 is the aggregate of situations where company submissions exceeded government receipts and US\$1 is the amount resulting from government receipt exceeding company declaration.

The discrepancies involved Permit fees and Data Licence.

Permit fees declarations of US\$27,000 by Tullow (Ghana) Ltd and Kosmos Energy were not corroborated by the Petroleum Commission.

Data licence fees submitted by Tullow (Ghana) Ltd, did not have corresponding declaration from Petroleum Commission.

[Table 4.15 Unresolved discrepancies by revenue streams](#)

No.	Revenue Stream	Unresolved	
		Over	Under
	Revenue Stream	Amount by which company declaration exceeds that by government (GHS)	Amount by which declaration by government exceeds that by Company (GHS)
1	Carried Interest	-	-
2	Participating Interest	-	-
3	Royalty	-	(1)
4	Surface Rental	0	-
5	Corporate Tax	-	-
6	Permit Fees	27,000	-
7	Permit Renewal Fees	-	-
8	Training/Tech	-	-
9	Data Licence	30,000	-
	TOTAL	57,000	(1)

Table 4.16: Unresolved Discrepancies by Companies

No.	Company	Unresolved	
		Over	Under
		Amount reported by company and not corroborated by gov't agency	Amount reported by government agency and not

		Unresolved	
			confirmed by company
	OIL & GAS		
1	KOSMOS	26,000	-
2	TULLOW	31,000	-
3	GNPC	-	(1)
4	ANADARKO	-	-
5	PETRO SA	-	-
6	ENI GHANA E&P LTD	-	-
7	VITOL	-	-
	TOTAL	57,000	(1)

4.1.22 Revenue streams contribution to Government receipts

Table 4.17: Shows the contribution of the revenue streams to government receipts in 2020.

Revenue Stream	Amount(US\$)	Percentage contribution(%)
Carried Interest	212,024,899	37
Royalty	195,359,566	34
Participating Interest	88,901,732	15
Corporate Tax	72,048,727	13
Training/Tech	7,450,000	1
Surface Rental	207,418	0
Permit Fees	0	0
Permit Renewal Fees	0	0

Total	575,992,342	100
-------	-------------	-----

Carried Interest provided the highest contribution to government revenues followed by royalty, participating interest and Corporate Income Tax.

Table 4.18: Coverage

The coverage for the reconciliation is 84 percent

Revenue Stream	Total Collected by Government in 2020: A-US\$	Total reported by Government agencies in 2020 at Reconciliation: B-US\$	% Coverage (B/A)
Carried Interest	212,027,273	212,024,899	100
Participating Interest	88,902,727	88,901,732	100
<u>Royalty</u>	195,350,005	195,359,566	100
Surface Rental	928,552	207,418	22
Corporate Tax	168,773,046	72,048,727	43
Permit Fees	2,172,840	0	-
Permit Renewal Fees	3,701,641	0	-
Training/Tech	8,473,307	7,450,000	88
Data Licence	3,008,429	0	-
Total	683,854,021	575,992,342	84

4.1.23 Effect of non-submission of templates on the reconciliation exercise

Unilateral declaration by GRA of receipts from Anadarko and Petro SA in 2020 amounted to US\$ 96,724,318.89

This amount represents 14.12 percent of the total government receipts used in determining materiality thresholds. It is 12.42 percent of the total preliminary receipts.

As shown above, the absence of the three IOCs from the reconciliation exercise reduced the coverage by over 10%. However if unilateral declaration by the GRA is considered, the coverage moves to over 97% from 84%.

4.1.23 Analysis

Figure 4.3 Shows the comparison of the 2019 and 2020 reconciliation outcomes.

The percentage changes in the value of the revenue streams in 2019 and 2020 are shown by Table 4.19

Figure 4.3: Comparison of Government receipts 2019/2022

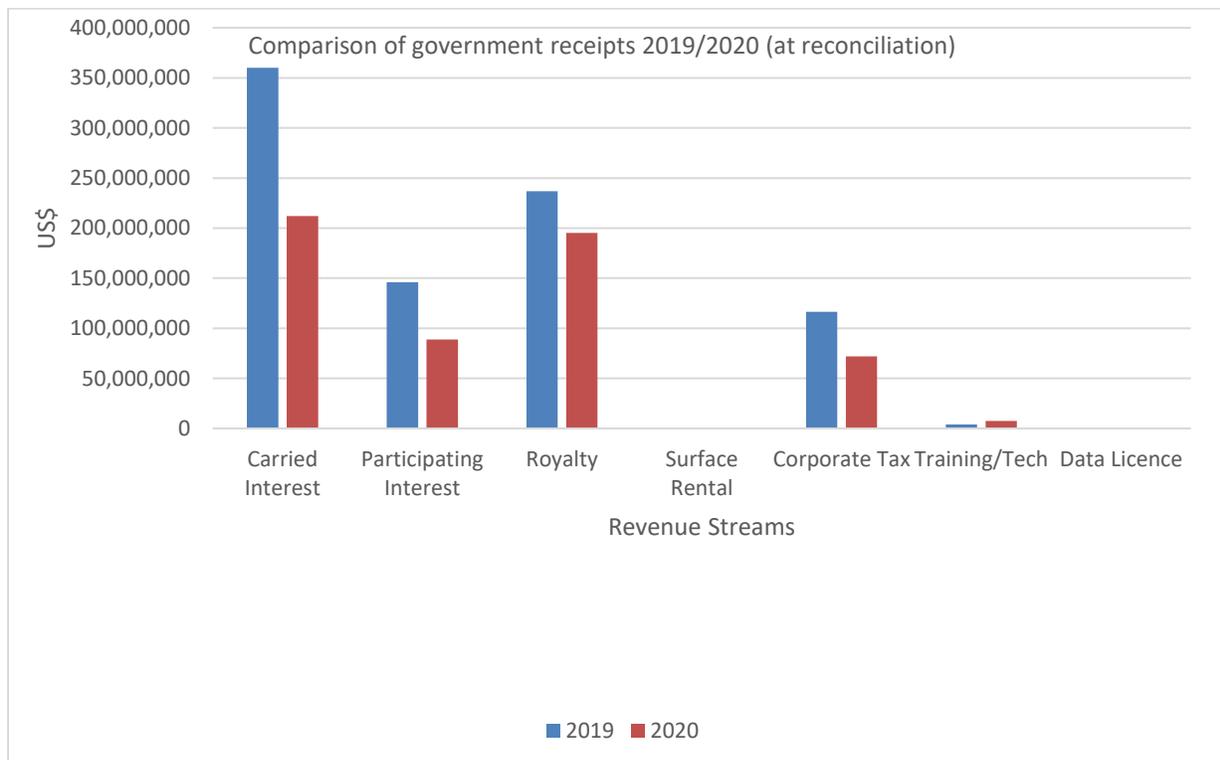


Table 4.19: Comparison of Revenue Streams 2019/2020

Revenue Stream	2019	2020
Carried Interest	360,031,812	212,024,899
Participating Interest	145,956,125	88,901,732
Royalty	236,794,156	195,359,566
Surface Rental	192,350	207,418
Corporate Tax	116,533,712	72,048,727
Training/Tech	4,000,000	7,450,000
Data Licence	100,000	0
Total	863,608,156	575,992,342

From the diagram it is seen that for the significant revenue streams, the values in 2019 were higher than those of 2020.

As seen from Table 4.19 there were declines in the values of virtually all the revenue streams in 2020 compared to 2019.

Only two revenue streams that recorded increases. These were surface rental and training and technology fees.

Carried interest, participating interest and royalty (revenue streams linked to oil production) declined.

The lower revenues in 2020 was mainly due to decline in achieved average crude oil price in 2020 compared to 2019. The average price in 2019 was US\$63.2 compared to US\$43.3 in 2020.

The percentage contribution to government revenues also declined in 2020 for Carried Interest and Additional Participating Interest (CAPI). However, royalty's percentage contribution to government revenues increased from 27% in 2019 to 34%.

Carried interests' percentage contributions to government revenues declined from 42% in 2019 to 37% in 2020.

Additional Participating Interest had its percentage contribution to government revenues, reduced from 17% in 2019 to 16% in 2020.

The percentage change in Corporate Income Tax receipt was -38%. The negative change is mainly due to the non-participation of Anadarko and PetroSA in the reconciliation exercise.

4.2 Sale of the State's share of production or other revenues collected in kind

GNPC (the National Oil Company) is responsible for lifting and marketing of the State's share of oil on behalf of the State. The State's share consists of CAPI and royalty. Proceeds from the sale are all paid into the Petroleum Holding Fund at the Bank of Ghana. GNPC engages in both spot contracts and term contracts. Spots sales are one-time open market transactions. The delivery of crude oil is usually between 10 and 60 days after entering into such contract.

Term Contracts allow buyers and sellers to negotiate for an agreed quantity of crude to be delivered within a specified period of time, usually for more than a year. The arrangements indicate the quantity, quality of crude, point of lifting, the formula for determining the price which is typically linked to an international benchmark and a differential, lifting schedule, and payment terms, among others. GNPC has two term contracts with UNIPEC Asia (15.5 years) and Litasco (5 years) to lift from Jubilee and TEN, respectively. The UNIPEC contract is available via http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=262:gnpc-unipec-signed-agreement&id=35: mining-oil-a-gas-reports&Itemid=54. GNPC is clearing with the other party before publishing the Litasco contract.

Oil and gas companies pay royalty in kind to government by delivering royalty oil to GNPC for sale on behalf of the government.

Table 4.20: 2020 Jubilee Crude Oil Revenue

Lifting Account Name and Parcel No	Vessel	Buyer	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/Pricing Option fee (US\$)	Net Amount (US\$)	GNPC/GO G Interest (US\$)	GOG Royalty (US\$)
Ghana Group-0053	M/T SKOPELOS	UNIPEC UK	04-Feb-2020	951,954	55.441	0.833	56.274	53,570,259.40	76,156.32	53,646,415.72	38,710,441.19	14,935,974.53
Ghana Group-0054	M/T XIN MAO YANG	UNIPEC UK	04-Apr-2020	992,896	18.679	-6.438	12.242	12,155,032.83	79,431.68	12,234,464.51	8,828,204.32	3,406,260.19
Ghana Group-0055	M/T NEW VITALITY	UNIPEC UK	23-Jun-2020	994,324	41.091	0.684	41.775	41,537,885.10	79,545.92	41,617,431.02	30,030,507.99	11,586,923.03

Lifting Account Name and Parcel No	Vessel	Buyer	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Market ing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC/GOG Interest (US\$)	GOG Royalty (US\$)
Ghana Group-0056	M/T STENA SUEDE	UNIPEC UK	28-Aug-2020	951,586	42.124	-0.435	41.689	39,670,668.75	76,126.88	39,746,795.63	28,680,685.82	11,066,109.81
Ghana Group-0057	M/T NEW PROSPERITY	UNIPEC UK	07-Oct-2020	946,755	39.846	-0.336	39.510	37,406,290.05	75,740.40	37,482,030.45	27,046,465.56	10,435,564.89
Ghana Group-0058	M/T COSWISDOM LAKE	LITASCO SA	14-Dec-2020	951,161	49.862	0.133	49.995	47,553,294.20	47,558.05	47,600,852.25	34,348,054.14	13,252,798.11

Lifting Account Name and Parcel No	Vessel	Buyer	Lifted Qty (bbl)	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Market ing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC/GO G Interest (US\$)	GOG Royalty (US\$)
TOTAL				5,788,676				231,893,430.33		232,327,989.58	167,644,359.02	64,683,630.56
AVERAGE				964,779	41.174	-0.93	40.248					

Table 4.21: 2020 TEN Crude Oil Revenue

Vessel	Buyer	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
GEM NO. 1	LITASC O SA	26-Feb-2020	994,801	51.652	-0.85	50.802	50,537,880.40		50,537,880.40	37,411,158.22	13,126,722.18
MT NEW VITALITY	LITASC O SA	21-Jun-2020	994,018	41.728	-5.50	36.228	36,011,284.10		36,011,284.10	26,657,703.82	9,353,580.29
MT RIDGEBURY MARY SELENA	LITASC O SA	27-Sep-2020	994,389	39.974	-0.85	39.124	38,904,475.24		38,904,475.24	28,799,416.73	10,105,058.50
			2,983,208				125,453,639.74		125,453,639.74	92,868,278.77	32,585,360.97

Vessel	Buyer	Lifed on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNPC Interest (US\$)	GOG - Royalty (US\$)
			994,403		-2.40	42.051					

Table 4.22: 2020 Sankofa Crude Oil Revenue

0	Vessel	Buyer	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US\$/bbl)	Differential (US\$/bbl)	Unit Price (US\$)	Gross Amount (US\$)	Marketing Costs/ Pricing Option fee (US\$)	Net Amount (US\$)	GNP C Interest (US\$)	GOG Royalty (US\$)
4	MT SIENNA	GEMC ORP	16-Jan-20	950,046	63.164	-0.90	62.264	59,153,664.14		59,153,664.14	0.00	59,153,664.14
5	MT SPEEDWAY	GEMC ORP	7-Jun-20	949,296	33.042	-0.90	32.142	30,512,272.03	47,464.80	30,559,736.83	0.00	30,559,736.83
6	MT SIENNA	GEMC ORP	27-Sep-20	949,033	39.026	-0.90	38.600	36,632,673.80	47,451.65	36,680,125.45	0.00	36,680,125.45
TOTAL				2,848,375				126,298,609.98		126,393,526.43	0.00	126,393,526.43
AVERAGE				949,458		-0.90	44.335					

4.2.1 Methods for buyer selection

GNPC uses a competitive bidding process.

4.2.2 Pre-Qualification Process

The pre-qualification of potential buyers provides a set of reliable buyers with an adequate standard of financial and technical capability.

In terms of the criteria used to select buyers, three main components are ordinarily set out:

- **Technical capability:** the ability of the prospective buyers to lift the commodity and their commercial experience with markets;
- **Financial capability:** this includes the strategy buyers/marketers use to achieve the best differential, their credit rating, bank credit line, etc.
- **The potential for local participation in trading activities:** This may be important in jurisdictions who seek to develop the local capacity for trading. GNPC have criteria for local content, which accounts for 25-30% of total marks.

Once prospective buyers have gone through the pre-qualification process, they are placed on a list of companies who may participate in future competitive bidding processes. GNPC performs this check before each tender/sale.

4.2.3 Pre-defined criteria to select buyers

The assessment of a buyer against pre-defined criteria may occur at the pre-qualification stage.

4.2.4 Technical capability

GNPC sends a request for proposal (RFP) to selected companies on GNPC's list of pre-qualified buyers based on an initial assessment of the grade of the particular crude oil and the experience of the pre-qualified buyers.

GNPC focuses on the prospective buyer's ability to lift a cargo of crude oil and their commercial strategy. When selecting a marketer, GNPC will take into account the company's experience and flexibility in marketing crude oil, as well as Health, Safety and Environment (HSE) capacity.

4.2.5 Financial capability

GNPC will also set out financial criteria in order to gain an understanding of the prospective buyer's ability to make payment. This may require prospective buyers to provide evidence of a line or credit from a reputable financial institution or demonstrate their ability to directly pay for commodities they wish to purchase.

GNPC requires evidence of the prospective buyer's line of credit but also carries out an assessment of the buyer's credit rating.

4.2.6 Local Content

GNPC has a buyer selection team that awards marks against the technical (75%) and commercial (25%) criteria. Marks are then collated and averaged before a recommendation is sent to GNPC management to approve or decline the selection of a buyer. The evaluation criteria give significant weight to participation of local partners and local content requirements due to the Ghanaian government's policy of encouraging local participation in the trading of crude oil.

Table 4.23: GNPC Weighting Criteria for Selection of Crude Oil Buyer

TECHNICAL	75%	Ability to lift and strategy	15%	
		o/w Shipping		3%
		o/w Experience in trading crudes		4%
		o/w Refineries/options		3%
		o/w Sales/Marketing strategy		5%
		Flexibility of marketing	10%	
		o/w Ownership/access to dedicated vessels		2%
		o/w Access to wider markets		5%
		o/w Access/partnership with refineries		3%

TECHNICAL	75%	Ability to lift and strategy	15%	
		Experience in marketing new crude oil	10%	
		o/w Number of crude Oil marketed		6%
		o/w Marketing West African Crude		4%
		HSE (Proof of good Safety record)	5%	
		Capacity Building (Provision for GNPC Staff training)	5%	
		Local Content	30%	
		o/w Evidence and terms of partnership		5%
		o/w Strength of local partner		10%
		o/w In-country presence and Investment		15%
COMMERCIAL	25%	Commercial terms	25%	
		o/w Strategy to achieve the best price(differential) proposed		10%
		o/w Marketing fee		5%
		o/w Pricing option		5%
		o/w Bank credit line or Strong Company financial status		5%
	100%	TOTAL	100%	

Source: OECD File adapted from presentation by GNPC to the Tenth Plenary Meeting of the Policy Dialogue on Natural Resource-based Development on 26 June 2018.

4.2.7 Composition of the team

Upon a request for proposals has been circulated amongst potential buyers, GNPC management assembles an Evaluation Team. This team is comprised of members from the legal, marketing, procurement, and finance departments. The Evaluation Team prepares the evaluation criteria and then assesses bids against the said criteria. The Evaluation Team submits a report on their findings and recommendations to GNPC management. At the end of the process, the Evaluation Team is disbanded.

4.2.8 Reporting line and oversight of the team

The buyer selection team is chaired by the Chief Finance Officer who reports directly to the CEO of GNPC. There is no alternative reporting line, however, the selection process and the evaluation results are subject to internal audit.

4.2.9 Disclosure of terms of the sales contract

GNPC will make some details of the terms of the sales contracts available to an unsuccessful bidder on request.

