

PATHWAYS TO ENERGY TRANSITION

Ghana

Ghana intends to conditionally reduce its greenhouse gas (GHG) emissions by at least 45% by 2030. The country’s nationally determined contributions (NDCs) under the Paris Agreement outline two main goals relating to the energy transition: scaling up renewable energy penetration by 10% by 2030; and scaling up 120 million standard cubic feet (MSCF) natural gas replacements of light crude oil for electricity generation in thermal plants.

These targets signal a step change in how Ghana intends to manage its petroleum and energy sectors. Data and multi-stakeholder dialogue will be key to inform sustainable transition pathways and monitor climate commitments.

60%

Percentage of national energy that can be generated from natural gas from the Sankofa Field¹

How EITI data and dialogue can be used

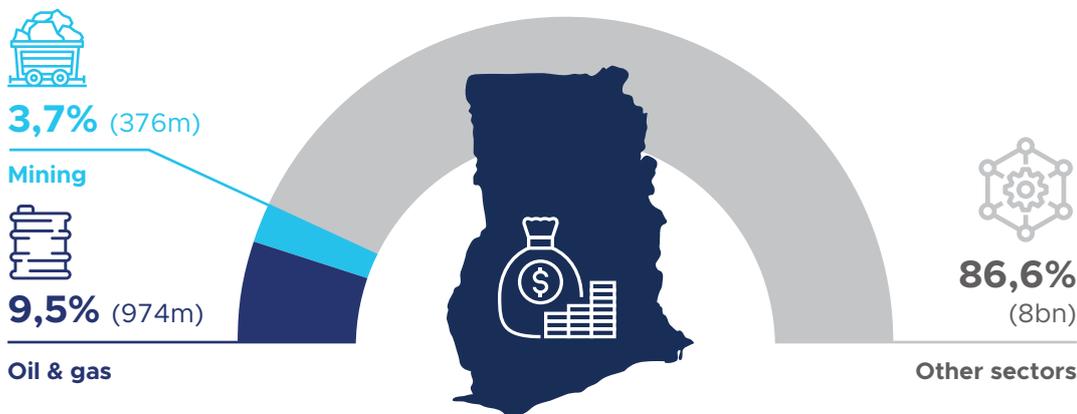
Data reported through the EITI can serve as an entry point to inform debate and policymaking related to Ghana’s climate targets. EITI data-driven forecasting can help to understand the potential benefits, address the economic implications of the energy transition and provide evidence for policymakers to manage risks and leverage opportunities.

Issue	Key questions for debate and analysis	Data reported through the EITI
<p>Revenue resilience and optimisation</p>	How much government revenue is Ghana’s petroleum sector expected to generate, and how will these revenues be affected under different transition scenarios?	Comprehensive disclosure of taxes and revenues (Requirement 4.1) Revenue management and expenditures (Requirement 5.3)
<p>Public finance at risk</p>	How much public finance is invested in the extractive industries (including assets and liabilities)? Are state-owned enterprises prepared to adapt to the transition?	State participation (Requirement 2.6) Transactions related to state-owned enterprises (Requirement 4.5)
<p>Energy transition policies</p>	Is the government taking measures to secure opportunities and address associated governance challenges related to critical minerals and clean energy exploration, production and exports?	Legal framework and fiscal regime (Requirement 2.1)

1 Energy For Growth Hub, “Economic Benefits Of Natural Gas Production: The Case Of Ghana’s Sankofa Gas Project”, <https://www.energyforgrowth.org/memo/economic-benefits-of-natural-gas-production-the-case-of-ghanas-sankofa-gas-project/>.

Ghana's extractive sector in numbers

Extractive sector contribution to government revenue (USD, 2018)⁴



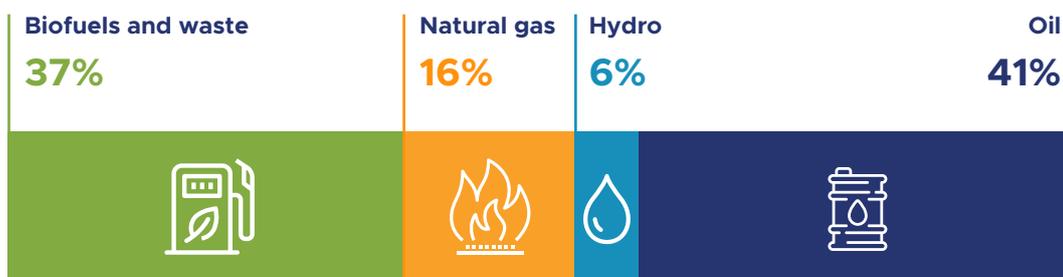
7%

Contribution of petroleum sector to national GDP in 2018²

USD 120m

Value of petroleum subsidies in 2020³

Total energy supply (by source, 2019)⁵



Laws and policies

National Climate Change Policy, 2013

Strategic National Energy Plan (SNEP) 2006-2020, 2006

National Energy Policy, 2010

National Climate Change Adaptation Strategy, 2012

Renewable Energy Act, 2011 & Renewable Energy (Amendment) Act 2020 (Act 1045)

ENERGY TRANSITION IN ACTION

The Sankofa Gye Nyame (SGN) gas project

To reduce greenhouse gas emissions from energy generation, the Government of Ghana – with backing from the International Finance Corporation (IFC) in partnership with energy companies Vitol and Eni – funded the construction and operation of the Sankofa Gye Nyame (SGN) gas project in 2015.⁶ Operated by Eni, Vitol and the Ghana National Petroleum Corporation (GNPC), the SGN is the largest domestic consumption gas-producing field in Africa. In 2020, 98% of Ghana's thermal power was generated from gas, and more than half of this came from the SGN.⁷

The SGN project directly contributes to Ghana's commitment to scale up natural gas replacement of light crude oil for electricity generation. Government, company and civil society stakeholders represented on Ghana's EITI multi-stakeholder group could use the EITI platform and data to assess the progress of the SGN project and to track progress in government plans to use natural gas as a transitory fuel.

2 Ghana EITI, *Final Report for 2017 & 2018: Oil and Gas Sector*, <https://eiti.org/document/ghana-2017-2018-oil-gas-sector-report>.

3 International Energy Agency, "Energy Subsidies", <https://www.iea.org/topics/energy-subsidies>.

4 Ghana EITI, 2018 EITI Summary Data for *Final Report 2017 & 2018: Oil and Gas Sector* and *Final Report 2017 & 2018: Mining Sector*, https://www.gheti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=49:2018&Itemid=54.

5 International Energy Agency, "Ghana", <https://www.iea.org/countries/ghana>.

6 International Finance Corporation, "Vitol Sankofa", <https://disclosures.ifc.org/project-detail/SII/36378/vitol-sankofa>.

7 Eni, "OCTP: Oil and Gas off The Coast of Ghana", <https://www.eni.com/en-IT/operations/ghana-octp.html>.