



# PIAC

**Press Release**

**21<sup>st</sup> May 2024**

## **PUBLICATION OF 2023 ANNUAL REPORT**

The Public Interest and Accountability Committee (PIAC) has published the 2023 Annual Report on the management and use of petroleum revenues on its website [www.piacghana.org](http://www.piacghana.org). This is in fulfilment of Section 56 of the Petroleum Revenue Management Act (PRMA), 2011 (Act 815).

The Committee, with an oversight of the management and use of the country's petroleum revenues, prepares and publishes Statutory Reports every six months to inform Ghanaians and other stakeholders about the management and utilisation of the country's petroleum revenues. Since its establishment, the Committee has published a total of 25 Reports – 12 Semi-Annual and 13 Annual.

The 2023 Annual Report covers the period January to December 2023 and includes a broad range of issues relating to petroleum revenue management such as information on production, liftings, total revenues accruing and allocation by Government, ABFA utilisation, and the management of the funds set aside in the Ghana Petroleum Funds (Ghana Stabilisation Fund and the Ghana Heritage Fund). The Report also examines other issues pertinent to the performance of various institutions charged with responsibilities in the PRMA, including PIAC.

### **KEY FINDINGS**

The following are some of the key findings of the Report:

- Crude oil production declined for the fourth consecutive year in 2023. Production dropped from a high of 71.44 million barrels in 2019 to 48.25 million barrels in 2023 representing an annual average decline of 9.2 percent.
- The total proceeds from JOHL liftings received in 2023, amounting to US\$70,456,718.93, were not paid into the PHF for the second consecutive year. This brings the cumulative proceeds of unpaid revenue into the PHF by JOHL to US\$343,108,927.88 as at end of 2023.



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- An ABFA amount of US\$108,750,000 was disbursed to the GIIF-SPV Viability Fund for the Accra-Tema Motorway Extensions Project in 2023, instead of GIIF. The Committee finds the transfer of funds to be contrary to Section 21(4)(b) of the PRMA.
- An amount of US\$24,298,598.18 (GH¢270,907,662.28), representing 5 percent of the 2023 ABFA, was disbursed to the DACF in compliance with the decision of the Supreme Court of Ghana in the case of Kpodo and Another vrs Attorney General in 2019, to transfer at least 5 percent of the ABFA to the Fund.
- The Annual Budget Funding Amount disbursed to support the Government's Agenda 111 project was GH¢758,975,487.29 in 2023. The ABFA component (GH¢1,708,287,215.59) of the total expenditure (GH¢2,618,287,215.59) on the Project since its inception is 65.24 percent.
- Surface Rental owed by IOCs remain high at US\$2,738,365.29 as at the end of 2023.
- Allocation and disbursements of annual ABFA to the Industrialisation Priority Area has reduced from 1.15% in 2020 to 0.11% in 2023, thereby undermining the essence of prioritisation.

## OBSERVATIONS

- GNGLC's indebtedness to GNPC continues to rise despite the use of the Cash Waterfall Mechanism to address the legacy debts. This trend, if not mitigated, could impair the operational viability of GNGLC.

## RECOMMENDATIONS

- Government and the relevant regulatory bodies should take the appropriate steps to reverse production decline in existing fields and ensure investments in unexploited fields.
- PIAC reiterates its position that proceeds from liftings of JOHL and other subsidiaries of GNPC constitute petroleum revenues within the meaning of Section 6(e) of the Petroleum Revenue Management Act, 2011 (Act 815) and Section 2 of the Petroleum



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Revenue Management (Amendment), 2015 (Act 893), and therefore must be paid into the PHF.

- The Committee recommends that the ABFA of US\$108,750,000 that was transferred into the Viability Gap Facility Account should be transferred to GIIF. The Committee further recommends that future disbursements towards the Accra-Tema Motorway Extensions Project be made to GIIF in accordance with the provisions of the PRMA.
- The Ghana Revenue Authority (GRA) needs to intensify its efforts to recover the Surface Rental arrears with the usual default penalties applied.
- PIAC restates its recommendation that the selection of the ABFA Priority Areas must be guided by a long-term national development plan approved by Parliament in conformity with the Act.
- The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation by the amount of ABFA disbursed to the Industrialisation Priority Area.

The Committee urges the public to get a copy of the Report, and provide feedback via; [secretariat@piacghana.org](mailto:secretariat@piacghana.org), +233 (0) 302 547 765, 0554416544 (WhatsApp), or any of our social media handles.

**Signed**

**Chair, PIAC**

## ***About PIAC***

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



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## Media Contacts

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