4.2.10 Selection of marketers

GNPC engages a marketer when selling a new grade of crude oil and where GNPC may not have sufficient knowledge of the international oil markets. When engaging a marketer, GNPC considers both technical and commercial criteria

4.2.11 GNPC – Selection of a Marketer

Technical Evaluation Criteria:

- Ability to Lift and Strategy
- Flexibility of Marketing
- Experience in Marketing of New Crude Oil (if it's a new crude)
- HSE

- Capacity Building
- Local Content

4.2.12 Commercial Evaluation Criteria:

- Strategy to Achieve Best Differential or Price (Differential) Proposed
- Marketing Fee (Where applicable)
- Pricing Option
- Bank Credit Line or Strong Company Financial Status

Source: GNPC Presentation to the Tenth Plenary Meeting of the Policy Dialogue on Natural Resource-based Development on 26 June 2018.

4.2.13 Policy or pricing formula for setting prices

GNPC uses a pricing formula when selecting buyers for crude oil cargoes.

GNPC's formula is as follows:

Unit price (US\$/Bbl.) = Dated Brent Price + Differential + Pricing Option Fee + Marketing Fees (if Applicable).

For example, under the terms of the offtake agreement between GNPC and Unipecc, the buyer can choose from four different pricing options.

4.2.14 Destination of payments made for the sale of crude oil

Payment for the crude oil is made directly to the government account at the central bank.

4.2.15 Pricing adjustments to long-term sale arrangement

The length of the UNIPEC Jubilee Crude Oil Offtake Agreement is 15.5 years, necessitating regular price review. In the case of the Jubilee Agreement, the differential is based on daily published Platt's price quotations which are assessed daily.

Source: OECD [https://www.oecd.org/dev/Session-5 Preliminary Stocktake on SOE Selection Procedures.pdf](https://www.oecd.org/dev/Session-5%20Preliminary%20Stocktake%20on%20SOE%20Selection%20Procedures.pdf)

4.3 Infrastructure provisions and barter arrangements

These are agreements or set of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities.

Apart from the UNIPPEC agreement, there has not been any barter arrangements in the sector. However, GHEITI's attention was drawn to the SGN financing arrangement where in the event of failure to honour cash calls, the operator reserves the right to prefinance and recover the cost from the country's share of oil and gas production. Even though crude oil and gas are used as payment for cash calls in this sense, the MSG does not consider this as a direct barter arrangement. This practice is common in free carried interest arrangements in the industry.

4.4 Transportation Revenues

For the determination of transportation revenues, the following pipeline costs are considered in the tariff asset base.

1. WAGP Transmission cost
2. Western (Prestea-Kumasi Pipeline Costs)
3. Costs incurred by GNPC in the construction of the 14km offshore pipeline.³¹

According to the GNGC, an amount of US\$72,619,227.99 was received by the company in 2020. The GNGC provided this information on the 30th of December 2022 when the window for the submission of templates had closed and the 2020 GHEITI report was about to be published. To enhance transparency, the MSG decided to provide the information below as unilateral declaration by GNGC. The following table provides details of the payments.

Table 4.24: GNGC Transportation Revenue

Summary	US \$	GH¢
VRA	16,355,952.50	92,874,591.12
Genser	4,598,581.12	25,798,541.84
Wangkang	1,829,972.20	10,278,020.03
Twyford	1,390,645.70	7,812,103.38

³¹ GNPC spent \$37.91 on the pipeline Project. Source: Letter to PURC dated 20th April 2022

GNPC	48,444,076.48	271,988,479.12
Total	72,619,227.99	408,751,735.48

Source: GNGC, 2022

4.5 Transactions Related to State-Owned Enterprises

This section covers the role GNPC (SOE), including disclosures of material company payments to GNPC, GNPC transfers to government and government transfers to GNPC.

The tables below show transfers between GNPC, its subsidiaries, joint ventures, related parties and government.

Table 4.25: Amounts Due from Government & Agencies

	2019(US\$)	2020(US\$)
Government of Ghana	23,217,406	23,217,406
Ministry of Finance	50,000,000	55,579,212
Tema Oil Refinery	58,404,875	58,404,875
GNGC	76,690,753	78,573,801
MOE Current Account	23,803,916	16,525,332
GEMCORP/BOST Loan	54,552,242	203,933,050
Ministry of Finance Loan	166,098,785	-
Ministry of Energy – Priority GAS	41,579,191	67,361,466
VRA	216,764,220	99,533,377

Table 4.26: GNPC Investments in Its Subsidiaries

	2019(US\$)	2020(US\$)
Mole Motel Co. Ltd	9,570	9,570
Prestea Sankofa Gold Ltd³²	795,905	795,905
GNPC Exploration and Production Co. Ltd	13,150	13,150

³² First phase of Plant refurbishment was completed and plant operations started in July 2021

GNPC did not make any investments in its subsidiaries in FY2020

Table 4.27: GNPC Investments in Its Joint Venture and Associate Companies

	2019(US\$)	2020(US\$)
Gulf Frontiers Logistics Ltd	98,265	98,265
Saltpond Offshore Producing Company	620,156	620,156
GNPC Technip Engineering Services Ltd	988,321	988,321

GNPC did not make any investments in its joint venture and associate companies in FY 2020.

Level of investments standing at end of FY 2020 shown above

Table 4.28: Amounts Due GNPC from Its Related Parties

	2019(US\$)	2020(US\$)
Mole Motel		
Saltpond Offshore Producing Company	6,170,641	6,748,738
GNPC Technip Engineering Services Ltd	11,500	12,118
GNPC Exploration and Production Co. Ltd	10,667,427	14,528,914

Table 4.29: Medium Term Loan Transactions

	2019(US\$)	2020(US\$)	Remark
TEN Partner Financing	115,813,059	119,445,481	
Term Loans³³	224,150,454	206,542,699	
GoG Advance for OCTP Gas³⁴	406,313,989	372,612,420	

³³ This Government secured loan. GNPC was directed to take this LITASCO loan to finance ECG's HFO debt to LITASCO and the terms are 3-months LICOR plus 5.5% payable over a period of 3.5 years.

³⁴ Government advanced funds to GNPC under the Cash Waterfall Mechanism for the purchase of GAS. This fund would be applied to GAS Debtors

	2019(US\$)	2020(US\$)	Remark
Bank Loan³⁵	26,595,971	14,026,027	Loan tenor was for 2.5 years and attract interest of 9.125% P.A

TEN Partner Financing involves DWT Contractor providing funding for GNPC's share of the cost of development of TEN fields. This funding is at the election of GNPC to have the contractor fund its additional interest of 5% in the field at the LIBOR plus 1.5% per annum. GNPC applies 40% revenue from its share of the TEN proceeds towards this debt servicing.

Table 4.30: GNPC Related Party Transactions

	2020(US\$)	END BALANCE
GNPC Exploration and Production Co. Ltd	3,861,487	14,528,914
Prestea Sankofa Gold Ltd	3,648,367	20,532,464
Saltpond Offshore Producing Co. Ltd	578,097	6,748,738
Mole Motel	-	221,662
GNPC Technip	-	12,118

TERMS AND CONDITIONS OF RELATED PARTY TRANSACTIONS

These are unsecured and interest free end balances and settlement is in cash. Similarly, no guarantees have been provided.

OTHER GNPC COMMITMENTS

GNPC has contractual (Take or Pay) obligation under the Offshore Cape Three Point (OCTP) Agreement to purchase and pay for minimum guaranteed quantity of GAS from the partners of OCTP. This obligation subsists where GNPC is unable to physically take the quantities of GAS.

Additionally, GNPC is required to pay for the accrued condensates to the OCTP Partners had GNPC lifted the required quantities of GAS.

³⁵ This represents \$31M loan from GCB for the construction of GAS Pipelines, Substations, Power Transmission lines for the relocation of KARPOWER from Tema to Naval base. Loan secured by the Government of Ghana.

4.6 Payments

There were no material subnational payments at the time of the scoping studies.

Business Operating Permits paid to Ellembelle District was GHS 95,856 and Property rate of GHS1,800,000 in 2020 and therefore not material for reconciliation.

Table 4.31: Subnational Payments to Ellembelle

Company	Business Operating Permit (GHS)	Property Rate (GHS)
Eni	95,856.66	900,000.00
Ghana gas	0	900,000.00
Total	95,856.66	1,800,000.00

Exchange rate US\$: GHS = 1: 5.6472³⁶ in 2020.

4.7 Level of disaggregation

By EITI definition, a project is defined as operational activities that are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government.

Nonetheless, if multiple such agreements are substantially interconnected, instances which are considered a single project must be identified.

In Ghana, an oil and gas project is defined as operational activities that are governed by a single contract, agreement, concession, license, lease, permit, title or unitised production area agreement which form the basis for payment liabilities with the government.

Legal instruments that define project

1. Petroleum (Exploration and Production) Act, 2016 Act 919³⁷
2. Petroleum Revenue Management Act, 2011 (Act 815) and as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893)³⁸

³⁶ The average of the exchange rates at mid- point 1st January 2020 and mid-point 31st December 2020

³⁷ Petroleum (Exploration and Production) Act, 2016 Act 919 provides for the co-ordination and unitization of petroleum activities where an accumulation of petroleum extends beyond the boundaries of one contract area into one or more other contract areas, be combined as a single unit³⁷.

³⁸ Section 85 of Act, 2016 Act 919 requires the contractor to pay to the Republic royalty in respect of gross volume of petroleum produced and saved.

3. Income Tax Act, 2015 (Act 896) as amended³⁹

The Jubilee Field straddles the West Cape Three Points and Deepwater Tano licences and a unitisation and unit operating Agreement was approved and made operational between GNPC, Tullow Ghana Ltd, Kosmos Energy Ghana Ltd, Anardarko WCTP Company and others.

A) Oil and Gas revenue streams levied or imposed on project basis

1. Royalty
2. Carried Interest
3. Additional Paid Interest
4. Surface Rentals
5. Environmental Permitting and Processing Fees
6. Data Licence :Where information was available the above revenue streams were reported on project basis. (see Appendix 3)

B) Corporate Income Tax, permit fees and permit renewal fees are not levied on project basis and were not reported on projects. (see Appendix 3)

4.8 Data Timeliness

The period of reporting for this assignment is from 1st January to 31st December 2020. The data used for the compilation of the report is within the two-year permissible time lag stipulated by the EITI Standard. However, since this report is prepared under flexible dispensation, data updates are provided up to the current year (2022), where available but reconciliation is limited to the reporting period (2020).

Section 86 of Act 919 requires a contractor to pay the Republic annual acreage fees as surface rentals
 Section 87 of Act 919 states that a licensee, contractor, sub-contractor and the Corporation shall pay taxes, including petroleum income tax and capital gains tax in accordance with applicable enactments.
 Section 88 of Act 919 stipulates the payment of bonuses to the Republic as may be prescribed, except that where the type and quantum of the bonus payable is not prescribed, the bonus shall be paid as otherwise provided in accordance with the terms of a petroleum agreement in respect of the area to which the agreement relates.
 Section 89 of Act 919 states that the Republic is entitled to a portion of a contractor's share of petroleum produced from each field on the basis of the after-tax inflation-adjusted rate of return that the contractor achieved with respect to each field as Additional Oil entitlement.

³⁹ Section 64 of Act 896 a petroleum operation pertaining to a petroleum right shall constitute a separate petroleum operation

4.9 Data Quality and Assurance

The MSG affirms that this report has been produced based on data that has been audited in line with the International Financial Reporting Standards (IFRS). Further assurance of data credibility is provided through the following measures:

- In the case of companies, data requisition templates are required to be signed off by a Senior Manager, preferably, the Chief Executive Officer, the Managing Director or the Chief Financial Officer; and
- For government agencies and SOEs, the completed reporting templates must be signed by a senior manager.

In either case, submission of supporting documents for amounts stated on the templates by companies and government agencies were demanded.

5.0 REVENUE ALLOCATIONS

This section covers disclosures related to revenue allocations, enabling stakeholders to understand how revenues are recorded in the national, and where applicable, subnational budgets, as well as track social expenditures by companies. The EITI Requirements related to revenue allocations include: (5.1) distribution of revenues; (5.2) subnational transfers; and (5.3) revenue management and expenditures.

5.1 Distribution of Extractive Industry Revenues

Sections 6(a-e) and 7(1) of the PRMA stipulate the revenue streams in the oil and gas industry to be paid to government. These are recorded in the national budget.

- Royalties, additional oil entitlements, surface rentals, other receipts from any petroleum operations and the sale or export of petroleum;
- Any amount from direct or indirect participation of government in petroleum operations;
- Corporate Income Taxes in cash from upstream and midstream petroleum companies;
- Any amount payable by the National Oil Company as corporate income tax, royalty, dividends, or any other amount due in accordance with the laws of Ghana;
- Any amount received by government directly or indirectly from petroleum resources not covered by paragraphs (a) to (d) and where applicable, capital gains tax derived from the sale of ownership of exploration, development and production rights.
- Revenue due from the direct or indirect participation of the Republic in petroleum operations, including the Carried and Additional Participating Interests shall be paid into the Petroleum Holding Fund

Sections 85-89 of the Petroleum (Exploration and Production) Act 2016, (Act 919) stipulate the benefits that extractive companies pay to the state.

According to the PRMA, not more than 70 percent of the State's net petroleum receipts shall be designated as ABFA and not less than 30 percent shall designated as Ghana Petroleum Funds (GPFs).

In respect of the amount transferred into the GPFs, the GHF receives not less than 30 percent, with the rest transferred into the GSF (see figure 4.1).

In 2020 an amount of US\$638.64 million⁴⁰ was designated as petroleum revenue for distribution to earmarked funds and other forms of disbursements.

GNPC was allocated a total of US\$198.65 million, comprising of US\$154.82 million as Equity Financing Cost and allocation for US\$43.83 million as net Carried and Participating Interest.

Out of the US\$638.64 million for distribution in 2020, the ABFA received a total of US\$273.38 million, GPFs received US\$166.61 million. The GSF received US\$116.63 million and the GHF was allocated US\$49.98 million), consistent with 7:3 ratio stipulated in the PRMA.

Table 5.1 Distribution of Petroleum Receipts in 2020

	2020	
Distribution	Amount (\$'000)	% Distribution
GNPC	198,649.2	31.0
o/w Equity Financing	154,816.0	24.1
o/w Net CAPI	43,833.20	6.7
ABFA	273,382.4	42.7
GPF	166,611.4	26.0
o/w Stabilisation Fund	116,628.0	18.1
o/w Heritage Fund	49,983.4	7.6
TOTAL	638,643.0	100

A total of US\$166.6 million was transferred into the GPFs in 2020, compared with US\$269.0 million in 2019. This comprised the GHF which received US\$ 49.9 million, as against US\$ 80.7 million in 2019. The GSF received US\$116.6 million as against US\$188.3 million in 2019.

The ABFA was allocated US\$ 273.3 million as against US\$395.47 million in 2019.

⁴⁰ The difference of \$27.75m was not distributed in 2020

GNPC received a total of US\$198.6 million in respect of both Carried and Participating Interest, and Equity Financing Costs, compared with a total amount of US\$260.56 million in 2019.

DISBURSEMENT OF ANNUAL BUDGET FUNDING AMOUNT

In 2020, the distribution of ABFA was in accordance with Section 21(4) of the PRMA which provides for adherence to stipulated priority areas.

Table 5.2 : Disbursement of ABFA in 2020

Priority Area	2020	
	Amount	% Distribution
Agriculture	79.02	2.85
Education and Health Service Delivery	698.24	
Roads, Rail & Other Critical Dev.	1,958.97	70.7
Industrial Development	31.80	1.1
PIAC	3.09	0.11
TOTAL	2,771.32	100

Source: Ministry of Finance

Of the total amount of GH¢79.02 million allocated for Agriculture, GH¢61.43 million was spent on the development and rehabilitation of irrigation infrastructure and GH¢15.95 million was spent on the construction of warehouses and ancillary facilities.

Table 5.3: Details of construction of warehouses and ancillary facilities

Priority Area	Amount (Cedis'M)	Project/Expenditure Narration
Agriculture	61.43	Development and rehabilitation of irrigation infrastructure in the Upper East, Bono, Upper West, Ashanti, North East,

Priority Area	Amount (Cedis'M)	Project/Expenditure Narration
		Central, Volta, Northern, Brong Ahafo, Savannah and Oti Regions.
	15.95	Construction of warehouses and ancillary facilities
	0.19	Construction of bungalows for Cotton Development Authority
	1.44	Payment of consultancy services

On Education and Health Service Delivery, an amount of GHS698.24 million consisting of GHS389.33 million and GHS150 million paid to support the implementation of Government's Free Senior High School Policy and coordination of re-opening of institutions after COVID-19 closure.

Table 5.4: Details of Education and Health Service Delivery

Priority Area	Amount (Cedis'M)	Project/Expenditure Narration
Education and Health Service Delivery		
	389.33	Free Senior High School Policy implementation.
	150	Coordination of re-opening of institutions after COVID including fumigation.
	16.0	Education infrastructure payment
	14.12	Health infrastructure payments

A total amount of GHS31.80 million was spent on Industrial Development representing 1.1% of the total ABFA utilization.

Table 5.5: Industrial Development Service Delivery

Priority Area	Amount (Cedis'M)	Project/Expenditure Narration
Industrial Development	31.80	Implementation of One District One Factory (1D1F)

Total Spending for Roads, Rail, and Other Infrastructure amounted to GHS1,958.97 million representing 70.7% of ABFA utilisation. The details are provided below.

