



PIAC



2023 ANNUAL REPORT

ON THE MANAGEMENT AND USE OF PETROLEUM REVENUES



PIAC

ANNUAL REPORT ON THE MANAGEMENT AND USE OF PETROLEUM REVENUES JANUARY - DECEMBER 2023

ABOUT THIS REPORT

The 2023 Annual Report is in fulfilment of PIAC's statutory obligation under the Petroleum Revenue Management Act, 2011 (Act 815), as amended by Act 893, to publish Semi-Annual and Annual Reports. This Report is a reconciliation of data supplied by stakeholder institutions, and an independent assessment of the collection, management, and use of the country's petroleum revenues.

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List of Abbreviations

ABFA	Annual Budget Funding Amount
AFC	African Finance Corporation
AG	Associated Gas
AGPP	Atuabo Gas Processing Plant
BBL	Barrel
BoG	Bank of Ghana
BOST	Bulk Oil Storage and Transportation Company Limited
BR	Benchmark Revenue
BTU	British Thermal Units
BRENT	Broom, Rannoch, Etive, Ness and Tarbert
CAPI	Carried and Participating Interest
CHPS	Community Health Planning and Services
CIT	Corporate Income Tax
COLA	Crude Oil Lifting Agreement
COVID-19	Corona Virus Disease 2019
CPI	Consumer Price Index
CSI	Corporate Social Investment
CSO	Civil Society Organisation
CTP	Cape Three Points
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DWCTP	Deepwater Cape Three Points
DWT	Deepwater Tano
DWT/CTP	Deepwater Tano Cape Three Points
E&P	Exploration and Production
EC	Energy Commission
ECG	Electricity Company of Ghana Limited
EIA	Energy Information Administration
EITI	Extractive Industries Transparency Initiative
EK	East Keta

ENI	Ente Nazionale Idrocarburi (Ghana E&P Limited)
FDN	Final Demand Notices
FOREX	Foreign Exchange
FPSO	Floating Production Storage and Offloading Unit
FY	Full Year
GCP	Genser Conditioning Plant
GDP	Gross Domestic Product
GESDI	Ghana Education Staff Development Institute
GHEITI	Ghana Extractive Industries Transparency Initiative
GHF	Ghana Heritage Fund
GIIF	Ghana Infrastructure Investment Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GNGLC	Ghana National Gas Limited Company
GNPC	Ghana National Petroleum Corporation
GNPCF	Ghana National Petroleum Corporation Foundation
GNT	Ghana Negotiation Team
GoG	Government of Ghana
GOIL	Ghana Oil Company Limited
GovID	Governance for Inclusive Development
GPF	Ghana Petroleum Funds
GPWF	Ghana Petroleum Wealth Fund
GRA	Ghana Revenue Authority
GRRS	Genser Receiving and Regulatory Station
GSA	Gas Sales Agreement
GSF	Ghana Stabilisation Fund
H1	First Half-year
HFO	Heavy Fuel Oil
ICT	Information and Communications Technology
IFEJ	Institute of Financial and Economic Journalists
IOC	International Oil Company
ITLOS	International Tribunal for the Law of the Sea
JOHL	Jubilee Oil Holdings Limited
JSE	Jubilee South-East
JV	Joint Venture
JVC	Joint Venture Company

KEGIN	Kosmos Energy Ghana Investments
LCC	Local Content Committee
LEKMA	Ledzokuku Municipal Assembly
LI	Legislative Instrument
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LPGC	Low-Pressure Gas Compression
MATS	Military Academy and Training School
MBSP	Maritime Boundary Special Project
MDA	Ministries, Departments and Agencies
MF	Multi-functional
MMBtu	Million British Thermal Units
MMSCF	Million Standard Cubic Feet
MoEn	Ministry of Energy
MoF	Ministry of Finance
MoFA	Ministry of Food and Agriculture
MT	Metric Tonne
MUG	Make-Up Gas
NAG	Non-Associated Gas
NGCH	Natural Gas Clearinghouse
NGTU	Natural Gas Transmission Utility
NOC	National Oil Company
OCTP	Offshore Cape Three Points
OECD	Organisation for Economic Co-operation and Development
OPCO	Operating Company
OPEC	Organisation of Petroleum Exporting Countries
ORF	Onshore Receiving Facility
OSWT	Offshore South-West Tano
P&A	Plugging and Abandonment
PA	Petroleum Agreement
PC	Petroleum Commission
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PNDCL	Provisional National Defense Council Law
PoD	Plan of Development

PPI	Producer Price Index
PRMA	Petroleum Revenue Management Act
PRMS	Prestea Regulatory and Metering Station
PURC	Public Utilities Regulatory Commission
SDWT	South Deepwater Tano
SECO	State Secretariat for Economic Affairs of Switzerland
SGN	Sankofa Gye-Nyame
SOE	State-Owned Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
STEO	Short-Term Energy Outlook
TEN	Tweneboa-Enyenra-Ntomme
TGL	Tullow Ghana Limited
TOR	Tema Oil Refinery
TRMS	Takoradi Regulating & Metering Station
TTMS	Technology Transfer Monitoring System
UNCITRAL	United Nations Commission on International Trade Law
VRA	Volta River Authority
WAPCO	West African Gas Pipeline Company Limited
WCTP	West Cape Three Points
WEO	World Economic Outlook
WI	Water Injection
WTI	West Texas Intermediate

Foreword

The Report highlights the crucial importance of transparency and accountability in the management and use of petroleum revenues, and how PIAC acts as a watchdog to ensure the prudent use of these revenues for the benefit of all citizens.

The Petroleum Revenue Management Act, 2011 (PRMA), (Act 815), established the Public Interest and Accountability Committee (PIAC), which is hinged on principles of transparency and accountability. As part of its mandate, PIAC has a statutory obligation to publish two reports each year, a Semi-annual and an Annual Report. The report stems from the analysis of data from institutions with reporting requirements and highlights key issues that need to be addressed. Data were collated from institutions such as the Ministry of Finance (MoF), Bank of Ghana (BoG), Ministry of Energy, Petroleum Commission (PC), the Ghana National Petroleum Corporation (GNPC), and the Ghana National Gas Limited Company (GNGLC). Others are the Ghana Revenue Authority (GRA), GNPC Foundation (GNPCF), Energy Commission (EC), District Assemblies Common Fund (DACF), Ghana Infrastructure and Investment Fund (GIIF), and International Oil Companies (IOCs) like Tullow, Kosmos and ENI.

This 2023 Annual Report is the 25th Report published and covers the period from January to December 2023. The publication is a testament to PIAC's commitment to providing the public with access to information regarding the management and utilisation of petroleum revenues. It presents key information relating to petroleum production, liftings, total revenues accruing and allocation by the Government, and the management of the funds set aside in the Ghana Petroleum Funds. The Report also examines other issues pertinent to the performance of various institutions charged with responsibilities in the PRMA, including PIAC.