Table 5.6: Roads, Rail, and Other Critical Infrastructure

Priority Area	Amount (Cedis'M)	Project/Expenditure Narration
Roads, Rail, and Other Critical Infrastructure	1,659.96	Construction, rehabilitation and roads upgrades including bridges
	73.97	Modernization of the location workshops complex and the training school for the Ghana Railways Company Limited, Western Railway Line Project, Accra Nsawam Railway line etc
	696.63	Supply and Installation of LED Streetlights. Spot improvement of roads and construction of medical facilities, boreholes and dams.

A total amount of GHS3.09 million was allocated to the Public Interest and Accountability Committee (PIAC) for its programmes in 2020.

GHANA NATIONAL PETROLEUM CORPORATION

In 2020 GNPC was allocated a total amount of US\$198.65 million for its Equity Financing, which is mainly an allocation to cater for Jubilee, TEN and Sankofa development costs as well as production costs. This amount also included an allocation for 30% share of net proceeds of Jubilee, TEN and Sankofa revenue. Allocated amounts as provided below Table 5.7

Table 5.7: Utilisation Of GNPC Share of Petroleum Revenue In 2020

Type of Receipt	Amount (\$)	%
Jubilee Equity Financing	74,232,311.70	37.3
Jubilee 30% of Net Proceeds	17,719,197.95	8.9
TEN Equity Financing	68,390,536.27	34.3
TEN 30% of Net Proceeds	20,604,016.18	10.1
Sankofa/OCTP Equity Financing	12,193,194.50	6.0
Sankofa/OCTP 30% of Net Proceeds	5,509,962.70	2.5
TOTAL	198,649,219.30	100

RECONCILIATION OF FUNDS UTILISED BY GNPC IN 2020

GNPC had a cash balance of US\$15.90 million brought forward from 2019. Together with its allotment for 2020 and internally generated funds, available cash was US\$272.56 million.

Table 5.8: Out of this total amount of US\$272.39 million was utilized.

No.	Description	Amount (US\$'M)
1.	Funds B/F from 2019	15.90
2	Internally Generated Funds (IGF)	58.02
3	Receipts from Petroleum in 2020	198.65
4.	TOTAL	272.56

An amount of US\$270.39 million was expended on GNPC activities in 2020. Breakdown as follows:

Table 5.9: Amount Expended on GNPC activities in 2020.

No.	EXPENDITURE ITEM	AMOUNT (\$)
1	Jubilee Equity Financing	48,488,721.01
2	TEN Equity Financing	64,320,252.56
3	Sankofa/OCTP ENI Project	7,094,528.56
4	Exploration & Development Projects	17,152,801.00
5	Staff Costs	22,942,712.43
6	Admin, Capital Expenditure	1,198,571.91
7	Capital Projects	17,198,681.66
8	General Operational Expenditure	10,546,635.00
10	GOG Gas Related Payments – Enclave Roads	11,715,875.91
11	SOPCL	1,402,461.75
12	Mid- Stream & Other Projects	5,710,432.67
13	Karpower Barge Movement – Loan Repayment	14,557,168.12
14	Sustainability & GNPC Foundation	44,477,699.31
15	GNPC Subsidiaries	3,584,190.29
	TOTAL	270,390,732.18

Exploration & Development Projects

An amount of US\$17.15 million representing 8.6 percent of the amount received went to exploration & development projects (Item 4)

Project expenditure included the Corporation's cost incurred on projects other than Jubilee, TEN and Sankofa OCTP such as the Voltaian Basin, Springfield, Eni Block 4 projects. Others are indicated below

Breakdown of GNPC's Exploration and Development Projects expenditure is as follows:

Table 5.10: Exploration & Development Projects

No.	EXPENDITURE ITEM	AMOUNT (\$)	%
1	Voltaian Basin Petroleum Projects	8,875,244.10	51.4
2	Offshore Southwest Tano - Heritage	887,271.70	5.1
3	A-Z Petroleum	848,063.06	5.1
4	West Cape Three Points – Block 2	4,703,292.83	27.5
5	DWT/CTP - Aker	315,183.10	1.7
6	GH-WB-01 (GNPC)	27,806.18	0.1
7	Cape Three Points - Block 4	917,491.00	5.6
8	Maritime Boundary Special Project	578,449.03	3.3
10	TOTAL	17,152,801.00	100

Source: GHEITI's construct based on information from *GNPC*

Table 5.11: Other Non-Exploration Projects In FY 2020

Item	Amount (US\$m)	Description	Distribution (%)
Exploration and Development	17.15	Non Jubilee, TEN and Sankofa OCTP projects.	8.63
Staff cost	22.94	Remuneration for Technical as well as Petro-business support staff.	12
Administrative & Capital Expenditure	1.2	Office equipment and fittings, buses	0.6

Item	Amount (US\$m)	Description	Distribution (%)
Capital Projects	17.2	Research and Technology Project, Digital Transformation and refurbishment of landed properties	9.0
General Operating Expenditure	10.55	Insurance, utilities, communication expenses.	5
GOG Gas Related Payments- Enclave Roads	11.72	Expenditure on Gas infrastructure management projects consistent with their role as Gas Aggregator	6
Mid- Stream & Other Projects	5.71	Mid -stream activities	3
SOPCL	1.40	Preparatory works for Decommissioning	0.7
Repayment of Loan for Karpower Barge Movement	14.56	Repayment of total loan of US\$31million ⁴¹ for relocation of Kar Power Barge to fulfil the offtake obligation of SGN field.	7
Sustainability and GNPC Foundation	44.48	Sustainability, stakeholder relations, scholarship awards and community projects	22
Subsidiary Expenditure	3.58	Revamping of Prestea Sankofa Gold Ltd	2

PERFORMANCE OF THE GHANA PETROLEUM FUNDS

The performance of the Ghana Stabilisation and the Heritage Funds are highlighted below in Table 5.12, Table 5.13 and Table 5.15

Table 5.12: Stabilisation Fund

⁴¹ Loan fully repaid by first half of 2022

	2019	2020
Opening Book Value	381,203,231	388,591,945
Receipts during the Year	188,303,970	116,628,009
Income from Investments	8,222,605	2,319,826
Bank Charges	(7,444)	(9,864)
Sub-Total	577,722,362	507,529,916
Less Transfer to:		
Contingency Fund	0	
Debt Service/Sinking Fund	(189,130,418)	(307,540,793)
Annual Budget Funding Amount (ABFA)		
Closing Book Value	388,591,945	199,989,123
Investment Income	8,222,605	2,319,826
Less:		
Bank Charges	(7,444)	(9,864)
Net Return for the Period	8,215,161	2,309,962

Table 5.13: Heritage Fund

	2019	2020
Opening Book Value	485,172,437	579,612,333
Receipts during the Year	80,701,702	49,983,433
Income from Investments	13,764,001	15,229,013

	2019	2020
Bank Charges	(25,816)	(37,588)
Closing Book Value	579,612,333	644,787,191
Investment income	13,764,011	15,229,013
Contingency Fund		
Less		
Bank Charges	(25,816)	(37,588)
Net Return for the period	13,738,194	15,191,425

Table 5.14: Combined GSF and GHF

	2019	2020
Opening book Value	866,375,668	968,204,277
Receipts during the year	269,005,672	166,611,442
Income from Investments	21,986,616	17,548,839
Bank Charges	(33,261)	(47,452)
Sub-Total	1,157,334,695	1,152,317,107
Less Transfer to:		
Contingency Funds		
Debt Service Account for Debt Repayment	(189,130,418)	(307,540,793)
ABFA		
Closing Book Value	968,204,277	844,776,313

	2019	2020
Investment Income	21,986,616	17,548,839
Less		
Bank Charges	(33,261)	(47,452)
Net Return for the Period	21,953,355	17,501,387

GHANA PETROLEUM FUNDS MANAGEMENT

The GPFs reserves at the end of the FY 2020 was US\$1,152 million (GHF was US\$644.787 million and GSF was US\$507 million) compared to the FY 2019 amount of US\$1,157 million (GHF was US\$579.6 million and GSF was US\$577 million) as shown in Table 5.12, Table 5.13 and Table 5.15.

5.2 Sub-National transfers

As in previous years there were no subnational transfers in 2020 in the Oil and Gas sector. However, a suit filed by Kpodo⁴² against the State seeking declaration for interpretation of article 252 clause 2 of the Constitution has affected sub national transfers after the ruling.

The main issue of the suit was that the amount allocated under Act 945 (i.e. the 2017 Appropriation Act) to the District Assembly Common Fund(DACF) was **not 5% of the total revenue** of that year, as required by Article 252(2) of the Constitution.

The ruling made in June 2019 was that:

“To the extent that Sections 1(2), 2(b),3(1)(b),3(5)(a),7(a), and 8 of the Earmarked Funds Capping and Realignment Act,2017 (Act 947) and Section 126 of the Local Governance Act, 2016 (Act 936) purport to limit the proportion of revenue due for allocation to the District Assemblies Common Fund as established by Article 252(2) of the Constitution, the same are in the contravention of the Constitution and are hereby declared to be null and void.”

⁴² Kpodo v AG , File <https://ghalii.org/gh/judgment/supreme-court/2019/39>

The ruling directed that in calculating the annual amount to be allocated to the District Assemblies Common Fund, computations shall comply strictly with the provisions of Article 252(2) as construed.

Thus, total revenue for purposes of allocation to the District Assemblies Common Fund shall include Petroleum Revenue allotted as Annual Budget Support amount and non-tax revenue paid to Central Government.

In compliance with this Supreme Court decision in 2019, that petroleum revenue should be considered as part of Government revenue in the computation of the District Assembly Common Fund (DACF). The ruling was not complied with in 2020. However, an amount of GHS32,380,403.91 was disbursed to the DACF in 2021.⁴³

There were no subnational transfers in 2020 and there have never been such transfers since the inception of oil production in Ghana. However, the ruling in a suit filed by Kpodo⁴⁴ against the State seeking interpretation of Article 252 Clause 2 of the Constitution, which mandates Parliament to make annual provision for the allocation of not less than five percent (5%) of the total revenue of Ghana to District Assemblies for development, to be paid into the District Assemblies Common Fund, has had the effect of ensuring that .

Sections 3(2), 3(5) and 7 of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947) and Section 126(2) of the Local Governance Act, 2016 (Act 936), *purported to limit the proportion of revenue to be allocated to the District Assemblies Common Fund to tax revenue and not total revenue*, are inconsistent with and in contravention of the Constitution. (Italics mine)

Section 126(2), of Act 936 provides that the total revenues of the country includes the revenues collected by or accruing to the Central Government other than foreign loans and foreign grants, non-tax revenue ,petroleum revenue paid into the Petroleum Holding Fund under section 3 of the Petroleum Revenue Management Act, 2011 (Act 815) and revenues already collected by or for the District Assemblies under any enactment.

⁴³ PIAC reports that MOF had provided information that an additional amount of GH¢85.95 million was released to DACF.

⁴⁴ Kpodo v AG , File <https://ghalii.org/gh/judgment/supremecourt/2019/39>

The crux of the suit was that the amount allocated under Act 945 (i.e. the 2017 Appropriation Act) to the DACF was **not 5% of the total revenue** of that year.

The ruling made in June 2019 was that:

To the extent that Sections 1(2), 2(b),3(1)(b),3(5)(a),7(a), and 8 of the Earmarked Funds Capping and Realignment Act,2017(Act 947) and Section 126 of the Local Governance Act, 2016 (Act 936) purport to limit the proportion of revenue due for allocation to the District Assemblies Common Fund as established by Article 252(2) of the Constitution, the same are in the contravention of the Constitution and are hereby declared to be null and void.

Consequently, the ruling directed that in calculating the annual amount to be allocated to the District Assemblies Common Fund, computations shall comply strictly with the provisions of Article 252(2) as construed.

Thence “Total Revenue of Ghana,” for purposes of allocation to the District Assemblies Common Fund shall include Petroleum Revenue allotted as Annual Budget Support amount and non-tax revenue paid to Central Government.

In compliance with the decision of the Supreme Court of Ghana in its ruling of *Kpodo v AG 2019*, that petroleum revenue should be considered as part of Government revenue in the computation of the District Assembly Common Fund (DACF), an amount of GH¢32,380,403.91 was disbursed to the DACF in 2021.⁴⁵ This constitutes 25.05 percent of the amount of GH¢129.26 million budgeted for disbursement to the DACF. This is the first disbursement of petroleum revenue to the DACF as no such disbursement was observed by the IA as reported to have been made in 2020⁴⁶

The projected allocation to the DACF for 2022 was GH¢157,768,890.

Petroleum receipts are now subject to subnational transfers.

⁴⁵ PIAC reports that MOF had provided information on an additional amount of GH¢85.95 million was released to DACF.

⁴⁶ Source: PIAC Annual Report, 2021

5.3 Revenue Management and Expenditures

5.3.1 Budget and Audit processes

The budget statement presented every year has legal basis in Article 180 of the 1992 Constitution and Section 23 of the Public Financial Management Act, 2016 (Act 921).

Guidelines for preparation of annual budget is first issued consistent with Article 179 (1) of the 1992 Constitution and Section 20 of the Public Financial Management Act, 2016 (Act 921) and section 122 of the Local Governance Act, 2016 (Act 936) for the benefit of Ministries, Departments and Agencies (MDAs) as well as Metropolitan, Municipal and District Assemblies (MMDAs) not later than the 30th of June of every year.

The guideline sets out the following indicators and criteria:

1. Revenue forecasts and Fiscal targets
2. Medium-term fiscal framework
3. The multiple year ceilings for each covered entity in line with the State's Fiscal Strategy Document
4. The selection criteria for investment projects, including provision for linking forward recurrent expenditure estimates to investment⁴⁷
5. The ceilings for local government authorities
6. Expenditure details for statutory funds and alignment with fiscal objectives.

In accordance with section 13(2) of the Public Financial Management Regulation, 2019 (L.I. 2378), the Ghana Integrated Financial Management Information System (GIFMIS)⁴⁸ shall be the core electronic platform for the preparation of the national budget and its execution.

The Minister shall, in consultation with the relevant stakeholders, prepare the proposed annual budget not later than 1st October of each financial year; and submit the proposed annual budget to Cabinet for approval not later than the 15th of October of each financial year.

⁴⁷ Investment projects are highlighted under the Integrated Bank of Projects as part of the Public Investment Management System within the Ghana Integrated Financial Management Information System, in furtherance of the Public Financial Management Regulations, 2019 (L.I. 2378); See section 1 of Public Financial Management Regulations, 2020 LI 2411

⁴⁸ See <https://mofep.gov.gh/sites/default/files/acts/PFM-Regulations-2019.pdf>

Cabinet shall, not later than the 30th of October of each financial year, communicate to the Minister, the decision of Cabinet on the proposed annual budget.

The Minister shall, on behalf of the President, lay before Parliament not later than the 15th of November of each financial year, estimates of the revenues and expenditure of the Government, the annual budget, for the ensuing financial year.

The estimates of expenditure of all public offices and public corporations other than those set up as commercial ventures, shall (a) be classified under programs or activities in the Appropriation Bill to be introduced into Parliament,

The Minister shall present the annual budget accompanied with the Appropriation Bill and any other Bill that is required to implement the annual budget;

And shall, publish in the Gazette, the Appropriation Act on or before the 31st of December of each financial year.

Parliament shall, by the 31st of December of each financial year, consider and approve

- (a) the annual budget and the correlative work plan of Government for the ensuing financial year;
- (b) the Appropriation Bill; and
- (c) any other Bill that may be required to implement the annual budget

The annual budget, approved by Parliament, takes effect from the 1st day of January of the ensuing year

Implementation

Pursuant with Section 27 of the PFM Act, 2016 (Act 921), Performance report of each Principal Account Holder shall, within the first quarter of the ensuing year after the Minister submits the annual budget to Parliament, submit to Parliament, a report on budget implementation for the proceeding financial year.

The Principal Account Holder shall submit a copy of the performance report required to the Minister indicating the achievements of the Principal Account Holder for the preceding financial year and the annual work plan comprising the objectives, outputs, outcomes, targets and performance indicators.

Mid-year Review

The Minister shall, not later than the 31st of July of each financial year, prepare and submit to Parliament a mid-year fiscal policy review.

The mid-year fiscal policy review shall include an analysis of the total revenue, expenditure and financing performance for a period up to the first six months of the financial year and a revised budget outlook for the unexpired term of the financial year,

and the implication of the revised budget outlook for the Medium-Term Fiscal and Expenditure Framework if necessary; and where necessary plans for submitting a proposed supplementary budget for approval by Parliament.

Internal and External Audit

The Internal Audit Unit of covered entities shall appraise and report on the soundness and application of the system of controls operating in the covered entity and provide assurance on the efficiency, effectiveness in the administration of the programs

and evaluate compliance of a covered entity with enactments, policies, standards, systems and procedures.

In accordance with section 83(10) of Act 921, where the Internal Auditor of a covered entity suspects that a Principal Spending Officer is involved in fraud or misuse of public funds, the Internal Auditor shall report the matter to the Director-General of the Internal Audit Agency who shall in consultation with the chairperson of the relevant Audit Committee initiate investigations into the matter.

The Auditor-General shall, within six months after the end of each financial year, examine and audit the public accounts submitted in accordance with Article 187 of the Constitution and the Audit Service Act, 2000 (Act 584).⁴⁹

⁴⁹ Section 84 of PFM Act 2016

<https://mofep.gov.gh/sites/default/files/reports/economic/PUBLIC%20FINANCIAL%20MANAGT.%20%20ACT%2C%202016.pdf>

REVENUE SUSTAINABILITY AND RESOURCE DEPENDENCE.

This includes the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector.

Growth Projections

Industry of which minerals and oil and gas are part is expected to recover in the medium term with an average growth rate of 5.0 percent from 2021 to 2024, with growth rates of 4.8 percent, 5.3 percent, 5.4 percent, and 4.6 percent in 2021, 2022, 2023 and 2024, respectively.

The projected recovery will largely be driven by the Mining and Quarrying subsector which is expected to recover and grow by an average of 4.2 percent over the medium term.

Oil and Gas, a component of Mining and Quarrying, is expected to grow by 8.9 percent in 2022, 28.0 percent in 2023, and 8.0 percent in 2024.

Assumptions

1. Ghana's first oil from the PECAN field comes on board in the 2023-2025 period ramping up production to 60 MBbl in those years. This is expected to buoy up expected declining production in other oil fields.
2. The gas price for 2022 is also projected at \$6.5 per MMBtu, up from projection of US\$5.29 per MMBtu.

2021 Benchmark Output

The 2021 Benchmark Revenue (BR) crude oil output is 64.86 million barrels (177,701.66 barrels of oil per day), based on a three-year simple average of each producing field's actual and projected outputs.

The BR gas output, has been estimated at 78.34 Trillion Btu for 2021.

The projected Petroleum Revenue for 2021 will amount to US\$885.7 million. This is made up of Royalties (US\$201.0 million), Carried and Participating Interest (US\$524.9 million), Corporate Income Tax (US\$158.5 million) and Surface Rentals (US\$1.30 million),

2022 Benchmark Output

The 2022 Benchmark crude oil output is 59.51 million barrels (163,044 barrels of crude oil per day), based on a three-year simple average of each producing field's actual and projected outputs in line with the PRMA.

The Benchmark gas output, has been estimated at 96.54 trillion Btu for 2022.

The projected Petroleum Benchmark Revenue for 2022 is estimated at US\$1,006.1 million. This is made up of Royalties of US\$206.5 million, Carried and Participating Interest of US\$537.6 million, Corporate Income Tax of US\$ 261.1 million and Surface Rentals of US\$0.92 million.

2023 Benchmark Projections⁵⁰

Consistent with section 10 of the First Schedule (Section 17) of the PRMA (Act 815) as amended, the Benchmark crude oil price for 2023 is US\$88.55 per barrel, down from the price of US\$94.83 per barrel used in the 2022, a reflection of reputable international institutions such as the IMF, Bloomberg and the World Bank.

The gas price for 2023 is projected at US\$6.46 per MMBtu, estimated as a seven-year moving average in line with the PRMA.

The 2023 Benchmark crude oil output volume is estimated at 52.61 million barrels averaging 144,145 barrels of crude oil per day) based on a three-year simple average of each producing field's actual and projected outputs in line with the PRMA.

The Benchmark gas output volume, has been estimated at 107.55 trillion Btu for 2023.⁵¹ Projections are shown in Table below

⁵⁰ 2023 Budget Statement was available at time of compiling 2020 GHEITI Report so forward estimates in 2023 National Budget were used to reflect most recent estimates.

⁵¹ The gas output was converted from Bcf to trillion Btu using the conversion factor of 1,060 btu / scf.

Table 5.15: Benchmark gas output volume

Items	Unit of Measure	2021	2022	2023	2024	2025	2026
Crude Oil Production	MBbl	64.86	59.51	52.61	52.96	54.97	556.17
Price	US\$/Bbl	54.75	61.23	88.55	75.57	78.09	84.06
Petroleum Revenue	\$M	885.70		1,484.47	1,457.71	1,591.29	1,702.74

2022 Revenue Allocation

The Benchmark Revenue for 2022, which is the petroleum receipts net the amount ceded to the NOC, is estimated at US\$679.2 million. Of this amount, a sum of US\$475.4 million has been allocated to the ABFA to support the implementation of the 2022 Budget, while the Ghana Petroleum Funds (GPFs) will receive US\$203.75 million. The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US\$142.6 million) and the Ghana Heritage Fund (US\$61.1 million)

2023 Projected Revenue Allocation

The projected petroleum receipts for 2023 is US\$1,484.47 million. The total petroleum receipts are made up of Royalties (US\$261.36 million), Carried and Participating Interest (US\$678.46 million), Corporate Income Tax (US\$543.65 million) and Surface Rentals (US\$1.0 million). Of the amount of US\$1,484.47 million, US\$368.83 million will be ceded to the National Oil Company (GNPC) for its Equity Financing Cost (US\$236.13 million) and its share of the net Carried and Participating Interest (US\$132.70 million)

Table 5.16: Projected Petroleum Receipts

Fiscal Item		2023	2024	2025	2026
Royalties	\$m	261.36	220.29	233.12	254.92

Fiscal Item		2023	2024	2025	2026
o/w Crude Oil	\$m	261.36	220.29	233.12	254.92
o/w Gas	\$m	0	0	0	0
CAPI	\$m	678.46	573.06	608.13	665.39
o/w Crude Oil	\$m	678.46	573.06	608.13	665.39
o/w Gas	\$m	0	0	0	0
Corporate Tax	\$m	543.65	663.30	748.96	782.43
Surface Rentals	\$m	1.0	1.07	1.08	0
TOTAL REVENUE	\$m	1,484.47	1,457.71	1,591.29	1,702.74

Source: MOF, Boas Construct

The Benchmark Revenue, is estimated at US\$1,115.64 million. A total of US\$780.95 million has been allocated to the Annual Budget Funding Amount (ABFA), while the Ghana Petroleum Funds (GPFs) receive US\$334.69 million.

The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US\$234.28 million) and Ghana Heritage Fund (US\$100.41 million), a

Table 5.17: Benchmark Revenue

Fiscal Item		2023	2024	2025	2026
Transfer to NOC/GNPC	\$m	268.83	263.37	271.35	312.99
o/w Equity Financing	\$m	236.13	130.65	127.02	161.96
o/w 30% CAPI	\$m	132.70	132.72	144.33	151.03
Benchmark Revenue	\$m	1,115.64	1,194.34	1,319.94	1,389.75
o/w ABFA	\$m	780.95	836.04	923.96	972.82
o/w Transfer to GPF	\$m	334.69	358.30	395.98	416.92
o/w Ghana Stabilisation Fund	\$m	234.28	250.81	277.19	291.85
o/w Ghana Heritage Fund	\$m	100.41	107.49	118.80	125.08

Fiscal Item		2023	2024	2025	2026
TOTAL Amount Distributed	\$m	1,484.47	1,457.71	1,591.29	1,702.74

Total petroleum receipts are projected at, US\$1,484.47, US\$1,457.71 million, US\$1,591.29 million, and US\$1,702.74 million for, 2023, 2024, 2025 and 2026, respectively

Table 5.18: Projected Gas Offtake (2023-2026)

Expected Gas Offtake (MMscfd)	2022	2023	2024	2025	2026
SANKOFA	201	170	173	180	198
JUBILEE	116	112	112	112	112
TEN	9.4	12.6	13	13	13
LNG	55	125	148	187	225
N-GAS	30	30	50	50	50
TOTAL	410	449	496	542	598

GNPC, 2022

Table 5.19: Gas Commodity Costs (2022-2026)

SUMMARY COSTS	2022	2023	2024	2025	2026
Weighted Aggregate Service Cost	1.3937	1.2930	1.2090	1.1310	1.0557
Intermediation Service Cost	0.0855	0.0855	0.0855	0.0855	0.0855
Gas Management Service Cost	0.0659	0.0673	0.0657	0.0668	0.0686
WAGP Transmission Cost (Takoradi-Tema)	2.4248	2.5388	2.6581	2.7378	2.7926
VGIF Service Cost	0.0150	0.0150	0.0150	0.0150	0.0150

SUMMARY COSTS			2022	2023	2024	2025	2026
West -Kumasi Pipeline	Financing Cost		1.7817	1.7817	1.7817	1.7817	1.7817
Weighted	Average	Commodity Cost	6.5206	7.3848	7.7344	8.0212	8.3148

Source: GNPC, 2022

Growth Projections

Growth in the Industry Sector is expected to record a sustained and robust average medium-term (2023-2026) growth of 5.3 percent, based on growth performances of 6.1 percent, 5.1 percent, and 6.0 percent in 2024, 2025, and 2026 respectively.

Crude Oil & Gas Projections

1. The 2023 crude oil output volume is estimated at 52.61 million barrels averaging 144,145 barrels of crude oil per day.
2. Projected gas offtake is also projected to increase from about 450 MMscfd in 2023 to about 600 MMscfd in 2026.

2023 Benchmark Projections⁵²

Consistent with Section 10 of the First Schedule (Section 17) of the PRMA (Act 815) as amended, the Benchmark crude oil price for 2023 is US\$88.55 per barrel, down from the price of US\$94.83 per barrel used in 2022, a reflection of reputable international institutions such as the IMF, Bloomberg and the World Bank.

The gas price for 2023 is projected at US\$6.46 per MMBtu, estimated as a seven-year moving average in line with the PRMA.

The 2023 Benchmark crude oil output volume is estimated at 52.61 million barrels averaging 144,145 barrels of crude oil per day based on a three-year simple average of each producing field's actual and projected outputs in line with the PRMA.

⁵² 2023 Budget Statement was available at time of compiling 2020 GHEITI Report so forward estimates in 2023 National Budget were used to reflect most recent estimates.

The Benchmark gas output volume, has been estimated at 107.55 trillion Btu for 2023.⁵³ Projections are shown in Table below.

Table 5.20: Benchmark Gas Output Volume

Items	Unit of Measure	2023	2024	2025	2026
Crude Oil Production	MBbl	52.61	52.96	54.97	556.17
Price	US\$/Bbl	88.55	75.57	78.09	84.06
Petroleum Revenue	\$M	1,484.47	1,457.71	1,591.29	1,702.74

2023 Projected Revenue Allocation

The projected petroleum receipts for 2023 is US\$1,484.47 million. The total petroleum receipts are made up of Royalties (US\$261.36 million), Carried and Participating Interest (US\$678.46 million), Corporate Income Tax (US\$543.65 million) and Surface Rentals (US\$1.0 million). Of the amount of US\$1,484.47 million), US\$368.83 million will be ceded to the National Oil Company (GNPC) for its Equity Financing Cost (US\$236.13 million) and its share of the net Carried and Participating Interest (US\$132.70 million).

Table 5.21: Benchmark gas output volume

Fiscal Item		2023	2024	2025	2026
Royalties	\$m	261.36	220.29	233.12	254.92
o/w Crude Oil	\$m	261.36	220.29	233.12	254.92
o/w Gas	\$m	0	0	0	0
CAPI	\$m	678.46	573.06	608.13	665.39

⁵³ The gas output was converted from Bcf to trillion Btu using the conversion factor of 1,060 btu / scf.

Fiscal Item		2023	2024	2025	2026
o/w Crude Oil	\$m	678.46	573.06	608.13	665.39
o/w Gas	\$m	0	0	0	0
Corporate Tax	\$m	543.65	663.30	748.96	782.43
Surface Rentals	\$m	1.0	1.07	1.08	0
TOTAL REVENUE	\$m	1,484.47	1,457.71	1,591.29	1,702.74

Source: MOF, Author's Construct

The Benchmark Revenue for 2023, is estimated at US\$1,115.64 million. A total of US\$780.95 million has been allocated to the Annual Budget Funding Amount (ABFA), while the Ghana Petroleum Funds (GPFs) receive US\$334.69 million.

The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US\$234.28 million) and Ghana Heritage Fund (US\$100.41 million),

Table 5.22: Benchmark Revenue

Fiscal Item		2023	2024	2025	2026
Transfer to NOC/GNPC	\$m	268.83	263.37	271.35	312.99
o/w Equity Financing	\$m	236.13	130.65	127.02	161.96
o/w 30% CAPI	\$m	132.70	132.72	144.33	151.03
Benchmark Revenue	\$m	1,115.64	1,194.34	1,319.94	1,389.75
o/w ABFA	\$m	780.95	836.04	923.96	972.82
o/w Transfer to GPF	\$m	334.69	358.30	395.98	416.92
o/w Ghana Stabilisation Fund	\$m	234.28	250.81	277.19	291.85
o/w Ghana Heritage Fund	\$m	100.41	107.49	118.80	125.08
TOTAL Amount Distributed	\$m	1,484.47	1,457.71	1,591.29	1,702.74

Total petroleum receipts are projected at, US\$1,484.47, US\$1,457.71 million, US\$1,591.29 million, and US\$1,702.74 million for, 2023, 2024, 2025 and 2026, respectively.

Table 5.23: Projected Gas Offtake (2023-2026)

Expected Gas Offtake (MMscfd)	2023	2024	2025	2026
SANKOFA	170	173	180	198
JUBILEE	112	112	112	112
TEN	12.6	13	13	13
LNG	125	148	187	225
N-GAS	30	50	50	50
TOTAL	449	496	542	598

GNPC, 2022

Gas offtake is projected to increase from about 450 MMscfd in 2023 to about 600 MMscfd in 2026

Table 5.24: Gas Commodity Costs (2022-2026)

SUMMARY COSTS	2023	2024	2025	2026
Weighted Aggregate Service Cost	1.2930	1.2090	1.1310	1.0557
Intermediation Service Cost	0.0855	0.0855	0.0855	0.0855
Gas Management Service Cost	0.0673	0.0657	0.0668	0.0686
WAGP Transmission Cost (Takoradi-Tema)	2.5388	2.6581	2.7378	2.7926
VGIF Service Cost	0.0150	0.0150	0.0150	0.0150
West -Kumasi Pipeline Financing Cost	1.7817	1.7817	1.7817	1.7817

SUMMARY COSTS		2023	2024	2025	2026
Weighted	Average	7.3848	7.7344	8.0212	8.3148
Commodity Cost					

Source: GNPC, 2022

6.0 SOCIAL AND ECONOMIC SPENDING

This section covers disclosures related to revenue management and expenditures, helping stakeholders to assess whether the extractive sector is leading to the desirable social and economic and environmental impacts and outcomes. The EITI Requirements related to revenue allocations include: (6.1) social and environmental expenditures by companies; (6.2) SOE quasi-fiscal expenditures; (6.3) an overview of the contribution of the extractive sector to the economy; and (6.4) the environmental impact of extractive activities.

6.1 Social and Environmental expenditures by extractive companies

There were no mandatory social expenditures in 2020. In Ghana social expenditures are voluntary and aim at securing the social licence to operate. However, under the Petroleum Exploration and Production Act, 2016 (Act 919), all oil and gas companies are encouraged to have a positive impact on local communities.

6.1.1 Environmental Expenditures By Companies In 2020

The Environmental Processing and Permitting fees are mandatory environmental payments.

Applications for Environmental Permits in 2020

A total of 7,768 applications from all the key sectors were submitted to the Agency for Environmental Permits. Out of the total applications submitted, 6,050 Environmental Permits were issued out of which 25 permits were issued for Upstream oil and gas (see Table 6.1)

In 2020, environmental processing and permitting fees from upstream IOCs and service companies recorded US\$207,866.03 and US\$308,334.81, respectively. This is a unilateral disclosure by the EPA.

Table 6.1: Applications for Environmental Permits in 2020

Sector	Applications Received	Permits/Undertakings Issued	Receipt (USD)
OIL & GAS	40	25	516,200.84

Sector	Applications Received	Permits/Undertakings Issued	Receipt (USD)
(Environment processing and permitting fees) made for upstream oil and gas activities			

Source: EPA

6.2 Quasi Fiscal Expenditure (QFE)

On 8th June, 2021, the MSG at a stakeholder engagement with Parliament, PIAC, BoG, GNPC, MoF, and CSOs, adopted a definition of Quasi Fiscal Expenditure (QFE) to include the arrangements whereby SOE(s) undertake social expenditure such as

- a) Payment for social services;
- b) Public infrastructure;
- c) National debt servicing;
- d) Loan agreements;
- e) Asset purchases; and
- f) Such other goods and services,

which should primarily be provided by either Central or Local Government unless the expenditure had been well documented and pre-approved by Parliament with well-defined thresholds. In 2019, these expenditures were identified as Quasi Fiscal expenditures as per the definition of QFEs by the MSG. It is important to note that the identified expenditures had been made between 2005 and 2019. However, this is the first time the MSG is reporting on QFEs based on its adopted definition.

Table 6.2: Quasi Fiscal Expenditures Identified

Payments & Guarantees Made on Behalf of other Agencies, Government, National & Local Infrastructure Projects as at 31st December 2019					
AGENCY	OUTSTANDING BALANCE (USD)	DATE RECEIVABLES CRYSTALISED	TYPE OF TRANSACTION	AGREED REPAYMENT TERMS	STATUS
Government of Ghana	23,217,406.00	2005/2015	Current account (proceeds from sale of Westel/Airtel).	No written commitment from GoG. Expectation is payment through ESLA Bonds issues.	Pending
MoF Enclave Roads Cedi	21,588,737.46	2015 to Date	Construction of Enclave Roads for the evacuation of gas from the Western Corridor	Written request from MoE accompanied by commitment to pay from MoE.	Not paid
MoF Enclave Roads US Dollars	17,188,682.54	2015 to Date	Construction of Enclave Roads for the evacuation of gas from the Western Corridor	Written request from MoE accompanied by commitment to pay from MoE.	Not paid
Advance to Ministry of Finance	50,000,000.00	2014	Advance to MoF	No written commitment from MoF	Pending
Tema Oil Refinery	58,404,875.00	2011	Crude Oil refinery related indebtedness	Expectation is payment through ESLA Bonds issues	Pending
ECG - BG Related Charges	9,632,902.40	2015-2017	Karpower-ECG PPA Bank Guarantee related charges	Payment in one bullet	Pending
GNGC - 14km Offshore Pipeline	37,913,333.00	2010-2014	Installation of pipeline and related expenses	Under negotiation	Pending
MOE Current Account (GCB Bank Loan)	31,262,500.00	2018/19	Gas related: Loan in respect of relocation of Karpowership to the Western Region	Quarterly repayments by GoG	Ongoing
BOST Loan (Litasco)	41,941,419.00	2017	Repayment of BOST debts	Quarterly repayments by GoG	Ongoing
Volta River Authority	202,185,189.00	2017	Gas sales	Cash waterfall mechanism	Ongoing
TOTAL	493,335,044.40				

Source: GNPC, FY 2019

Update on the Refund of the US\$50.00 million by MoF to GNPC

The Finance Committee of Parliament on 24th June 2021, directed MoF and GNPC to resolve the issue of the US\$50million loan granted to MoF by GNPC. This was after MoF had informed the Committee that MoF had written to GNPC on 15th December, 2018 to inform GNPC that the US\$50 million borrowed from GNPC was offset with GNPC allocation for 2018 that was to be retained as a result of capping GNPC's transfers in line with the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). The said MoF letter further requested GNPC to expunge the US\$50 million facility from its books accordingly. MoF indicated that it had not received any response to its letter referenced above.