PIAC expects that this report will not only provide you with information on how petroleum revenues have been managed and utilised but also ignite interest in ensuring that these revenues enrich the lives of both current and future generations.

We urge the public to continue to follow us for more insights into developments in the petroleum revenue management arena. While this publication provides a useful reference point for the year, we envisage that the public will read the Report, and provide feedback via; secretariat@piacghana.org, +233 (0) 302 547 765, 0554416544 (WhatsApp), or any of our social media handles.

Emerita Professor Elizabeth Ardayfio-Schandorf, FGA

PIAC Chair

Executive Summary

The 2023 PIAC Annual Report reconciles and analyses information as well as data from key stakeholder institutions. The data relates to the exploitation of hydrocarbon resources and associated revenues and expenditures as mandated by the PRMA. The Report also includes inputs from relevant stakeholder institutions.

DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

Activities in the upstream petroleum industry of Ghana were slow during the period under review. This may be due to the slow nature of the resumption of activities after the restrictions by COVID-19. The Minister for Energy granted extensions to the planned drilling activities initially scheduled for 2022. As far as investments in Ghana's upstream petroleum industry is concerned, GOIL Upstream Ltd started discussions with Planet One Oil and Gas Co. Ltd. regarding the DWTCTP block.

The Jubilee South-East project was completed and brought on stream, within the Greater Jubilee Field. About 30,000 barrels of oil were added to the existing daily Jubilee production to ensure a sustained target production above 100,000 barrels per day.

Observation

- There was no Petroleum Agreement signed in 2023. The last Petroleum Agreement was signed in 2018.

PETROLEUM PRODUCTION AND SALES

For the year 2023, a total of 48,247,036.61 barrels (bbls) was produced from the three producing fields; Jubilee - 30,444,217 bbls (63%); TEN - 6,716,278 bbls (14%) and SGN 11,086,541.61 bbls (23%). For raw gas, a total of 255,171.97 MMSCF was produced in 2023 from the SGN Field (127,203.02 MMSCF, 50%), Jubilee (77,900.05 MMSCF, 30%) and TEN Fields (50,068.90 MMSCF, 20%). The average achieved price by the Ghana Group for all three (3) producing fields during the period under review was US\$78.067/bbl.

Finding

- 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.

Recommendation

Government and the relevant regulatory bodies should take the appropriate steps to reverse production decline in existing fields and ensure investments in unexploited fields.

REVENUE COLLECTION AND MANAGEMENT

The total revenue that was paid into the Petroleum Holding Fund (PHF) during the period under review was US\$1,062,323,419.12, representing a 25.65 percent decrease from that of 2022. Carried and Participating

Interest (CAPI) continues to be the biggest contributor with 44.31 percent, followed by Corporate Income Tax (CIT) and Royalties with 34.38 percent and 20.67 percent respectively.

Findings

- 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.

Recommendation

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

- Surface Rental owed by IOCs remain high at US\$2,738,365.29 as at the end of 2023.

Recommendation

The Ghana Revenue Authority (GRA) needs to intensify its efforts to recover the Surface Rental arrears with the usual default penalties applied.

ALLOCATION AND UTILISATION OF PETROLEUM REVENUE

Total actual petroleum receipts for the period paid into the PHF was US\$1,062,323,419.12. This was distributed with GNPC receiving US\$245,588,510.58, ABFA - US\$485,971,963.64, and the GPFs - US\$330,579,098.26. On expiry of the Priority Areas for 2020 to 2022, new Priority Areas were selected for the utilisation of the ABFA for the period 2023 to 2025. The selection of Priority Areas every three (3) years has become necessary because of the absence of a long-term national development plan approved by Parliament.

Observation

- Since the coming into force of the PRMA in 2011, the use of the ABFA has been guided by a medium-term development strategy, without a long-term national development plan approved by Parliament.

Recommendation

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.

Findings

- The Annual Budget Funding Amount disbursed to support the Agenda 111 project was GH¢758,975,487.29 in 2023. This brings the total ABFA contribution to the Project to GH¢1,708,287,215.59, amounting to 65.24 percent of the total spending on the project, which is GH¢2,618,287,215.59.
- 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.

Recommendation

The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation by the amount of ABFA disbursed to the Industrialisation Priority Area.

- 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.

Recommendation

While it is commendable that the Ministry of Finance disbursed five (5) percent of the ABFA to the DACF, the Committee urges the Ministry to ensure that subsequent disbursements to the DACF meet the minimum requirements of five (5) percent of the ABFA.

- About 54 percent of the ABFA disbursed to the District Assemblies Common Fund was used for Goods and Services (recurrent expenditure), contrary to Section 21(4)(a) of the PRMA, as amended, which provides that not more than 30 percent of the ABFA shall be used for Goods and Services.

Recommendation

The Committee urges the Ministry of Finance to ensure that the ABFA disbursed to DACF is utilised in accordance with the provisions of the PRMA.

- 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.

Recommendation

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.

- An amount of GH¢297,035,604.60, representing 5.48 percent of the ABFA for 2023, was not utilised during the period under review.

Recommendation

The Committee urges the Ministry of Finance to fully use the unutilised funds in accordance with the PRMA, and subsequently account for these funds in 2024.

MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS

The GPFs received an amount of US\$330,579,098.26, with the Ghana Stabilisation Fund receiving US\$231.36 million (70%) and the Ghana Heritage Fund receiving US\$99.16 million (30%).

Observation

- The reserves of the GHF increased by 13.96 percent whilst the GSF reserves went up by 32.52 percent, despite withdrawals. The combined effect on the GPFs was a 16.47 percent increase from US\$1,061.89 million in 2022 to US\$1,236.76 million in 2023.

Finding

- The retention of the current cap of US\$100 million on the GSF for the year 2023 did not follow the formula stipulated in L.I. 2381. A proper application of the formula would have returned a cap of US\$581.05 million. The current cap does not help build the Fund to serve its purpose.

Recommendation

The Committee reiterates that, in approving Appropriation, Parliament should take into consideration Regulation 8 of L.I 2381, with regards to the cap on the GSF.

GNPC ALLOCATION AND UTILISATION

GNPC received an amount of US\$269.76 million as its share of crude oil proceeds during the period under review, representing a 13.42 percent decline over that of 2022. Of the 2023 receipts, US\$148.63 million was in respect of Level A and US\$121.13 million for Level B.

Observations

- The fact that GNPC recovered an amount of US\$68,153,216.63 from BOST indebtedness, which dates as far back as 2015, is commendable.
- The ECG-BG Related Charges of approximately US\$5 million to GNPC have been in the books of the Corporation since 2015. Therefore, the Committee urges ECG to settle this and any other outstanding debts owed GNPC by other State-Owned Enterprises (SOEs) as soon as practicable.

Finding

- Development and Production costs continue to be significantly high in the TEN Field while production remains low by more than three (3) million barrels, as compared to SGN even though there is no drilling in both Fields.

Recommendation

GRA and the Petroleum Commission should intensify audit of Development and Production costs in the TEN and other producing fields.