GNPC in the said meeting explained that its response to the MoF letter has been delivered to its sector Ministry (Ministry of Energy) for onward submission to MoF. MoF informed the Committee that it would like to be provided with the said letter from GNPC/MoEn detailing the issues raised by their auditors as indicated by GNPC to inform the appropriate accounting

treatment to be effected in the books of GNPC and MoF. The said GNPC/MoEn letter was not received by MoF.

MoF again in June 2022, in line with the Finance Committee's directive wrote another letter to GNPC requesting for response on the subject matter to guide the said accounting treatment to be done to resolve the issue but once again did not receive any response from GNPC.

As part of Finance Select Committee of Parliament's meeting held with all agencies who have submitted reports to the Committee or have inputs in reports submitted to the Committee during the year under review (2022), including the MoF and GNPC on 3rd – 4th September 2022, in Koforidua, the Committee directed MoF to cap GNPC to offset the said amount in accordance with the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). This directive is in line with MoF's earlier letter of 15th December, 2018 as indicated above.

Additionally, the Hon. Minister for Finance in a meeting on 14th December 2022 at the MoF with all the agencies including the Ministry of Energy, GNPC, Petroleum Commission, Bank of Ghana, Auditor-General, Ghana Revenue Authority, affirmed Parliament's position for GNPC to be capped to offset the amount. The meeting was to discuss the development of guidelines for GNPC equity financing in line with the Auditor-General's recommendation in its report on the management of the Ghana Petroleum Funds for the year ended 31st December 2020. The meeting also discussed among others, Government's efforts to collect Additional Oil Entitlement (AOE) from the oil companies.

Furthermore, to ensure that all stakeholders (Parliament, MoF, MoEn, GNPC, SIGA, GNGC, GHEITI, PIAC etc) within the extractive sector are on the same page in terms of the understanding and definition of quasi fiscal expenditures (QFEs) for consistency in reporting, as suggested by the International EITI Secretariat in Ghana's last Validation, GHEITI subsequently convened a technical workshop on 8th June, 2021 at Mensvic Grande hotel, East Legon to discuss the subject matter. The Finance Committee Chair of Parliament in his final submission emphasised the need to review the narrow definition of QFEs by expanding it to include Quasi Fiscal Activities (QFAs), since Government from the revenue side, funds a lot of the SOEs activities including the national Oil Company (NOC) which may not have been budgeted for but are critical.

UPDATE ON GNPC LOANS & GUARANTEES⁵⁴

GNPC's total guarantees and payment receivable amounted to US\$1.46 billion as at the end of H1 2022⁵⁵

Table 6.3: GNPC's total guarantees and payment receivable

Date	Agency	Amount	Balance by H1 2022	Remark
2018/19	MOE Current Account (GCB Bank Loan)	31,262,500	0	Fully paid
Aug, 2020	ECG HFO Commitment (Litasco)	154,986,378.00	107,336,697	Ongoing
	Karpower Guarantees (Contingent liabilities) ⁵⁶	136,000,000.00		Guarantee A (for early termination and reducible by 10% annually) is US\$57 million and Guarantee B (for Capacity) is US\$79 million

Source: GNPC AFS

⁵⁴ These payments and guarantees were made on behalf of Government of Ghana, State-Owned Enterprises (SOEs), national and local infrastructure projects etc.

⁵⁵ Source: GNPC, 2022

⁵⁶ Issuance fees paid by Government of Ghana.

6.3 Contribution of oil and gas to Ghana's Economy

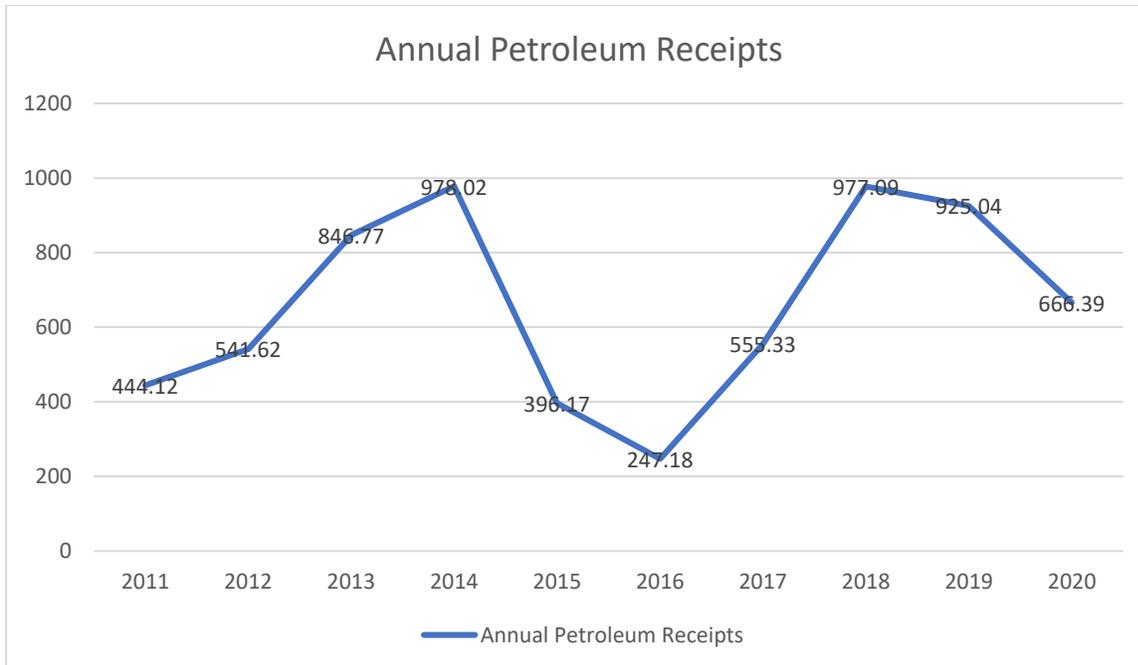
6.3.1: The Contribution of the Oil And Gas Sector to Ghana's Economy

A total revenue of US\$666.39 million accrued to the State in the year 2020 from Royalties, Carried and Participating Interest (CAPI), Corporate Income Taxes (CIT) and Surface Rentals.

A total of 88,418.88 MMscF (Million Standard Cubic Feet) valued at US\$606.5 million of both associated and non associated gas was delivered for domestic power generation with a very small proportion, less than 2%, for non-power gas activities. The year 2020 marks a decade of commercial production of oil and gas from Jubilee field. Ghana's upstream oil and gas sector is still very young and it is mainly operated by international Oil and Gas Companies (IOCs). Thus, there are no marginal oil and gas fields operated by indigenous Ghanaian companies.

The figure 6.1 shows annual petroleum receipts accruing to Ghana from commencement of commercial production and first export from 2011 to 2020.

Figure 6.1: Annual Petroleum Receipts from inception to 2020



Source: GHEITI's construct based on Ministry of Finance data

Due to the impact of COVID-19, the oil and gas sector growth rate declined by 4.6% compared to a positive growth rate of 14.4% in 2019. The petroleum sector total receipt of US\$666.39 million in 2020 contributed seven percent (7%) to total government revenue for the year.

Table 6.1 indicates the annual petroleum receipts from 2011 to 2020 with their respective percentage contributions to total government revenue.

Table 6.4: Contribution of Petroleum Revenue to Total Government Revenues

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total petroleum Revenue (US\$ Million)	444.12	541.62	846.77	978.02	396.17	247.18	555.33	977.12	937.58	666.39
Percentage contribution of petroleum Revenue to Total Government Revenue (%)	6%	6%	9%	12%	5%	3%	6%	10%	9%	7%

Source: GHEITI's construct based on Ministry of Finance data

6.3.2 Contribution to Gross Domestic Product

The upstream oil and gas sector in Ghana contributed 3.7 percent to the Gross Domestic Product (GDP) of Ghana in 2020 and recorded a growth rate of -4.6 percent (at constant 2013 prices).

Table 6.5 shows the annual GDP and the percentage contribution of the upstream oil and gas sector.

Table 6.5: Annual GDP and the percentage contribution of the upstream oil and gas sector

Years	2013	2014	2015	2016	2017	2018	2019	2020
GDP (US\$ Million) at basic prices	61,621	49,136	44,521	51,783	56,102	62,583	63,945	65,771
Oil and Gas GDP (US\$ Million) at basic prices	3,463	3,255	1,242	262	2,071	3,701	4,089	2,464
Percentage Contribution (%) of Oil and Gas	5.6%	6.6%	2.8%	0.5%	3.7%	5.9%	6.4%	3.7%
Growth Rate of Oil and Gas GDP	-	9.3%	2.0%	-15.6%	80.3%	7.9%	14.4%	

Years	2013	2014	2015	2016	2017	2018	2019	2020
								-4.6%

Source: GHEITI's construct based on data from Ghana Statistical Service (2022)
https://statsghana.gov.gh/nationalaccount_macros.php?Stats=MjQyODAxMDY3NC42Mzg=/webstats/227532q92p

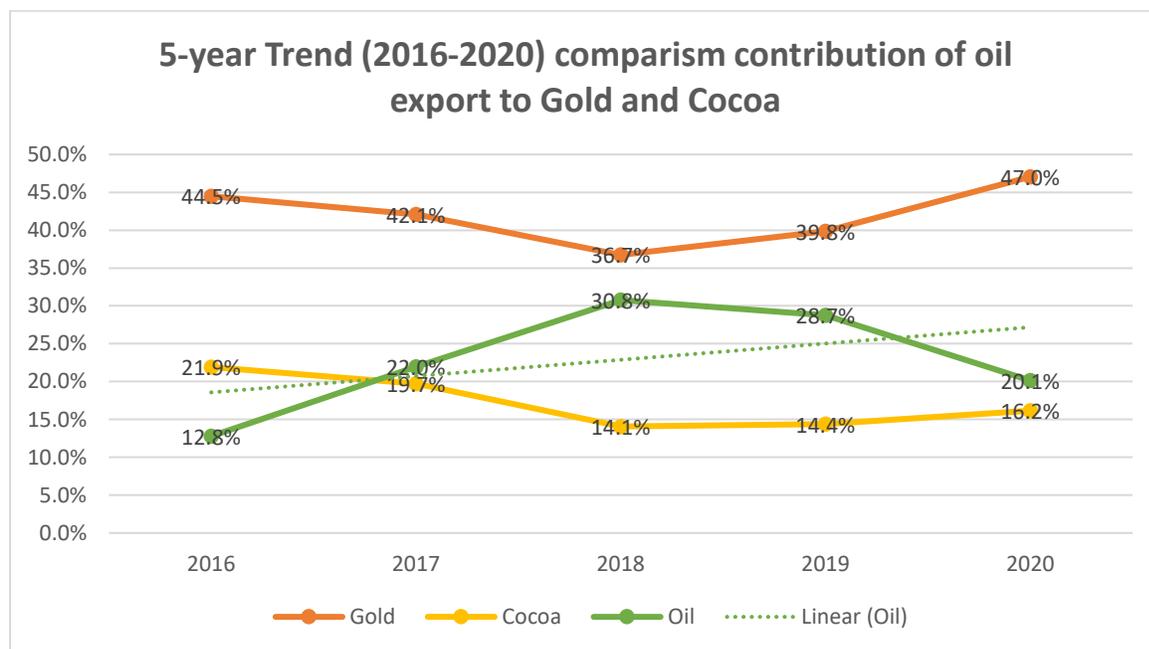
6.3.3 Contribution to Merchandise Exports

A total of 11,615,029 bbls of crude oil was exported by GNPC in respect of CAPI and royalties for an amount of US\$496,286,197.87. The other partners also exported 55,843,177 bbls of crude oil during the year 2020.

The total crude oil exports for 2020 as reported by the Bank of Ghana was 67,458,206 bbls valued at US\$2,910.6 million as against 70,054,551 bbls in 2019 valued at US\$4,493 million.

From figure 6.2, the crude oil export for 2020 represents 20.1 percent of total merchandise exports value for the year as against 28.7 percent for 2019. From 2017, oil export ranks as Ghana's second major export commodity, next to Gold.

Figure 6.2: Five-year Trend comparison of oil export to other major merchandise export (Gold and Cocoa)



Source: GHEITI construct from export data published by Bank of Ghana

Table 6.6: 5-year merchandise Exports (2016-2020)

Merchandise Export (US\$ 'million)	2016	2017	2018	2019	2020
Gold	4,919.5	5,786.2	5,461.4	6,229.7	6,799.1
Cocoa	2,424.0	2,711.2	2,091.6	2,248.6	2,336.1
Oil	1,413.4	3,019.1	4,573.4	4,493.1	2,910.6
Others	2,303.8	2,235.4	2,741.7	2,662.6	2,407.0
Total export	11,060.7	13,751.9	14,868.1	15,634.0	14,452.8
Percentage Contributions (%)					
Gold	44.5%	42.1%	36.7%	39.8%	47.0%
Cocoa	21.9%	19.7%	14.1%	14.4%	16.2%
Oil	12.8%	22.0%	30.8%	28.7%	20.1%
Others	20.8%	16.3%	18.4%	17.0%	16.7%
Total export	100.0%	100.0%	100.0%	100.0%	100.0%

Source: GHEITI construct from export data published by Bank of Ghana (2016 – 2020)

6.3.4 Gas contribution to Domestic Energy Generation & Energy Transition

A total of 88,418.88 MMscF of both associated and non-associated gas was supplied from the three producing fields for domestic power generation as against 54,053.82MMscF in 2019. A total gas of 28,842.61 MMscF supplied from both Jubilee and TEN fields and delivered to GNGC was valued at US\$152,702,353.64 while 56,459.26 MMscF supplied by SGN partners to GNPC was valued at US\$453,761,223. The gas from SGN was delivered via the Sanzule Onshore Receiving Facility (ORF) to various power producers for power generation. Daily recorded gas export from SGN, Jubilee and TEN was 241.8MMscF as against the 220MMscF target.

The government received more gas in 2020 and this impacted on domestic energy supply during the period of the COVID-19 pandemic, which positively supported management of the pandemic. According to the National Energy Statistics, 2021 edition published by the Energy Commission, the 2020 final energy consumption recorded an annual increase of 7.5 percent (603 Ktoe), over that of 2019. Natural gas contributed 25 percent of the country's energy mix during the year. From Table 6.6, energy supply from natural gas has consistently increased over the years and it is expected to displace oil in the energy mix, ensuring cleaner, cheaper and sustainable energy sources. The Energy Statistics also indicates that crude oil import for power generation has reduced from 6,495,000 bbls in 2013 to 382,000 bbl in 2020, representing a reduction of about 94.1%. This is due to improved gas supply from indigenous sources for power generation. Also, the gas imports from Nigeria via the West African Gas Pipeline (WAGP) continue to decline over the years as production from SGN, Jubilee and TEN increases. The completion of the Takoradi-Tema Interconnection Project (TTIP) to receive gas from the West (Takoradi) in 2020 contributed to increased gas exports from the SGN Field. A total of 579,937.67 MMSCF has been delivered between 2014 and 2020 and has been utilised for domestic power generation.

It is estimated that if development and production plans materialise for Cape Three Points Block 4 and Deepwater Tano/Cape Three Points contract areas, Ghana may achieve gas self-sufficiency for power generation especially for industry and households and also for export.

ENERGY TRANSITION IN GHANA'S UPSTREAM PETROLEUM INDUSTRY

The current and impending effects of global climate change are driving countries towards a more sustainable way of living. There is a general consensus among scientists that since 1760, the increase in global warming – the main cause of climate change – has been caused by an accumulated effect of land-use change, burning of fossil fuels, and emissions from industrial processes and transportation. Confronted with the gloom of stranded assets, arising out of the transition, countries are accelerating the exploitation of their hydrocarbon reserves, even as they plan their transition to a sustainable energy future. International efforts to mitigate climate change such as the United Nations Climate Change Conferences held in Paris (2015), Scotland (2021) and Egypt (2022) have further highlighted the importance of energy transition.

Given its contribution to global warming, via GHG emissions, the fossil fuel extraction industry is under pressure to play a lead role in mitigating climate change. Many oil companies and states have started to design and implement various strategies to adjust to the change and prepare for the new energy landscape.

Road to a Nationally Determined and Nationally Driven Strategy

Taking a cue from the intense global discourse on Energy Transition and Climate Change, Ghana inaugurated its Energy Transition Policy / Strategy Committee on 21st December, 2021 and charged it to:

- Determine national objectives and targets for Ghana's Energy Transition;
- Prescribe policies and measures for achieving the targets;
- Assess the current situation in the Ghanaian energy sector, and the effectiveness of existing policies and measures; and
- Identify any cross-cutting issues that must be addressed in the context of the transition.