OPERATIONS OF GNGLC

The Ghana National Gas Limited Company (GNGLC) received a total volume of 35,690.20 MMSCF of raw gas from the Jubilee and TEN Fields from the Ghana National Petroleum Corporation (GNPC) in 2023, as compared to 39,663 MMSCF in 2022. Raw gas received by GNGLC was processed into Lean Gas, Liquefied Petroleum Gas (LPG), and Condensates. The GNGLC received US\$271,493,365.62 as payments from the sale of LPG, Lean Gas, and Stabilised Condensates produced in 2023.

Observation

- 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.

CHAPTER 1

INTRODUCTION

1.1 Background

Economies endowed with hydrocarbon resources have a responsibility to ensure the prudent management and utilisation of such resources as revenues from the extraction of these resources may constitute a significant portion of fiscal revenue.

Utilising these resources in a way that ensures sustainable economic development, reduces poverty, and promotes social welfare underpin policy formulation on petroleum revenue management.

Ghana's Petroleum Revenue Management Act (PRMA), 2011, Act 815 (as amended), enacted at the start of commercial oil production, serves as the guiding statute to guarantee that revenues from the oil and gas sector are allocated and utilised in a way that benefit all citizens.

To ensure an extra layer of oversight, Section 51 of Act 815 established the Public Interest and Accountability Committee (PIAC), to among others, monitor and evaluate compliance with provisions in the Act. Section 56 of the Act also gave the Committee a reporting mandate to publish two statutory reports - Semi-annual and Annual- on the management and use of petroleum revenues each year.

This 2023 Annual Report covers the period January to December 2023. It is the 13th Annual Report, and the 25th Report in the series of PIAC's statutory publications.

The Report provides an account of how petroleum revenues were managed and utilised within the period under review.

The report is shared with the Executive, Parliament, and key stakeholders including the International Oil Companies (IOCs), Civil Society Organisations (CSOs), development partners, the media, and the public.

The yearly publication of PIAC Reports is essential for promoting transparency, accountability, and public participation in the management and use of petroleum revenues.

By reporting on how petroleum revenues are being invested in infrastructure, social services, education, and other development projects, citizens can understand and appreciate the impact of these investments on their communities and the broader economy.

1.2 Scope

This Report:

- Provides updates on the implementation of PIAC's previous recommendations;
- Examines developments in the upstream petroleum industry;
- Analyses oil and gas production and liftings;
- Provides information on revenues allocated to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA), and the Ghana Petroleum Funds (GPFs) in line with the sharing mechanism in Act 815;
- Discusses how the allocated petroleum revenues have been utilised;
- Focuses on the use of petroleum revenues allocated to the Ghana National Petroleum Corporation (GNPC) and the operations of the Ghana National Gas Limited Company (GNGLC);
- Analyses the performance of the Ghana Petroleum Funds;
- Provides information on PIAC's project inspections and other activities; and,
- Examines accountability issues and best practices in petroleum revenue management, draws conclusions based on its analysis, and provides recommendations for policymakers, practitioners, and stakeholders involved in the governance of petroleum resources.

1.3 Methodology

The following methods were employed for this Report:

- Qualitative analysis: This involved the analysis and reconciliation of data received from PIAC's reporting institutions;
- Stakeholder engagements, interviews, and validation meetings.

The key stakeholder institutions are as follows:

- Ministry of Finance (MoF)
- Ministry of Energy (MoEn)
- Bank of Ghana (BoG)
- Petroleum Commission (PC)
- Ghana Revenue Authority (GRA)
- Ghana National Petroleum Corporation (GNPC)
- GNPC Foundation (GNPCF)
- Energy Commission (EC)
- Ghana National Gas Limited Company (GNGLC)
- Ghana Infrastructure Investment Fund (GIIF)
- District Assemblies Common Fund (DACF)
- International Oil Companies (IOCs) - Tullow, Kosmos and ENI
- This Report uses various visual tools such as tables, charts and graphs to communicate the findings and outcomes of the data analysed.

CHAPTER 2

UPDATE ON IMPLEMENTATION OF PREVIOUS RECOMMENDATIONS

Introduction

This chapter provides an update on PIAC's recommendations in previous reports and progress on their implementation.

Sixty-two (62) recommendations have been made by PIAC since inception. Out of this, 23 (representing 37 percent) have been implemented by the relevant institutions. These include:

- The restoration of disbursements to the Ghana Infrastructure Investment Fund (GIIF) from the ABFA, through the enactment of the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063).
- The District Assembly Common Fund, in collaboration with the Ministry of Finance has in 2022, commenced reporting to PIAC on funds received from the ABFA, as recommended in the Committee's 2021 Annual Report.
- The passage of the PRMA Regulations, 2019 (L.I. 2381) to complement the PRMA.
- The reversal of funds wrongfully lodged into GRA's accounts.

Table 1 presents selected findings and recommendations from previous PIAC reports and indicates actions taken.

Table 1: Update on PIAC Recommendations

Finding	Recommendation	Responsibility	Status	Comment
<p>1. Decommissioning of Saltpond Field (Refer to Pg. 65 of 2014 PIAC Annual Report)</p> <p>The delay in decommissioning the Saltpond Field has become a liability in the books of GNPC.</p>	<p>GNPC should as a matter of urgency complete the decommissioning of the Saltpond Field as the cost of funding skeletal staff in Saltpond Offshore Producing Company Limited (SOPCL) is not a judicious use of resources.</p>	<p>GNPC/MoEn / PC/MoF</p>	<p>As at the end of December 2023, all six (6) wells had been successfully plugged and abandoned. The Contractor has successfully completed all nine contractual milestones under the P&A phase, and the Trident VIII rig used for the P&A operations had completed its work on May 2023 and was subsequently demobilised in June 2023.</p>	<p>PIAC commends the GNPC and other partners for the progress made towards the implementation of this recommendation. However, we urge them to expedite the full completion of the exercise.</p>