The Committee has organized a national, and regional stakeholder consultations to harvest ideas and perspectives for incorporation into the policy/strategy document. The stakeholders consulted include CSOs (organized and unorganized), industry, including the Ghana Upstream Petroleum Chamber, and individual companies.

Highlights of Key Issues from the Consultations

From the national level consultation issues that engaged the attention of participants and the committee include:

- It was conceded that even though hydrocarbon revenues do not dominate Ghana's national budget (usually between 6% and 12%), the loss of such revenue as a result of the transition could still pose substantial fiscal disruption for the country. It was insisted therefore, that the transition be based on Ghana's terms and must take account of its economic conditions and potential impacts
- The need to ensure an equitable and a just transition. This mainly came from climate justice advocates;

- The need to emphasise the continuous extraction of natural gas and its treatment as a transition fuel. It was argued that natural gas offers the best opportunity, as a relatively cleaner source of fuel, for securing a stable base load for the country's power sector.
- Energy efficiency and conservation also came up strongly. Some argued for the promotion of energy efficient lighting and equipment use.
- Support for Research and Development of renewable energy technology also came up.
- The need to attract more investments to accelerate hydrocarbon extraction, even as the country transitioned was discussed too. There were suggestions that the country may need to take another look at its incentive regime, while others called for regulatory certainty and the avoidance of arbitrary interpretation and enforcement of laws and regulations by the regulator.

Most of these issues came up again at the regional consultations. Additionally, issues bordering on climate change mitigation, nature-based carbon sequestration (afforestation), call to increase access and reduce the cost of LPG, to reduce dependency on wood fuel and its associated forest degradation; monitoring and enforcement of emission related regulations.

It was apparent that the role of critical minerals in the Energy Transition had been overlooked. The GHEITI MSG brought this to the attention of the Ministry at a meeting with the Minister, his deputies, and directors in 2022. The MSG drew attention to its report on Energy Transition and Critical Minerals, which is accessible at www.gheiti.gov.gh

Shifts in Ghana's Energy Sector over time

Ghana situates its Energy Transition policy and strategy within the context of the Paris Agreement on Climate Change, and the Call to Action from the COP 26 to increase investments in green energy initiatives. The policy / strategy is also anchored on the Sustainable Development Goal (SDG) 7, which puts obligation on UN member states to ensure sustainable energy for all by 2030.

Ghana's installed generation capacity as at 2012 (10 years ago) was 2,296 Megawatts. Out of that, hydro i.e. Akosombo and Kpong alone gave the country 1,180 Megawatts being 51.4 percent of total supply capacity. Thermal contributed 1,116 Megawatts (48.6 percent). Indeed, the introduction of thermal sources into the generation mix pushed up prices for consumers, especially

because Nigeria did not keep faith with its contractual obligation under the West Africa Gas Pipeline Project (WAGPP).

As at 2022, the country's installed capacity has hit 5,134 Megawatts, with a dependable capacity of 4,710 MW. Thermal's share of the current capacity is 66 percent, and hydro 33 percent (www.trade.gov/ghanacountrycommercialguide).

As at 2019, Ghana's peak electricity demand was 2,804 MW, well below the installed capacity. The obvious redundant power led government to renegotiate some of its Power Purchasing Agreements.

Following the discoveries of gas in commercial quantities, Ghana has gradually managed to shift the fuel mix more in favour of gas, away from Light Crude Oil.

As a frontier oil producer, Ghana relishes the important role oil and gas could play in lifting millions of its population from poverty, and in financing its ambitious industrialisation programme such as the Ghana Integrated Aluminum Development, and the Ghana Iron and Steel Development programmes, and therefore appears to take a pragmatic view of its approach to the transition. The country's Ministry of Energy maintains that even though the country is taking steps to reduce its carbon emissions, it takes cognizance of the fact that Ghana has not carbonized both in terms of its power generation, and industrial emissions and therefore need not rush into taking decisions that will impair its energy security, and economic viability. It has therefore set its time frame for achieving net zero emission at 2070. This is to be achieved largely through emissions abatement and mitigation.

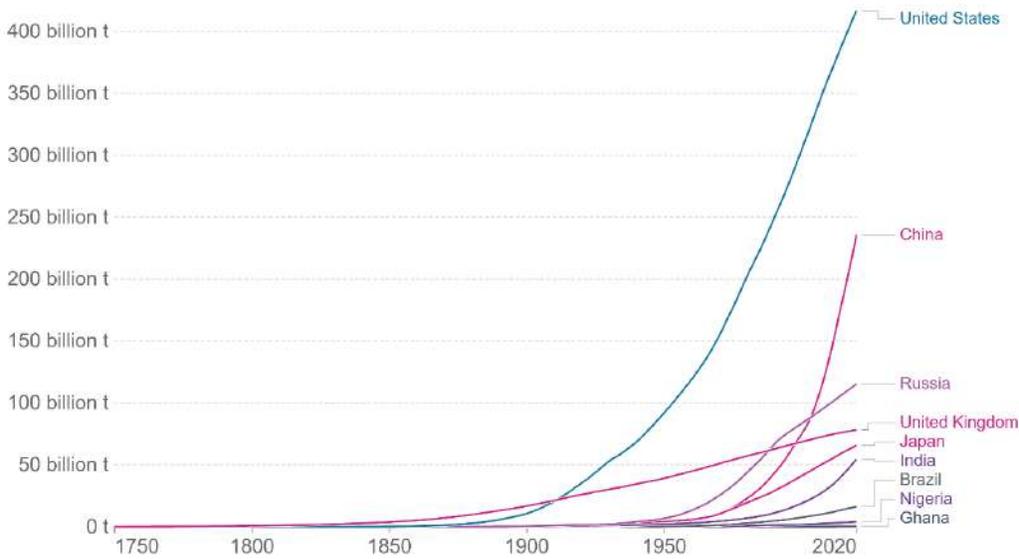


Figure 6.3: A graph comparing Ghana's cumulative CO₂ contribution to other countries in the world

Source: Ritchie & Roster, 2022

Table 6.7: Yearly gas export for Domestic power generation.

Year	Jubilee	TEN	SGN		TOTAL (AG)	TOTAL (AG/NAG)
	AG	AG	AG	NAG		
2014	55,758.04	-	-	-	55,758.04	55,758.04
2015	52,545.91	-	-	-	52,545.91	52,545.91
2016	38,420.63	6,531.86	-	-	44,952.49	44,952.49
2017	43,261.35	26,818.33	7,214.76	-	77,294.44	77,294.44
2018	44,841.94	39,472.78	7,144.58	-	91,459.30	91,459.30
2019	51,179.67	48,387.34	28,757.80	41,183.80	128,324.81	169,508.61
2020	64,462.41	58,674.67	44,470.04	70,355.70	167,607.12	237,962.82
TOTAL	350,469.95	179,884.98	87,587.18	111,539.50	617,942.11	729,481.61

Source: GNPC & PIAC Reports, 2020

Table 6.4 Total Energy Supply (ktoe)

Year	Oil		Natural Gas		Hydro		Solar		Biomass		Total ktoe
	ktoe	%	ktoe	%	ktoe	%	ktoe	%	ktoe	%	
2000	1,799	29	-	-	568	9	-	-	3,888	62	6,255
2001	1,861	30	-	-	568	9	-	-	3,703	60	6,132
2002	2,403	38	-	-	433	7	-	-	3,539	56	6,375
2003	2,481	40	-	-	334	5	-	-	3,395	55	6,210
2004	2,206	37	-	-	454	8	-	-	3,273	55	5,933
2005	2,200	38	-	-	484	8	-	-	3,174	54	5,858
2006	2,994	46	-	-	483	7	-	-	3,100	47	6,577
2007	3,185	48	-	-	321	5	-	-	3,068	47	6,574
2008	2,959	45	-	-	533	8	-	-	3,070	47	6,562
2009	2,440	40	5	0	591	10	-	-	3,127	51	6,163
2010	2,798	40	394	6	602	9	-	-	3,207	46	7,001
2011	2,843	37	769	10	650	9	-	-	3,371	44	7,633
2012	3,629	45	389	5	694	9	-	-	3,409	42	8,121
2013	4,169	48	292	3	708	8	-	-	3,554	41	8,723
2014	3,938	44	619	7	721	8	-	-	3,629	41	8,907
2015	3,991	43	1,185	13	503	5	-	-	3,618	39	9,296
2016	4,529	49	692	7	478	5	2	0	3,601	39	9,302
2017	3,661	40	1,146	13	483	5	2	0	3,858	42	9,150
2018	4,408	41	1,641	15	517	5	3	0	4,222	39	10,791
2019	4,341	39	1,993	18	624	6	4	0	4,132	37	11,094
2020	4,118	34	3,014	25	627	5	4.89	0	4,274	36	12,038

Source: Energy Commission, 2021 National Energy Statistics, 2021 edition

6.3.5 Contribution to Employment

A total of 3,711 employees (locals and expatriates) were directly engaged in the upstream petroleum sector as at 2020 as against 5,950 as at 2019, representing a decline of 38 percent due to COVID-19 pandemic.

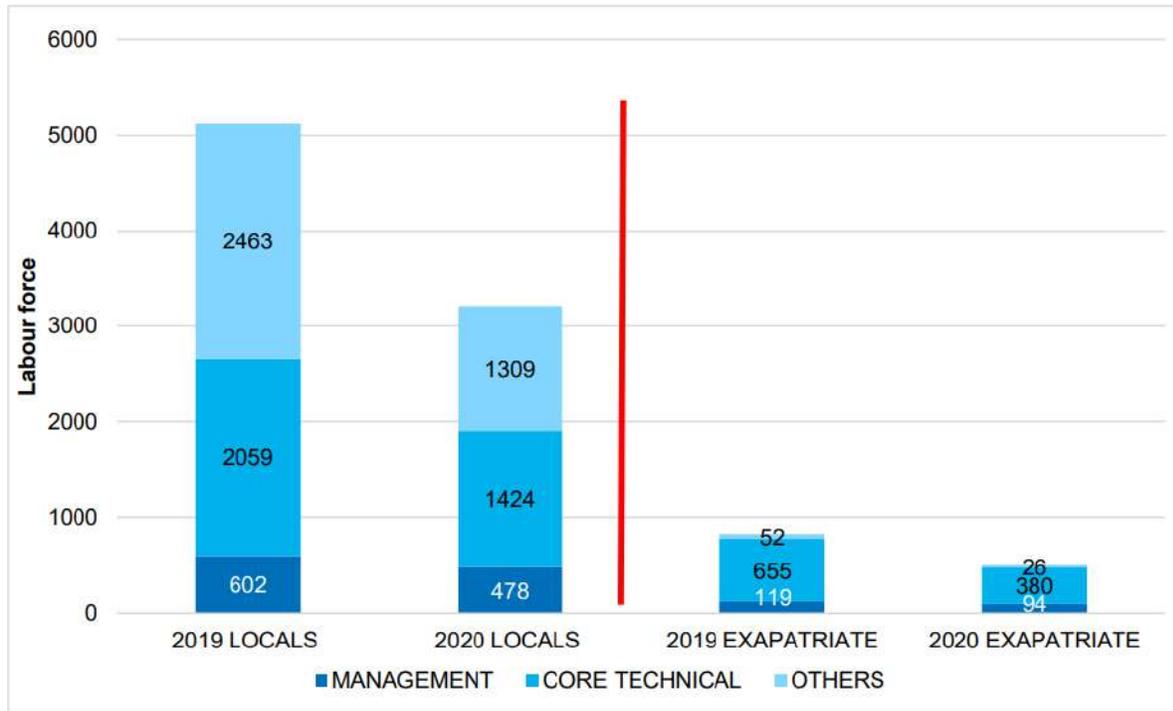
From the Table 6.7, the number of Ghanaian workforce in the upstream sector declined by 1,913 from 5,124 in 2019 to 3,211 in 2020, representing a decline of 37 percent

Table 6.8: Gender Disaggregated Data in the Petroleum Industry

	Management	Core Technical	Other Staff	Management(Male)	Management(Female)	Core Technical(Male)	Core Technical(Female)	Other Staff(Male)	Other Staff (Female)
Ghanaian	370	1,396	1,377	274	96	1267	129	1058	319
Expatriate	65	280	28	59	6	279	1	22	6
Total	435	1,676	1,405	333	102	1546	130	1080	325
Total Ghanaian Workforce				3143					
Total Expatriate Workforce				373					
Total Staff				3,516					

Source: Petroleum Commission

Figure 6.4: Employment statistics for 2020



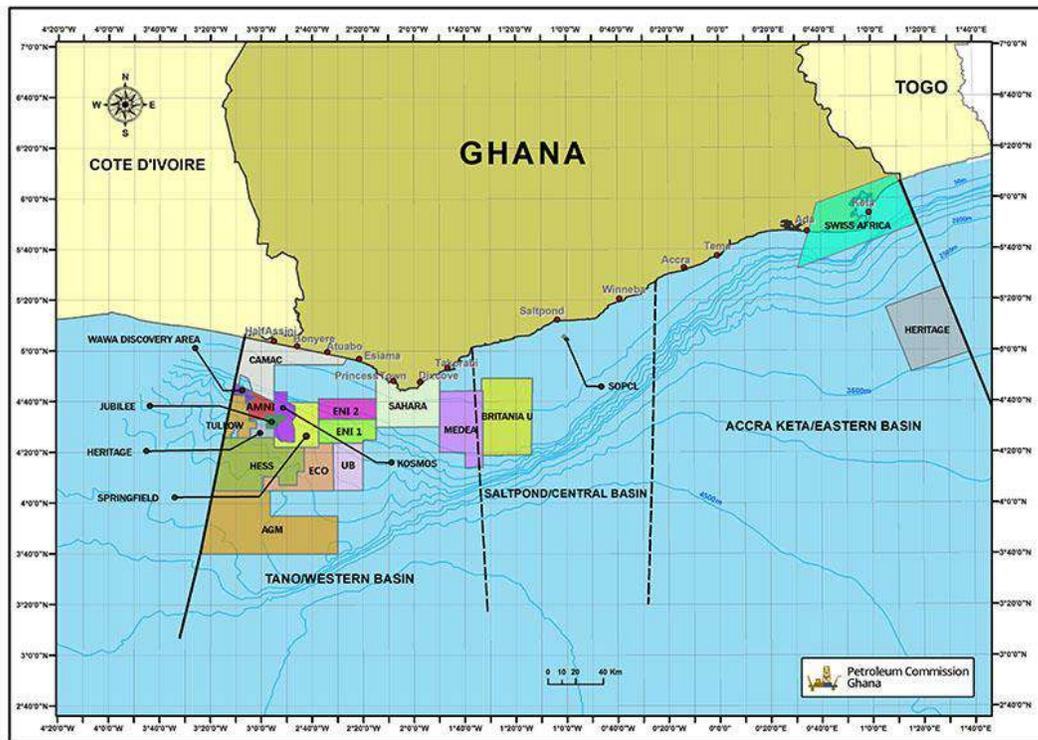
Source: Petroleum Commission

According to the Petroleum Commission a total of 37 positions which were previously held by expatriates were localised within the year. The Petroleum Commission also placed 28 Ghanaians in various oil and gas companies as part of efforts to build their technical competencies. As a common characteristic of the employment statistics of the oil and gas industry globally, the percentage contribution of 3,711 headcounts from the sector is relatively insignificant to the total employment headcounts in the country.

6.3.6 Key regions/areas where production is concentrated

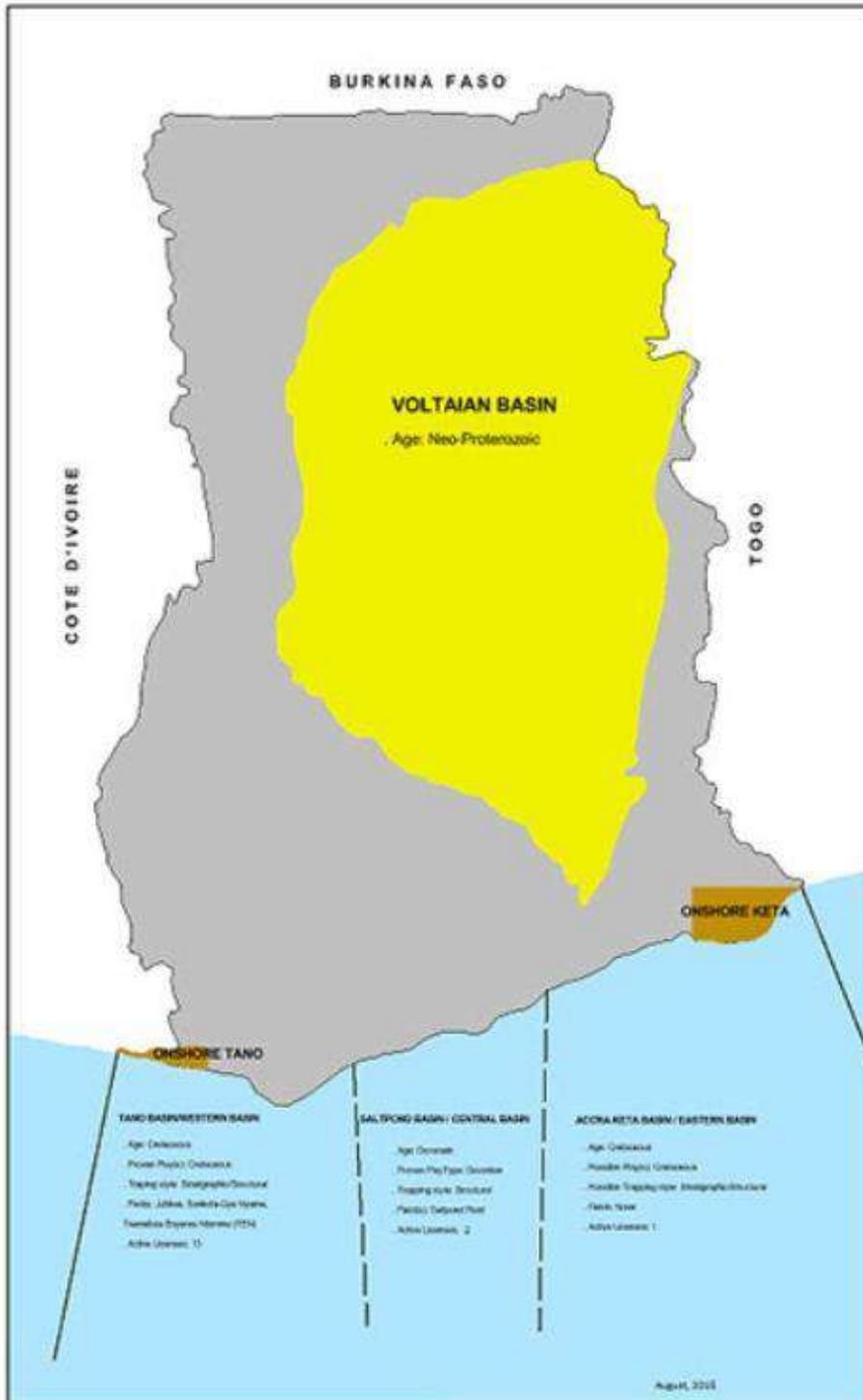
The current three producing fields are all situated offshore in the Tano Cape Three Points in the Western Region of Ghana. The figure 6.5 shows the three offshore Basins.