Finding	Recommendation	Responsibility	Status	Comment
2. GNPC Expenditure on the Ghana Maritime Boundary Dispute (Refer to Pg. 61 of 2017 PIAC Annual Report)	<p>The International Tribunal on the Law of the Sea (ITLOS) dispute was between two sovereign States and not between a sovereign State and a National Oil Company (NOC), for which reason it was wrong to have used GNPC's resources to settle the cost of the litigation. The amount of US\$3.8 million spent by GNPC on the litigation should therefore be refunded to GNPC.</p>	GNPC/MoF	<p>US\$3.8 million spent by GNPC on the Maritime Boundary Dispute in 2017 has still not been refunded to GNPC. GNPC states that it is managing oil on behalf of the State and spending on this dispute does not affect the Corporation.</p> <p>In 2023, the Corporation spent US\$1,130,613.38 on the Maritime Boundary Special Project (MBSP).</p> <p>As it stands, GNPC has spent a total of US\$14 million on Maritime Boundary related activities.</p>	<p>GNPC continues to spend on the Maritime Boundary Dispute and its related activities even though the Ghana Boundary Commission is mandated to deal with such matters, and be made to handle its own budget.</p> <p>GNPC continues to increase its expenditure on the Maritime Boundary Dispute and its related activities.</p> <p>PIAC notes the Corporation's argument that these payments are part of its annual work programme approved by Parliament. The Committee however disagrees with GNPC's position.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>3. Inclusion of DACF in PRMA (Refer to Pg. 63 of 2021 PIAC Semi-Annual Report)</p> <p>Following the decision of the Supreme Court of Ghana in the case of Kpodo and Another versus Attorney-General in 2019, that the District Assemblies Common Fund be added to the recipients of the Annual Budget Funding Amount to receive five (5) percent, an amount of GH¢129.26 million has been allocated to the Fund for 2021. This will ensure direct implementation and monitoring of projects at the sub-national level.</p>	<p>PIAC recommends to the Ministry of Finance that, there is the need for the Supreme Court decision on funding of the DACF with petroleum revenues to find expression in the PRMA, which is being reviewed, with the necessary provisions as is the case with the ABFA and GIF. This will enhance direct implementation and monitoring of ABFA-funded projects at the sub-national level.</p>	<p>MoF/Executive/ Parliament</p>	<p>The Ministry stated that this recommendation has been included in the proposed amendments of the PRMA, which is currently under discussion.</p>	<p>PIAC notes with concern the slow pace of the review process. The Committee urges that action on the review process be expedited.</p>
<p>4. Recovery of Loans to Government by GNPC (Refer to Pg. 149 of 2021 PIAC Annual Report)</p> <p>In 2021, GNPC could not realise its budgeted revenue from loans and guarantees amounting to US\$126.68 million out of an accumulated total of US\$318.09 million owed the Corporation by Government and its agencies since 2011.</p>	<p>PIAC calls on GNPC to double up efforts at recovering loans to Government and its agencies to ensure that the Corporation's work programme does not suffer from non-implementation. For now, GNPC should discontinue granting loans and guarantees until significant recoveries are made with respect to outstanding loans and guarantees owed the Corporation.</p>	<p>GNPC/MoF</p>	<p>A total of US\$1.23 billion is owed the Corporation as at the end of December 2023 due to additional payments and guarantees made by the Corporation.</p>	<p>GNPC needs to intensify its efforts to recover these loans and desist from issuing guarantees to SOEs. The Committee reiterates that the Government should desist from taking loans from the Corporation.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>5. Assessment of Capital Gains Tax (Refer to Pg. 93 of 2022 PIAC Semi-Annual Report)</p>	<p>Contrary to Section 6(e) of the Petroleum Revenue Management Act, 2011 (Act 815), Capital Gains Tax was not assessed and collected by the Ghana Revenue Authority in the sale of the 7 percent interest by Anadariko in the Jubilee and TEN Fields in 2021. In its written response to PIAC on the matter, the Ghana Revenue Authority referred the Committee to the Ministry of Finance indicating that the Ministry was exclusively in charge of the transaction.</p>	<p>GRA/MoF</p>	<p>Capital Gains Tax (Gains on Realisation of Assets Tax) on the sale is yet to be assessed and collected by GRA.</p>	<p>In its written response to PIAC on the matter, the Ministry of Finance referred the Committee to the Ghana Revenue Authority for answers. The Ghana Revenue Authority in turn referred the Committee to the Ministry of Finance indicating that the Ministry was exclusively in charge of the transaction. There is the need for the GRA and the MoF to collaborate and resolve all issues on the Capital Gains Tax and all other asset transfers and recover gains if any, as a matter of urgency.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>6. ABFA Disbursement to GILF (Refer to Pg. 93 of 2022 PIAC Semi-Annual Report)</p> <p>An amount of US\$2562 million was transferred to GILF in H1 2022. According to the Fund, the entire disbursement was used to support the Agenda 111 Project of the Government. This is the second time, since 2021, that GILF has received funds for the Agenda 111 Project. In 2021, an amount of US\$49,390,491.08 (GH¢290,377,059.18) was allocated to the fund. PIAC is yet to receive specific details of all disbursements.</p>	<p>PIAC recommends that Government should direct subsequent disbursements to GILF intended for Agenda 111, to the Ministry of Health to support the Project. Additionally, GILF should focus the utilisation of its share of ABFA on its core mandate of investing funds in commercial infrastructural projects, in accordance with the GILF Act, 2014 (Act 877) and policy guidelines of the Fund.</p>	<p>Parliament/ MoF</p>	<p>In 2023, GILF received US\$56,808,596.44 from the ABFA. The entire disbursement was used to support the Agenda 111 Project.</p>	<p>PIAC reiterates that Government should direct disbursements to GILF intended for Agenda 111, to the Ministry of Health under the health component of the Education and Health Priority Area to support the Agenda 111 Project.</p>
<p>7. Declining Crude Oil Production (Refer to Pg. 151 of 2022 PIAC Annual Report)</p> <p>Crude oil production has been declining for three consecutive years. A volume of 71,439,585 barrels was produced in 2019, but declined to 66,926,806 barrels in 2020, representing 6.32 percent. It further declined to 55,050,391 barrels in 2021 (17.75%) and then to 51,756,481 barrels in 2022 (5.98%). The average decline over the three-year period stood at 10 percent.</p>	<p>There is the need for Ghana to speed up the sustainable development of its petroleum resources to reverse the decline in petroleum production through the attraction of new investors as well as early completion of ongoing projects.</p>	<p>Parliament/PC/ MoEn/GNPC</p>	<p>Production from the TEN field witnessed a sharp decline from 2020 to 2023 due mainly to subsurface challenges. For the SGN Field, the marginal decline was mainly attributed to the natural field decline after attaining peak production. Thus, the decline of total oil production in Ghana is mainly attributable to the rapid unexpected production decline of the TEN field.</p>	<p>The Committee calls on the TEN Field partners to as a matter of urgency fix the Field's subsurface challenges to restore production levels.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>8. Surface Rental Arrears (Refer to Pg. 151 of 2022 PIAC Annual Report)</p> <p>Surface Rental Arrears continue to rise. It increased from US\$2.58 million in 2021 to US\$2.77 million in 2022, 65 percent (US\$1.80 million) of which is owed by four (4) contractors whose Petroleum Agreements were terminated in 2021. Efforts made by the Ghana Revenue Authority to retrieve the arrears are yet to yield the desired results.</p>	<p>GRA needs to intensify its efforts in the collection of Surface Rental arrears, particularly the amount owed by the four (4) contractors whose Petroleum Agreements were terminated in 2021.</p>	<p>GRA</p>	<p>As at the end of 2023, an amount of US\$2.74 million is owed GRA in respect of Surface Rentals. The Authority stated that Final Demand Notices (FDN) have been issued, and garnishee proceedings have been served and bank accounts of the four (4) contractors have been frozen.</p>	<p>PIAC urges the GRA to adopt other modes of recovery. Also, there should be stronger collaboration between the GRA and the PC.</p>
<p>9. Transfer of 5% ABFA to DACF (Refer to Pg. 151 of 2022 PIAC Annual Report)</p> <p>For two consecutive years (2021 - 1.74% and 2022 - 2.39%), the Ministry of Finance has not been able to meet the requirement to transfer five (5) percent of the ABFA to the District Assembly Common Fund, contrary to the decision of the Supreme Court of Ghana in the case of Kpodo and Another vs Attorney-General in 2019.</p>	<p>In the disbursement of funds to the DACF, the Minister for Finance should comply with the decision of the Supreme Court of Ghana in the case of Kpodo and Another vs Attorney-General in 2019.</p>	<p>MoF</p>	<p>The Ministry of Finance transferred GH¢501,154,180.28 to the DACF as at the end of 2023. However, out of this amount, GH¢230,246,518.00 represents a portion of the 2022 ABFA which was in arrears to the DACF and was received in 2023. Thus, the portion of the transfer to DACF that relates to the 2023 financial year is GH¢270,907,662.28, which represents five (5) percent of the total ABFA for 2023.</p>	<p>While it is commendable that the Ministry of Finance disbursed five (5) percent of the ABFA to the DACF, the Committee urges the Ministry to ensure that subsequent disbursements to the DACF meet the minimum requirements of five (5) percent of the ABFA.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>10. Prioritisation of Industrialisation (Refer to Pg. 151 of 2022 PIAC Annual Report)</p> <p>The Industrialisation Priority Area received an amount of GH¢9.29 million representing 0.20 percent of the total ABFA (GH¢4.41 billion). The disbursement which represents 4.29 percent of the amount budgeted (GH¢216.3 million) for the priority area for 2022 does not reflect giving priority to Industrialisation in the use of ABFA.</p>	<p>Having rightly selected Industrialisation as a Priority Area, the government should show more commitment by investing more in industrial development.</p>	<p>MoF</p>	<p>In 2023, the Industrialisation Priority Area received an amount of GH¢5,816,350.68, representing 0.11 percent of the total ABFA utilised during the period.</p>	<p>The Committee urges the Ministry of Finance to show more commitment by investing more in industrial development.</p>
<p>11. GNPC Expenditure on Western Corridor Enclave Roads (Refer to Pg. 151 of 2022 PIAC Annual Report)</p> <p>GNPC continues to fund the construction of roads in the Western Corridor Enclave. This constitutes quasi-fiscal expenditure, and should be the primary responsibility of central government and not the NOC. The total expenditure by GNPC on these roads since 2014 is US\$124.66 million.</p>	<p>PIAC reiterates its call on GNPC to focus on its core mandate and for the government to desist from borrowing or requesting GNPC to make advances and guarantees on behalf of government and its agencies.</p>	<p>GNPC/MoF</p>	<p>The Corporation continues to make expenditure on the Western Corridor Enclave Roads. In 2023, GNPC spent US\$2,228,707.76 on the project. This brings the total expenditure by the Corporation on the Roads to US\$126.89 million.</p>	<p>PIAC reiterates its position that GNPC should focus on its core mandate.</p>