Figure 6.5: Activity Map of Ghana



Source: Petroleum Register, Petroleum Commission <https://www.ghanapetroleumregister.com>

Figure 6.6: Map of Ghana's sedimentary basins indicating inland Voltaian basins



6.4 Environmental Impacts of Extractive Activities

6.4.1 General Environmental Assessment Process of The Environmental Protection Agency (EPA)

The Environmental Protection Agency (EPA) was established by the Environmental Protection Agency Act, (Act 490) in 1994 as the lead public institution for environmental protection and management in Ghana.

6.4.1.1 Legal and Legislative Provisions for Environmental Assessment

Pursuant to Section 62 of Act 490, the Environmental Assessment Regulations, (L.I. 1652) was enacted in 1999 to provide the necessary specific and complete legal backing for the Environmental Assessment (EA) system/ procedure in Ghana. The Agency is further mandated under L.I. 1652 to ensure compliance with laid down EIA procedures in the planning and execution of developmental projects, including petroleum (oil and gas).

The First and Second Schedules of L.I. 1652 provide guidance on the appropriate level of environmental assessment that a proposed undertaking must adhere to, to form the basis for decision-making and permitting. Large-scale projects, with significant environmental impacts, are typically categorized as Second Schedule projects/ undertakings in the L.I. 1652 for which an Environmental Impact Statements (EIS) is a pre-requisite (mandatory) to permitting. Similarly, small-scale, and medium-scale impact projects fall under the First Schedule for which Preliminary Environmental Assessment (PEA) is required for permitting.

Thus, new companies or existing companies proposing new projects, including petroleum (oil and gas), are therefore expected to conduct a PEA (Regulation 9) or an EIA (Regulation 10) depending on the nature and scale of the project and presents their findings in reports known as Environmental Impact Statement (EIS) for large scale projects and Preliminary Environmental Reports (PERs) for the small and medium scale projects. Under the law, all EISs and PERs are required to be publicly available and accessible. Hence EPA keeps copies of these reports in its office libraries scattered across the country. In addition, EPA sends copies of these reports to the Metropolitan, Municipal and District Assemblies (MMDAs) in which a particular project is taking place for public access.

6.4.1.2 Fees and Charges

There are legal provisions for the payment of fees in respect of the grant of environmental permits or certificates for undertakings, including the extractive sector. These fees schedule also include administrative charges for non-compliance to the general provisions of the L.I. 1652 as well as the specific conditions outlined in project schedule to the environmental permit /certificate. The fees cover the entire lifecycle of projects (for extractives, covering exploration, development, exploitation/production and decommissioning) and the determination of which, are set out in a separate Fees and Charges Instrument which is periodically reviewed and approved by the Parliament of Ghana.

The current applicable fees are as specified in the Fees and Charges (Amendment) Instrument of 2019 (L.I. 2386).

6.4.1.3 Public Participation

Public participation is thoroughly enshrined in the EA process/system of Ghana. The L.I. 1652 sets out guidelines for public consultations and engagements. This includes:

- Publication of notices for Scoping and EIS (Regulations 15 and 16 respectively): In respect of Scoping, the form in the Third Schedule is to be used, as well as EIS (form in Fourth Schedule); making available copies of these reports at designated locations, as well as providing mediums for collating and incorporating concerns relating to these proposed undertakings.
- Public hearings (Regulation 17): The condition(s) that trigger the need for a Public Hearing in respect of a proposed undertaking are listed in Regulation 17 as:
 - (a) great adverse public reaction to the commencement of a proposed undertaking upon a notice issued under Regulation 16 of L.I. 1652;
 - (b) one causing the dislocation, relocation or resettlement of communities; or
 - (c) one which the Agency considers could have extensive and far-reaching effect on the environment.
- General and targeted consultations: Also required are several other general and targeted consultations with key stakeholders including communities within the project catchment

areas prior to permitting and over the life of the project as outlined in the draft Public Participation Guidelines in Environmental Assessment.

6.4.1.4 Environmental Management Plan (EMP)

After a company is permitted for executing its initial proposed project, it is required to prepare an Environmental Management Plan (EMP) leading to the issuance of an environmental certificate in respect of any undertaking for which a Preliminary Environmental Report (PER) or Environmental Impact Statement (EIS) was approved, within eighteen (18) months of commencement of operations and thereafter to be updated every three (3) years.

L.I. 1652 also has a provision for any undertaking which was in operation prior to the coming into force of the legislation to submit an EMP to the EPA to enable the Agency permit its activities. This provision is really a transitional regulation but is still used by the Agency if a company is found to have started its operations without any permit from the Agency.

The Environmental Management Plan sets out steps that are intended to be taken to manage any significant environmental impact(s) that may result from the operation of the undertaking within the three (3) year certification period and contains an Environmental Action Plan (EAP), which indicates the particular actions, timelines, budgetary allocations, among others necessary for mitigating identified impacts against which routine monitoring is undertaken to ensure compliance.

6.4.1.5 Environmental Permit/Certificate

An environmental permit or certificate issued to a company includes a schedule of conditions, which serves as the control measures for the environmental laws of the country. The schedule of conditions is attached to the permit or certificate and outlines the various actions necessary to ensure the validity of same in the specified or indicated period. These conditions are project and sector specific, but a couple are statutory, such as submission of:

- periodic (monthly, quarterly, semi-annually, and annually) environmental quality (air, water, effluent, noise) monitoring reports;
- Annual Environmental Reports; and
- Environmental Management Plan.

6.4.1.6 Environmental *Monitoring*

The LI 1652 also sets out modalities not only for compliance monitoring in respect of proposed undertakings but also for permitted projects. As such, companies are required to do environmental baseline surveys before commencement of activities of the project. This is to enable them measure changes that are taking place in the environment because of their operations. The Agency also undertakes routine announced and unannounced monitoring visits to ensure general compliance with the LI 1652 and the permit conditions. The monitoring activities are intended to ensure that the conditions of the permit or certificate as well as specific actions contained in the project approved environmental assessment reports are complied with.

Non-compliance with permit conditions constitutes an offence and various sanctions can be applied as per Act 490 and LI 1652, such as the issuance of enforcement notices, imposition of administrative charges, fines/penalties and suspension, revocation or cancellation of environmental permits/ certificates.

Hence as an example, oil and gas companies in compliance with the requirements do baseline environmental survey of the offshore environment before field development and thereafter a three (3)-yearly marine benthic and water column monitoring survey to check for changes.

6.4.1.7 Environmental Audit

Act 490 under Section 2 also mandate the Agency to ensure compliance with the laid down EA procedures in the planning of development projects, including compliance in respect of existing projects. The Agency as such conduct inspections, investigations and audits into environmental issues concerning companies that it has permitted. To formalize, provide guidance to its officers and have a uniform process of inspections and audits, the Agency published an Inspection and Audit Manual in 2021.

The list of oil and gas that has been audited by the Agency are published periodically on the oil and gas website of the Agency (www.epaoilandgas.org).

Akoban Programme

In line with its core mandate, the Agency instituted the flagship Akoben Programme which is an Environmental Performance Rating and Public Disclosure System to ensure environmental sustainability. Akoben draws its roots from Ghana's tradition of Adinkra symbols and it stands for vigilance and alertness. The environmental performance of the extractive industry is assessed annually using a five-colour rating scheme ranging from excellent (gold) to poor (red).

The Akoben programme is not applicable to the oil/gas sector because of the following:

- Limited number of active producing fields;
- Although there are several companies, the three fields are being operated by two companies, Tullow and Eni, which deal directly with the Agency for permits to operate. The other companies that are involved in the fields do not deal with the Agency for permits.
- For the above reasons, applying the Akoben scoring and rankings to only two companies would be found by the Agency to be not very useful.

6.4.1.8 Grievance Redress Mechanism

In furtherance to its bid to promote transparency and accountability as well as increase stakeholder involvement in sound environmental management, the Agency has a Grievance Redress Mechanism (GRM) in place that assists its clients and the general public to resolve environmentally related complaints and grievances in a prompt, effective and efficient manner. The GRM document is available to the public at the Agency's website for download. (<http://www.epa.gov.gh/epa/grievance-redress-mechanism>).

6.4.1.9 Reclamation Bond and Decommissioning

Decommissioning of oil and gas facilities are provided in Sections 43 to 49 of the Petroleum (Exploration and Production) Act, 2016 Act 919. Section 45 specifically states: "A licensee or contractor shall establish a decommissioning fund as prescribed" and Section 48 (1) states, "A contractor or a licensee who is under an obligation to implement an approved decommissioning plan under section 44 is subject to strict liability towards the Republic for any loss or damage caused, in connection with the decommissioning of the facility or other implementation of the decommissioning plan."

EPA's oil and gas draft regulations, which is yet to be passed by Parliament also provides for decommissioning of petroleum facilities.

7.0 OUTCOMES AND IMPACTS

7.1 Public Debate (req. 7.1)

GHEITI undertook series of activities targeted at promoting public debate around the findings and recommendations of the Ghana EITI Reports. The activities are done through engagements with relevant stakeholders, press releases, publications, among others.

A national launch of the 2017/18 GHEITI Reports by the Hon. Dep. Minister for Finance was held in March 2020 to herald the dissemination and awareness creation of the Reports.

Also, GHEITI engaged the Institute for Financial and Economic Journalists (IFEJ) as part of efforts at building their capacity and disseminating the information on the findings and recommendations of the GHEITI Reports using the media

Abridged versions of the Reports were published in local newspapers in line with requirements 7.1(a)(ii) & (b)(i) of the Standard to ensure greater accessibility for stakeholders.

Stakeholders' engagements on the GHEITI Reports were held in Bono, Ashanti, Eastern, and Western regions between October and November 2021. Highlights of the regional engagements can be accessed at

(<https://twitter.com/GhanaEITI/status/1463831670914785285?s=20>).

Furthermore, GHEITI and the Public Interest and Accountability Committee (PIAC) held a joint high-level engagement with key stakeholders, including members of the Finance, Mines & Energy Select Committees of Parliament, Ministry of Finance, Bank of Ghana (BoG), Ghana National Petroleum Corporation (GNPC), Civil Society of Organisations (CSOs), companies, among other stakeholders, to agree on a common definition for quasi-fiscal expenditures (QFEs), their identification and disclosures.

To empirically demonstrate the impact of EITI implementation in Ghana, GHEITI in 2021 undertook a study on the revenue-impact of GHEITI-inspired fiscal reforms which concluded that an additional revenue equivalent to US\$ 713M arising from the reforms has been earned by Government between 2004 – 2018. The Revenue-Impact Study Report can be accessed on the GHEITI website via

https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=21:financial-reports&download=397:gheiti-fiscal-impact-report&Itemid=54).

7.2 Data Accessibility (req. 7.2)

GHEITI publishes summary data sheets of all the EITI data collected online based on the requirement 7.2(c) of the EITI Standard.

GHEITI through the support of the International EITI commissioned a mainstreaming feasibility study to assess institutional readiness and capacity gaps to systematic disclosures. The output of the assignment is a comprehensive document that maps out all the relevant stakeholders (both the national and subnational entities) as well as the existing institutional gaps to mainstreaming. Details of this report can be accessed in the mainstreaming feasibility study report on the GHEITI website

https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=15:implementation-reports&download=399:final-report-ghana-eiti-mainstreaming-feasibility-report&Itemid=54).

To ensure inclusiveness of all stakeholders to access the GHEITI Reports, GHEITI has collaborated with other partner institutions to develop braille versions of the Reports for the blind and to engage same, including other disability groups during its outreach Programmes.

7.3 Recommendations from EITI Implementation

Following the publication of every report, GHEITI writes to all the stakeholder institutions that are affected by the findings of the published reports to officially notify them and encourage taking steps to implement the proposed recommendations. After the official notification, all the affected stakeholder institutions are engaged in a technical session to discuss progress and potential issues associated with the implementation of the recommendations.

The table highlights some of the key findings and recommendations, as well as status of implementation by the various affected institutions.

Table 7.1: Status of Implementation of GHEITI Recommendations on the Oil and Gas Sector
2016 Oil/Gas Report

SR N	FINDING S	RECOMMENDATIO N	RESPONSIBL E AGENCY	IMPLEMENTATI ON STATUS	REMARKS
1.	GNPC has engaged in several quasi-fiscal expenditures and transactions with other SOEs	GNPC should be reimbursed with all its QFEs advances as soon as possible. Where such reimbursements cannot happen in the short term, government should enter into repayment agreements to ensure that within a reasonable timeframe GNPC is able to access the money to ensure that it is able to use it for the purpose it was allocated in the first place.	Ministry of Energy Ministry of Finance	MoF claims it has paid the money in full No policy on QFEs as yet	Constitute a small delegation of MSG to hold periodic dialogues with the Ministries to ensure that these findings feed into high level policy discussions and decisions.

SR N	FINDING S	RECOMMENDATIO N	RESPONSIBL E AGENCY	IMPLEMENTATI ON STATUS	REMARKS
		Government should cease forthwith, the practice of urging GNPC to engage in quasi fiscal spending any time it needs to meet a contingency.			Hold further engagements on QFEs GHEITI to hold engagements with GNPC on potentially new QFEs
2.	Four IOCs' did not submit templates for the 2016 GHEITI Report.	MSG should investigate why some oil companies are refusing to participate in the reconciliation process	MSG	Tullow's issue has been resolved. Non-reporting was due to management transition during the reporting time. Data from Tullow for current report is ready and would be shared by Friday, 12 th Nov. 2021	Further engagements needed with the GUPC to rope in the other companies.
3.	GNPC did not provide information on data licence fees during	All government agencies are required to submit details of all receipts during the scoping phase of the assignment	MSG	GNPC has rectified the lapse in subsequent report	Implemente d

SR N	FINDING S	RECOMMENDATIO N	RESPONSIBL E AGENCY	IMPLEMENTATI ON STATUS	REMARKS
	preliminary information gathering.				
4.	GRA's Self-Assessment Policy does not require clear payment timelines by contractors hence causing undue delays in the payment of surface rentals.	GRA provides clear timelines for the payment of self-assessed surface rentals.	GRA	Surface rental payments have been addressed through the amendment of the regulation (L.I. 2381, regulation 5) to provide for specific timelines for the payment of surface rentals	
5.	As at the end of 2016 10 companies were in default of	GRA pursues these defaulters for settlement	GRA	There has been marked improvements in payments after the settlement of the territorial disputes.	GHEITI to follow-up to determine how much of the defaulted

SR N	FINDING S	RECOMMENDATIO N	RESPONSIBL E AGENCY	IMPLEMENTATI ON STATUS	REMARKS
	<p>surface rental payments amounting to GHS181,152,708</p>				<p>payments are surface rental and technology fees.</p> <p>PC to provide details on instances where Minister of Energy gave waivers to some companies.</p> <p>GHEITI to defer issue of pursuing outstanding payments from Oranto to Parliament – Mines and Energy Committee.</p>

Table 7.2: 2017/18 Oil/Gas Report

S/N	Finding	Recommendation	Responsible Institution	Implementation Status	Remarks
1	Under the Earmarked Funds, Capping and Realignment Act, 2017 (Act 947), should there be any realignment of funds by the Minister under the Act, the budget statement would stipulate weightings under the realignment. However, there was no provision for GIIF in 2018 but such weightings were absent in the 2018 and 2019 budget statements.	Future shortfalls should be explained thoroughly for the benefit of the entire public and for transparency's sake	MoF	Weightings exist but currently are not disclosed in the budget statement. GHEITI to follow up with the MoF on disclosures of weightings in subsequent budget statement	Similar unresolved issue from Finding '1' of 2017/18 Mining report.