Finding	Recommendation	Responsibility	Status	Comment
12. Payment of JOHL Proceeds into PHF (Refer to Pg. 112 of 2023 PIAC Semi-annual Report)	<p>JOHL failed to pay proceeds from liftings in H1 2023 amounting to US\$70,456,718.93 into the PHF. This is the fourth consecutive time the Company has failed to pay the proceeds of liftings from the Jubilee and TEN Fields, amounting to US\$343,108,927.88.</p>	<p>PIAC reiterates its position that proceeds from liftings of JOHL and any other subsidiary of GNPC constitutes petroleum revenues and therefore must be paid into the PHF.</p>	<p>GNPC/JOHL</p>	<p>GNPC is justifying its position that proceeds from the liftings of JOHL do not constitute petroleum revenues to be paid into the PHF, in the context of the PRMA, and also regarding the legal status of JOHL.</p>
13. Wrongful Lodgement of Withholding Tax into PHF (Refer to Pg. 112 of 2023 PIAC Semi-annual Report)	<p>PIAC observed that Kosmos Energy Ghana Limited wrongfully paid withholding tax into the PHF in 2020 and 2021, totalling US\$3,999,325.65.</p>	<p>To ensure effective monitoring and evaluation of petroleum revenues, IOCs should be mindful not to pay monies other than petroleum revenues into the PHF.</p>	<p>Kosmos/GRA</p>	<p>The said amount (US\$3,999,325.65) has been paid back into GRA's accounts in a net-off arrangement during the payment of Kosmos'Q1 2023 CIT liability on April 25, 2023. This has resulted in the payment of CIT into the PHF by less the same amount.</p>
				<p>PIAC disagrees with GNPC's position and insists on the transfer of proceeds from JOHL's liftings into the PHF, in accordance with the provisions of the PRMA.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>14. Discretionary Capping of the GSF (Refer to Pg. 112 of 2023 PIAC Semi-annual Report)</p>				
<p>The retention of the current cap of US\$100 million on the GSF for the year 2023 is not in accordance with the formula stipulated in L.I 2381 and does not help build the Fund to serve its purpose. A proper application of the capping formula would have returned an amount of US\$765.76 million.</p>	<p>In approving Appropriation, Parliament should take into consideration Regulation 8 of LI 2381, with regards to the cap on the GSF.</p>	<p>MoF/Parliament</p>	<p>The Minister for Finance continues to retain the 2020 approved cap of US\$100 million as at December 2023. In 2020, US\$307.54 million was withdrawn as excess over the cap. Withdrawals of US\$508.66 million and US\$189.47 million were made out of the excess over the cap in 2022 and 2023 respectively.</p>	<p>The Minister must be guided by Section 8 of the PRMA Regulations, which outlines how the cap on the GSF should be set. PIAC urges Parliament to ensure compliance with the relevant provisions of L.I. 2381.</p>

Finding	Recommendation	Responsibility	Status	Comment
<p>15. Release of Funds to GNPC (Refer to Pg. 112 of 2023 PIAC Semi-annual Report)</p> <p>For the period under review, GNPC spent an amount of US\$6.40 million on production and development costs on the TEN Field and made a lifting of one parcel of crude oil from the Field in May 2023. However, no revenue was received by the Corporation from the Field either in respect of its equity interest or as its share of net CAPI, even though the revenues were received in the PHF in H1 2023.</p> <p>This is in violation of Section 16(4) of the PRMA, as amended, which states that the Minister for Finance shall ensure that the Bank of Ghana transfers to a national oil company, the relevant portion of the revenue due to that national oil company under sub-section (2), not later than 3 working days after the receipt of petroleum revenue into the Petroleum Holding Fund.</p>	<p>The Ministry of Finance should comply with the provision in Section 16(4) of the PRMA as amended to release funds to the National Oil Company not later than three working days after the receipt of petroleum revenue into the PHF.</p>	<p>MoF</p>	<p>The funds were released to the Corporation in August 2023.</p>	<p>PIAC urges the MoF to comply with the relevant provisions of the PRMA.</p>

Source: PIAC's Construct, 2023

CHAPTER 3

DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

3.1 Introduction

International Oil Companies (IOCs) dominate Ghana's upstream petroleum sector, due largely to the country's relative lack of capital and the expertise necessary for the extraction of oil and gas resources. Subject to market dynamics, upstream activities and operations are indispensable and crucial to upscaling petroleum production and ultimately petroleum revenue for national development.

This chapter reviews the developments in Ghana's upstream petroleum sector for 2023. It discusses the work obligations and operations of IOCs, exploration, and exploitation activities; Petroleum Production, Liftings, Gas Utilisation and Exports. Developments in the Investment Climate, Developments in Local Content and Local Participation, Developments in the Policy, Legal and Regulatory Environment, Energy Transition Concerns, and Natural Gas Developments and Market Information are also discussed.

3.2 Work Obligations and Operations of IOCs

Most IOCs continued their project planning, execution, risk management, associated preparatory activities and drilling campaigns, details of which are presented below.

3.2.1 Jubilee Field Operations

In 2023, six (6) wells were drilled, and five (5) were completed as shown in Table 2.

Table 2: Jubilee Field Well Operations

Well Name	Well Type	Activity	Rig	Hole Section	Start Date	End Date
J61-P	Oil Producer	Completion	Noble Venturer	Full Hole	19/01/2023	15/02/2023
J63-P	Oil Producer	Completion	Noble Venturer	Full Hole	30-05-2023	26-06-2023
J64-P	Oil Producer	Drilling	Noble Venturer	Top Hole	16-02-2023	22-02-2023
J64-P	Oil Producer	Drilling	Noble Venturer	Lower Section	20-03-2023	11-04-2023

Well Name	Well Type	Activity	Rig	Hole Section	Start Date	End Date
J64-P	Oil Producer	Completion	Noble Venturer	Full Hole	09-04-2023	04-05-2023
J65-WI	Water Injector	Drilling	Noble Venturer	Full Hole	21-02-2023	17-03-2023
J65-WI	Water Injector	Completion	Noble Venturer	Full Hole	04-05-2023	29-05-2023
J66-P	Oil Producer	Drilling	Noble Venturer	Full Hole	26-06-2023	06-08-2024
J66-P	Oil Producer	Completion	Noble Venturer	Full Hole	06-08-2023	03-09-2023
J67-WI	Water Injector	Drilling	Noble Venturer	Full Hole	26-09-2023	22-10-2023
J68-P	Producer	Drilling	Noble Venturer	Full Hole	16-11-2023	12-12-2023
J69-P	Producer	Drilling	Noble Venturer	Top Hole	10-11-2023	16-11-2023
J69-P	Producer	Drilling	Noble Venturer	Lower Section	13-12-2023	04-01-2024

Source: PC Data, 2023.

3.2.2 TEN Field Operations

There were no drilling and completion operations on the TEN Field in 2023.

3.2.3 SGN Field Operations

No drilling and completion operations were carried out in the SGN Field for the period.

3.2.4 Cape Three Point (CTP) Block 4 Operations

There were no drilling and completion operations carried out in this Block for the period. However, an appraisal well was reviewed to be drilled in the Block.

3.2.5 Deepwater Tano/Cape Three Points (DWT/CTP)

In H1 2023, Pecan Energies¹ on behalf of the DWT/CTP Partners submitted a Plan of Development (PoD) in respect of the Pecan Field to the Minister for Energy for approval. The Minister granted approval to the PoD which is expected to be a phased development of the Pecan Field.

3.2.6 Saltpond Field

The first phase of decommissioning activities which was to plug and abandon all six (6) wells in the Saltpond Field was successfully completed in May 2023. The project, which commenced in the third quarter of 2022, was expected to be completed by the third quarter of 2023. Dismantling activities were on course and an estimated total of 1,500 tons of scraps was recovered from the Mr. Louie Production Platform including eight (8) of its twelve (12) legs. Apart from metal scraps which were recovered from the Platform, various downhole tools were also recovered.

¹ The acquisition was through a share sale and purchase agreement in which the parent companies of Aker Energy Ghana (Aker Capital AS and The Resource Group- TRG) sold their shares in Aker Energy AS to AFC Equity Investment (AFCEI). AFCEI is a subsidiary of African Finance Corporation (AFC).

However, a change in scope in the dismantling of the Mr. Louie Production Platform has necessitated the contractor to request a one-year extension. The new scope is currently being validated. This revision in the timeline was necessitated by the discovery of cement tanks, bulk tanks, and thicker metal plates upon gaining access to the hull of the Mr. Louie Production Platform.

3.2.7 Voltaian Basin Project

Phase IV (B) (Southern sector) of GNPC's 2D seismic data acquisition programme in the Voltaian Basin commenced in November 2023 and will cover parts of Bono East, Ashanti, and Eastern Regions of Ghana. It is expected that a total of One Thousand and Forty (1040) line kilometer of 2D seismic data will be acquired during this phase.

The seismic data acquisition and its processing is being undertaken by BGP-BAY Geophysical Services Limited.

3.3 Exploration Activities

While exploration activities continued on most of the petroleum blocks in 2023, some blocks have witnessed no activity at all. Detailed status updates of the various blocks are as follows:

- a. **Deepwater Cape Three Points (GOIL Upstream):** Following the exit of ExxonMobil from the Deepwater Cape Three Points Contract Area in May 2021, the Minister of Energy in May 2022 assigned the 80% participating interest hitherto held by ExxonMobil and operatorship of the block to GOIL Upstream. GOIL Upstream after months of promotion of the block, on 6th December 2023, signed a Farm-in Agreement² and Joint Operating Agreement with Planet One Oil and Gas Limited. These agreements have since been submitted to the Minister of Energy and GNPC for approval and consent respectively.
- b. **Cape Three Points Block 4 (ENI):** Upon the successful drilling of the Akoma and Eban exploratory wells in 2019 and 2021 respectively, Eni submitted a joint appraisal programme for the Akoma and Eban discoveries which was approved by the PC in 2023. Eni requested an extension of the Eban-Akoma appraisal programme in order to complete works to support the use of Jack-up Rig for the appraisal drilling. This request was duly granted. Aprokuma-1X drilled in 2022 discovered hydrocarbon in the Albian and Cenomanian, and an appraisal programme was submitted to the Commission. The Aprokuma-1X appraisal programme was approved.

After further subsurface studies conducted by Eni, it established new Geological and Geophysical challenges associated with the Aprokuma discovery. Thus, the Commission has revised its conditional approval, and Eni now has up to 30th June 2024 to complete the appraisal and make a determination whether to drill or drop the Aprokuma discovery.