S/N	Finding	Recommendation	Responsible Institution	Implementation Status	Remarks
2	<p>GNPC has been capped at 25percent of its approved allocation (up to 55% of CAPI) which further reduces its allocations to meet operational expenditure.</p> <p>This has the potential to deny the NOC of the available resources to finance critical exploration activities.</p> <p>This has the effect of undermining the ability of the corporation to wean itself from allocation of petroleum revenue by 2026.</p>	It is recommended that this issue is critically investigated.	MoF GNPC	Still remains	<p>Investigate effects of the capping on GNPC's operations and ability to respond to cash calls.</p> <p>Amount transferred is insufficient for GNPC to meet cash calls.</p> <p><u>Proposition:</u> MoF to meet with GNPC Management on the matter</p>
3	<p>There is lack of clarity on the relationship between GNPC and GNGC.</p> <p>Currently, GNPC claims responsibility for GNGC as a subsidiary and</p>	The Minister for Energy is entreated to address this issue for the benefit of transparency and	GNPC GNGC MoF MoEn	GNGC has been made an independent National Gas Aggregator by	

S/N	Finding	Recommendation	Responsible Institution	Implementation Status	Remarks
	indicates this on its website. However, GNGC does not recognize GNPC as a parent company on its website. Secondly, GNPC's financial statements do not reflect debts owed by GNGC	good corporate governance		a Cabinet decision.	
4	On 15 th December 2018, GNPC indicated that it received a letter from the Ministry directing that the \$50m loan to Ministry of Finance be expunged from its books, on the ground that per the Earmarked Funds Capping and Realignment Act, 2017 (Act 947), the Minister for Finance is empowered to cap all earmarked funds at twenty-five percent of tax revenues. This is viewed by some industry stakeholders as	GNPC and MOF should resolve this impasse for purposes of transparency.	MoF GNPC	MoF considers repayment through capping arrangement	There needs to be clarity and transparency around the terms of the loan and the repayment agreement.

S/N	Finding	Recommendation	Responsible Institution	Implementation Status	Remarks
	capricious on the part of MoF.				

Appendix 1: In-scope companies for 2020 Reconciliation Report

Company				Payment(US\$)	Weight%	Cumulative weight %
GNPC				340,836,575.80	49.7577	49.7577
Anadarko WCTP Company Limited				107,039,575.86	15.6264	65.3840
Tullow Ghana Ltd				72,477,522.65	10.5808	75.9648
Kosmos Energy Ghana HC				61,223,115.24	8.9378	84.9026
Eni Ghana Exploration & Production Ltd				45,074,764.79	6.5803	91.4829
Vitol				34,077,148.00	4.9748	96.4577
PetroSA Ghana Limited				13,566,644.47	1.9806	98.4383

Appendix 2: Out of Scope Companies. -2020 Reconciliation Report.

Lin: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=410:appendix-2-out-of-scope-companies-2020-reconciliation-report-oil-and-gas-sector&id=67:2020&Itemid=54

Appendix 3: Project Level Reporting.

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Ghana National Petroleum Corporation	GRA	Carried Interest	Y	Y	Jubilee Fields	USD	97,727,273
Ghana National Petroleum Corporation	GRA	Carried Interest	Y	Y	TEN Fields	USD	91,380,000
Ghana National Petroleum Corporation	GRA	Carried Interest	Y	Y	SGN Fields	USD	22,920,000
Ghana National Petroleum Corporation	GRA	Participating Interest	Y	Y	Jubilee Fields	USD	35,572,727
Ghana National Petroleum Corporation	GRA	Participating Interest	Y	Y	TEN Fields	USD	45,690,000

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Ghana National Petroleum Corporation	GRA	Participating Interest	Y	Y	SGN Fields	USD	7,640,000
Ghana National Petroleum Corporation	GRA	Royalty	Y	Y	Jubilee Fields	USD	7,015,484
Ghana National Petroleum Corporation	GRA	Royalty	Y	Y	TEN Fields	USD	7,213,500
Ghana National Petroleum Corporation	GRA	Royalty	Y	Y	SGN Fields	USD	19,166,000
Ghana National Petroleum Corporation	GRA	Surface Rental	Y	N		USD	
Ghana National Petroleum Corporation	GRA	Corporate Tax	N	N		USD	
Ghana National Petroleum Corporation	Petroleum Commission	Permit Fees	N	N		USD	

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Ghana National Petroleum Corporation	Petroleum Commission	Permit Renewal Fees	N	N		USD	
Ghana National Petroleum Corporation	Petroleum Commission	Training/Tech	Y	N		USD	5,000,000
Ghana National Petroleum Corporation	Petroleum Commission	Data Licence	Y	N		USD	
Ghana National Petroleum Corporation	GRA	Gas Revenue	Y	N		USD	
Tullow Ghana Limited	GRA	Carried Interest	N	N		USD	
Tullow Ghana Limited	GRA	Participating Interest	Y	N		USD	
Tullow Ghana Limited	GRA	Royalty	Y	Y	Jubilee Fields	USD	18,247,117

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Tullow Ghana Limited	GRA	Royalty	Y	Y	TEN Fields	USD	22,688,862
Tullow Ghana Limited	GRA	Surface Rental	Y	Y	Deepwater Tano	USD	67,206
Tullow Ghana Limited	GRA	Surface Rental	Y	Y	West Cape Three Points	USD	24,632
Tullow Ghana Limited	GRA	Corporate Tax	N	N		USD	31,409,391
Tullow Ghana Limited	Petroleum Commission	Permit Fees	N	N		USD	1,000
Tullow Ghana Limited	Petroleum Commission	Permit Renewal Fees	N	N		USD	-
Tullow Ghana Limited	GNPC	Training/Tech	Y	N		USD	250,000

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Tullow Ghana Limited	Petroleum Commission	Data Licence	Y	N		USD	30,000
Anadarko/OXY Petroleum	GRA	Carried Interest	Y	N		USD	
Anadarko/OXY Petroleum	GRA	Participating Interest	Y	N		USD	
Anadarko/OXY Petroleum	GRA	Royalty	Y	Y	Jubilee Fields	USD	12,382,853
Anadarko/OXY Petroleum	GRA	Royalty	Y	Y	TEN Fields	USD	8,175,300
Anadarko/OXY Petroleum	GRA	Surface Rental	Y	N		USD	
Anadarko/OXY Petroleum	GRA	Corporate Tax	N	N		USD	
Anadarko/OXY Petroleum	Petroleum Commission	Permit Fees	N	N		USD	

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Anadarko/OXY Petroleum	Petroleum Commission	Permit Renewal Fees	N	N		USD	
Anadarko/OXY Petroleum	Petroleum Commission	Training/Tech	Y	N		USD	
Anadarko/OXY Petroleum	Petroleum Commission	Data Licence	N	N		USD	
kosmos Energy Ghana HC	GRA	Carried Interest	Y	N		USD	
kosmos Energy Ghana HC	GRA	Participating Interest	Y	N		USD	
kosmos Energy Ghana HC	GRA	Royalty	Y	Y	Jubilee Fields	USD	12,382,858
kosmos Energy Ghana HC	GRA	Royalty	Y	Y	TEN Fields	USD	8,175,300
kosmos Energy Ghana HC	GRA	Surface Rental	Y	N		USD	

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
kosmos Energy Ghana HC	GRA	Corporate Tax	N	N		USD	40,639,336
kosmos Energy Ghana HC	Petroleum Commission	Permit Fees	N	N		USD	26,000
kosmos Energy Ghana HC	Petroleum Commission	Permit Renewal Fees	N	N		USD	
kosmos Energy Ghana HC	Petroleum Commission	Training/Tech	Y	N		USD	
kosmos Energy Ghana HC	Petroleum Commission	Data Licence	Y	N		USD	
kosmos Energy Ghana HC	GRA	Gas Revenue	Y	N		USD	
Eni Ghana Exploration & Production Ltd.	GRA	Carried Interest	Y	N		USD	
Eni Ghana Exploration & Production Ltd.	GRA	Participating Interest	Y	N		USD	

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Eni Ghana Exploration & Production Ltd.	GRA	Royalty	Y	Y	SGN Fields	USD	42,586,852
Eni Ghana Exploration & Production Ltd.	GRA	Surface Rental	Y	Y	Cape Three Points Block 4	USD	92,980
Eni Ghana Exploration & Production Ltd.	GRA	Surface Rental	Y	Y	Offshore Cape Three Points	USD	22,600
Eni Ghana Exploration & Production Ltd.	GRA	Corporate Tax	N	N		USD	
Eni Ghana Exploration & Production Ltd.	Petroleum Commission	Permit Fees	N	N		USD	
Eni Ghana Exploration & Production Ltd.	Petroleum Commission	Permit Renewal Fees	N	N		USD	
Eni Ghana Exploration & Production Ltd.	Petroleum Commission	Training/Tech	Y	N		USD	2,200,000

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Eni Ghana Exploration & Production Ltd.	Petroleum Commission	Data Licence	Y	N		USD	
Eni Ghana Exploration & Production Ltd.	GRA	Gas Revenue	Y	N		USD	
Vitol	GRA	Carried Interest	Y	N		USD	
Vitol	GRA	Participating Interest	Y	N		USD	
Vitol	GRA	Royalty	Y	Y	SGN Fields	USD	34,077,148
Vitol	GRA	Surface Rental	Y	N		USD	
Vitol	GRA	Corporate Tax	N	N		USD	
Vitol	Petroleum Commission	Permit Fees	N	N		USD	

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
Vitol	Petroleum Commission	Permit Renewal Fees	N	N		USD	
Vitol	Petroleum Commission	Training/Tech	Y	N		USD	
Vitol	Petroleum Commission	Data Licence	N	N		USD	
Vitol	GRA	Gas Revenue	Y	N		USD	
PetroSA Ghana Ltd	GRA	Carried Interest	Y	N		USD	
PetroSA Ghana Ltd	GRA	Participating Interest	Y	N		USD	
PetroSA Ghana Ltd	GRA	Royalty	Y	Y	Jubilee Fields	USD	1,401,694
PetroSA Ghana Ltd	GRA	Royalty	Y	Y	TEN Fields	USD	1,837,038

Company	Government Entity	Revenue Stream Name	Levied on Project (Y/N)	Reported by Project (Y/N)	Project Name	Reporting Currency	Reporting Value
PetroSA Ghana Ltd	GRA	Surface Rental	Y	N		USD	
PetroSA Ghana Ltd	GRA	Corporate Tax	N	N		USD	
PetroSA Ghana Ltd	Petroleum Commission	Permit Fees					
PetroSA Ghana Ltd	Petroleum Commission	Permit Renewal Fees					
PetroSA Ghana Ltd	Petroleum Commission	Training/Tech	Y	N		USD	
PetroSA Ghana Ltd	Petroleum Commission	Data Licence	N	N		USD	
PetroSA Ghana Ltd	GRA	Gas Revenue	Y	N		USD	

Appendix 4: Details of Reconciliation

COMPANY'S NAME: KOSMOS

TIN:

REPORTING PERIOD: 2020

No .	2020 Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved	
			Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final	Company	Government	Over	under
	OIL & GAS											
1	Carried Interest	GRA			0			0	0	0	0	-
2	Participating Interest	GRA			0			0	0	0	0	-
3	Royalty	GRA			0			0	0	0	0	-
4	Surface Rental	GRA			0			-	-	0	0	-
5	Corporate Tax	GRA	37,588,431	3,050,905	40,639,336	40,639,336		40,639,336	40,639,336	40,639,336	-	-
6	Permit Fees	PC	26,000		26,000			-	26,000	0	26,000	-
7	Permit Renewal Fees	PC			-			-	-	0	0	-
8	Training/Tech	PC/GN PC			-			-	-	0	0	-
9	Data Licence	PC			-			-	-	0	0	-
	TOTAL		37,614,431	3,050,905	40,665,336	40,639,336	-	40,639,336	40,665,336	40,639,336	26,000	-

COMPANY'S NAME: TULLOW

REPORTING PERIOD: 2020

TIN:

No.	2020 Revenue Stream	Paid To	Company		Government			Final Amounts		Unresolved	Over	under
			Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final	Company			
	OIL & GAS											
1	Carried Interest	GRA			0			0	0	0	0	-
2	Participating Interest	GRA			0			0	0	0	0	-
3	Royalty	GRA			0			0	0	0	0	-
4	Surface Rental	GRA	77,725	14,113	91,838		91,838	91,838	91,838	0.41		-
5	Corporate Tax	GRA	31,409,391		31,409,391		31,409,391	31,409,391	31,409,391	-		-
6	Permit Fees	PC	1,000		1,000		-	1,000	-	1,000		-
7	Permit Renewal Fees	PC					-	-	-	-		-
8	Training/Tech	PC/GN PC	250,000		250,000		250,000	250,000	250,000	-		-
9	Data Licence	PC	30,000		30,000		-	30,000	-	30,000		-

2020	Company			Government			Final Amounts		Unreso lved		
TOTAL		31,768, 116	14,113	31,782,2 29	31,751,22 9	-	31,751,2 29	31,782,229	31,751,2 29	31,000	-

COMPANY'S NAME: GNPC

TIN:

REPORTING PERIOD: 2020

No.	2020		Company			Government			Final Amounts		Unresolved	
	Revenue Stream	Paid To	Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final	Company	Government	Over	under
	OIL & GAS											
1	Carried Interest	GRA	212,024,899		212,024,899	212,024,899		212,024,899	212,024,899	212,024,899	0	-
2	Participating Interest	GRA	88,901,732		88,901,732	88,901,732		88,901,732	88,901,732	88,901,732	0	-
3	Royalty	GRA	195,359,565		195,359,565	195,359,566		195,359,566	195,359,565	195,359,566		(1)

	2020		Company		Government			Final Amounts		Unresolved	
4	Surface Rental	GR A			-			-	-	0	-
5	Corporate Tax	GR A			-			-	-	0	-
6	Permit Fees	PC			-			-	-	0	
7	Permit Renewal Fees	PC			-			-	-	0	
8	Training/Tech	GN PC/ PC		5,000,000	5,000,000	5,000,000		5,000,000	5,000,000		-
9	Data Licence	PC			-			-	-	0	
	TOTAL		496,286,196	5,000,000	501,286,196	501,286,197	-	501,286,196	501,286,197		-
											(0.82)

COMPANY'S NAME: ENI GHANA E&P

TIN:

REPORTING PERIOD: 2020

No.	2020	Paid To	Company			Government			Final Amounts		Unresolved	Under
	Revenue Stream		Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final	Company	Government	Over	
	OIL & GAS											
1	Carried Interest	GR A			0			0	0	0	0	-
2	Participating Interest	GR A			0			0	0	0	0	-
3	Royalty	GR A			0			0	0	0	0	-

	2020		Company			Government			Final Amounts	Unr esol ved			
4	Surface Rental	GR A	115,580		115,580	115,580			115,580	115,580	115,580	-	-
5	Corporate Tax	GR A			0				0	0	0	-	-
6	Permit Fees	PC			0				0	0	0	-	-
7	Permit Renewal Fees	PC			0				0	0		-	-
8	Training/Tec h	PC/ GN PC	2,200,000		2,200,000	2,200,000			2,200,000	2,200,000	2,200,000	-	-
9	Data Licence	PC/ GN PC			-				-	-	-	-	-

	2020	Company			Government			Final Amounts		Unresolved	
	TOTAL		-		###	###	###	2,31	###	-	-
		2,315,580		2,315,580	2,315,580.00	-	###	5,58	###		
							##	0	#		

7.4 Review of the Outcomes and Impacts of EITI Implementation

Extractive sector data is disclosed systematically through routine government and corporate reporting.

GHEITI undertook a mainstreaming feasibility study of reporting institutions and companies which clearly identified information already being systematically disclosed, as well as gaps on their websites. An action plan has been developed and GHEITI plans to engage all the reporting institutions to take the necessary steps to implement it.

There is an enabling environment for citizens' participation in extractive sector governance, including participation by the affected communities and vulnerable groups such as women and persons with disability.

GHEITI, as part of its outreach activities captured in the 2022 annual work plan, engaged various stakeholders at the regional and sub-national levels including communities within the mining and oil/gas enclaves, to discuss the 2019 reports, as well as obtained feedback from them. Over 500 people directly participated in these stakeholder engagements and an estimated number of 22,000 indirectly via local radio discussions. Feedback received from stakeholders and communities is usually used to strengthen EITI implementation and feed into the workplan for the following year.

Also, GHEITI, in collaboration with the International EITI Secretariat and the Centre for Extractive Development Africa (CEDA), engaged sub-national stakeholders to discuss the report on Ghana's energy transition and critical minerals. This platform provided information on how the energy transition will impact the livelihood of the locals as well as how they could take advantage of the opportunities the transition presents.

EITI and its impact on policies and practices in the extractive sector

GHEITI, through its annual reports and policy briefs prepared by the MSG periodically on topical issues have influenced a wide range of policy and fiscal reforms in Ghana's extractive sector. Some of the GHEITI's inspired reforms include changes of mineral royalty from 3 - 6 percent to a fixed rate of 5 percent, ongoing discussions with Government to reform the treatment of Government's 10 percent free carried in the mining sector, review of the Capital Allowance regime, among others.

GHEITI has also collaborated with the Office of the Registrar of Companies (ORC) and other state and non-state actors on the implementation of Beneficial Ownership Disclosure in Ghana. For instance, GHEITI made technical input into the draft Companies Bill to strengthen its BO provision; supported the development of BO guidance notes and reporting template, among others.

How feedback from stakeholders beyond MSG have been considered in the review of the outcomes and impact of EITI implementation

Some of the ways feedback from stakeholders beyond MSG members have been considered in the review of the outcomes and impact of EITI implementation are as follows:

- Sharing the Annual Progress Report with external stakeholders for their feedback on the work of GHEITI;
- Feedback from presentations made at public events and fora; and
- Feedback from publications based on GHEITI's data.

Date of MSG approval of this submission and information on how the public can access it, e.g. link to national EITI website

Date of MSG Approval: 30th December 2022

Link to National EITI website: www.gheiti.gov.gh