- c. **South Deepwater Tano (AGM Petroleum):** In March 2023, AGM notified the Minister of Energy of its decision not to exercise its option to enter the First Extension Period of Exploration. By this, AGM voluntarily relinquished all its interest in the South Deepwater Tano block and subsequently exited from the block.
- d. **Expanded Shallow Water Tano (Base Energy):** Base Energy and GNPC Explorco are currently planning towards the acquisition of new 3D seismic data over the Expanded Shallow Water

² According to the Law Insider, a Farm-In Agreement is an agreement whereby a Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property.

- Tano Block by Q4 2024, an extension from the initial projected deadline of Q4 2023. In addition, the Contractor Parties in most part of 2023 promoted the Expanded Shallow Water Tano contract area for investment and for the development of existing discoveries on the block.
- e. **Central Tano Block (Amni International Petroleum Development):** Amni plans to drill its obligatory exploration well, Kusia-1X in Q4 2024. Well planning and drilling-related procurement of goods and services are ongoing.
 - f. **Offshore South-West Tano (OSWT) & East Keta (EK) Operating Company Ghana Limited (OPCO):** OPCO carried out well planning and drilling related procurement of goods and services in 2021 and made preparation towards the drilling of its obligatory exploration well, for Q4 2024. The Partnership is currently engaging Tullow for a possible rig share opportunity.
 - g. **Deepwater Cape Three Points West (Eco Atlantic Oil and Gas):** The Contractor continued well planning and procurement of drilling-related goods and services in preparation to drill its obligatory exploration well, Dawadawa-1X. The Contractor is on the rig market seeking to procure a drilling unit to meet its obligatory well commitment.
 - h. **East Cape Three Points (Medea Development):** Following well planning and drilling-related procurement of goods and services, Medea further revised the planned drilling of its obligatory exploration well to Q4 2023 from an earlier revision to Q2 2023 from the initial schedule of Q4 2022. The Contractor conducted further geological and geophysical studies to mature the prospects identified within the block.

3.4 Petroleum Production and Operations

A summary of the production volumes, liftings, gas utilisation and exports for each producing field is as follows:

3.4.1 Jubilee Field Production and Operations

On the Jubilee Field, two new wells J61-P and J63-P came online in July 2023 to augment the overall field production. The J66-P well was brought online in September 2023 to complete the Jubilee South-East project expansion work scope which resulted in a peak production rate of 100,950.60 bbl/d.

There was a decrease in gas export mainly due to process upsets and maintenance activities carried out at the Ghana National Gas Limited Company (GNGLC) plant from March to April 2023. Subsequently, gas export resumed, and export rates were back to normal.

3.4.2 TEN Field Production and Operations

The TEN Field, like the Jubilee Field, is an associated gas field. The Field experienced a low production rate in July 2023 mainly due to a planned shutdown maintenance activity work-scope carried out from the 1st to the 14th of July 2023. This was focused on the modification of the multi-functional (MF) separator to allow the routing of produced gas from the MF separator to join the processing stream via the low-pressure gas compression (LPGC) system. Following this, production gradually increased, however, it could not reach the optimal forecast threshold due to riser 20 blockage downstream of the riser-base. For that reason, NtO3-P well could not be brought online.

3.4.3 Sankofa Gye Nyame (SGN) Field Operation and Production

The Field witnessed low production levels in September 2023 mainly attributable to the planned NAG system upgrade activities carried out simultaneously on the FPSO and the ORF. The aim was to boost the

gas export capacity to the ORF. Production levels increased in October 2023, however, a steady decline in production from November to December 2023 was mainly attributed to facility equipment upsets.

3.5 Developments in the Investment Climate

3.5.1 Update on Ghana's Maiden Open Competitive Bidding

At the beginning of 2023, the Ministry of Energy discontinued negotiations with First Exploration and Petroleum Development Company and Elandel Energy Limited in respect of Block GH_WB_02, and Eni Ghana Exploration and Production Limited and Vitol Upstream Tano Limited in respect of Block GH_WB_03. This decision was made because of the expiration of the Memoranda of Understanding (MoU) signed between the Government (represented by the Ministry of Energy) and the Parties.

First Exploration and Petroleum Development Company Limited and Elandel Energy Limited have rekindled their interest, and the Ghana Negotiation Team (GNT) is currently engaging them to finalise the negotiations.

3.5.2 Developments in the investment climate in the upstream industry

Several companies approached the Ministry of Energy in 2023 expressing interest in various opportunities in the upstream industry. Among these companies was Planet One Oil and Gas Limited, which, in February 2024, acquired stakes in the Deepwater Cape Three Points (DWCTP) Block to partner with GOIL Upstream Limited to undertake the remaining obligations of the contractor following the exit of ExxonMobil Exploration and Production Ghana (Deepwater) Limited.

The Ministry is also negotiating with a company for exploration rights over a block in the onshore Tano Sedimentary Basin and is evaluating applications received from investors for some blocks.

3.5.3 Jubilee South-East (JSE) Project

The Jubilee South-East project was completed following the successful drilling of wells and installation of subsea infrastructure in the Mahogany area within the Greater Jubilee Field. About 30,000 barrels of oil have been added to the existing daily Jubilee production to ensure a sustained target production above 100,000 barrels per day.

3.5.4 Update on GNPC Acquisitions in the DWT/CTP and SDWT Blocks operated by Aker Energy and AGM Petroleum Ghana

Following a further extension granted Aker Energy (the Operator of the DWT/CTP contract area) in 2022, the Company in April 2023 submitted its PoD for the Pecan field in the DWT/CTP block and same was reviewed by the PC and approved in June 2023 by the Minister for Energy.

In March 2023, the operator of the South Deep Water Tano Contract Area, AGM Petroleum Ghana relinquished its interest in the Block.

3.5.5 Unitisation of the Afina and Sankofa Fields

Following the ministerial directive for the Afina and Sankofa fields to be unitised, Eni Exploration and Production Ghana Limited (the operator) and Vitol Upstream Tano Limited disagreed with the directive and decided to seek redress in the International Court of Arbitration.

The Attorney General and Minister of Justice was officially notified in August 2021 of the filing of an UNCITRAL Arbitration by Eni and Vitol at the International Court of Arbitration in London against The Republic of Ghana and Ghana National Petroleum Corporation (GNPC) for breach of the Petroleum Agreement in respect of Offshore Cape Three Points Contract area.

The arbitration hearing was held between late July and early August 2023 and the verdict is pending.

3.5.6 Update on JOHL Shares

Consistent with the instruction and approval of the Minister for Energy and further recommendation from Parliament, JOHL interests were assigned to GNPC Explorco as at the end of December 2023. GNPC Explorco will therefore own the equity interest of JOHL in the Jubilee and TEN fields. The dissolution of JOHL is actively being pursued by the Corporation.

3.6 Developments in Local Content and Local Participation

The PC continued to undertake activities in furtherance of its mandate under the relevant Ghanaian laws, including the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204), as amended. A summary of local content and participation activities undertaken by the PC in 2023 are as follows:

3.6.1 2023 Local Content Conference and Exhibition

During the period under review, the Commission organised the 9th Edition of the Annual Local Content Conference and Exhibition under the theme “10 years of Local Content in Ghana’s Upstream Petroleum Industry: Achievements, Challenges, and Prospects” at the Best Western Atlantic Hotel, Takoradi in November 2023. The following constitutes the highlights of the outcome & action points:

1. Major companies should create a pipeline of projects to provide opportunities for Indigenous Ghanaian Companies (IGCs).
2. Support Tema Shipyard to play a key role in the local content value chain.
3. Provide access to sustainable finance for the domestic industry.
4. Operationalise local content fund to empower Indigenous Ghanaian Companies.
5. Deepen linkages between the petroleum industry and other sectors of the economy.
6. Strengthen collaboration between industry and academia to bridge the skills gap.
7. Develop measures to facilitate maximum participation of Ghanaian businesses in the Voltaian Basin.
8. Develop strategies for IGCs to participate in the Voltaian Basin project.

3.6.2 Development of Guidelines

During the period under review, the Commission held a consultative meeting with the Ghana Upstream Petroleum Chamber to address issues, on the final draft Guidelines for ‘Channel Partnership’ and ‘Strategic Alliance’ arrangement as well as the New Permitting Regime on same. Inputs made have been incorporated into the final documents for implementation by the end of 2023. Moreover, the Commission developed draft Guidelines for the Transfer of Technology, Skills, and Know-How in the upstream petroleum industry. These Guidelines will facilitate the effective implementation of the technology transfer requirements in the industry and promote the development of technological capacities of Indigenous Ghanaian Companies (IGCs) and the diffusion of technologies in the industry.

3.6.3 Development and Implementation of Strategic Documents

As part of the development of strategies for mid-technical goods and services, the PC during the period under review, developed strategies for Drill Pipes and Casings to accelerate local capacities along the petroleum value chain. Furthermore, the PC commenced the fact-finding exercise as part of the implementation of developed strategies to ascertain the in-country capacities and capabilities of some companies to provide Laboratory Services in the upstream petroleum industry. The scope of Laboratory Services have been identified and ring fenced.

3.6.4 Minimum Local Content Requirements

For the period under review, the PC finalised the development of minimum local content requirements for well drilling and completion services to optimise local content in procurement and tender processes and ensure continuous growth in local content development. A directive on same was issued to the industry as at the end of 2023, which seeks to ensure continuous growth of local content development in petroleum activities and enhance value retention in-country. The directives recommend minimum local content levels to be achieved with regards to employment and training of Ghanaians, investment in-country, technology transfer and research and development in the execution of well drilling and completion services.

3.6.5 Technology, Skills, and Know-how Transfer

During the period, the PC engaged three (3) Joint Venture Companies (JVCs) and their local partners on technology transfer programmes, JV agreements, Strategic Plans of local partner to assess the capacities and technological gaps of the local partners in JVCs in the quest to promote the transfer of skills, know-how, and technology in the upstream petroleum industry. Also, the Commission engaged two (2) JVCs to ascertain the performance of their Technology Transfer programme.

The PC further conducted a fact-finding exercise on ten (10) JVCs to verify and validate Technology Transfer Reports submitted to the Commission. Additionally, the Commission updated the Technology Transfer Monitoring System (TTMS) with technology transfer programmes/documents submitted by a Joint Venture Company for performance assessment.

3.6.6 Value of Services

At the end of Q4 2023, the total value of services was US\$964.70 million (2022 - US\$960.83 million). An amount of US\$245.24 million (25%) (2022 - US\$247.12 million (26%)) of the total value of services was awarded to Indigenous Ghanaian Companies, US\$686.22 million (2022 - US\$557.93 million, representing an increase of 23%) was to Joint Venture Companies (JVCs) and the rest to Foreign Companies.

Despite the challenges faced by the industry due to the global trends in energy developments, the PC ensured that most local content requirements were complied with in the upstream petroleum activities through the implementation of the Local Content Strategy. Figure 1 shows the total value of services as of 2022 and 2023³:

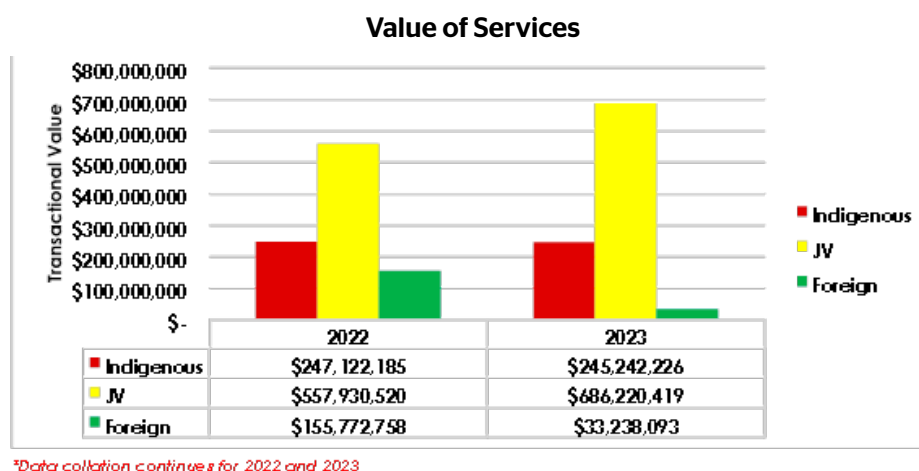


Figure 1: Value of Services (January to December 2023)

Source: PC Data, 2023.

3 According to the PC, the total Value of Services for 2022 and 2023 was based on the data gathered from the commitment reports of IOCs and some service companies as of Q4 2023.

3.6.7 Local Content Fund

The Local Content Fund Operational Guidelines for the administration of the Fund is under review by the Local Content Committee (LCC) Board. The Local Content Committee of the PC continued to implement the collection of a one (1) percent contract sum into the Local Content Fund established under the Petroleum (Exploration and Production) Act, 2016 (Act 919).

The Local Content Fund Secretariat, on the other hand, is encountering several challenges, including non-compliance by contractors and subcontractors regarding the payment of one (1) percent contract sum, citing stabilisation clauses in their respective petroleum agreements. Receivables, based on approved contract sums by the PC as of December 2023 to the Local Content Fund, amounted to US\$10.4 million. However, the Commission stated that it is undergoing a reconciliation exercise with the Bank of Ghana and will provide an update on the current amount received.

3.7 Developments in the Policy, Legal, and Regulatory Environment

This section provides an update on policy, legal and regulatory developments for 2023.

3.7.1 PRMA Review and other Legislative Updates

The Ministry of Finance is coordinating the review of the PRMA to address implementation challenges identified by the Ministry and sector stakeholders. Begun in 2018, the process has already missed its earlier projected deadline of December 2021. There was no action on the review process during the year under review.

3.7.2 Update on Petroleum Agreements

There has been no new Petroleum Agreement signed as at the end of December 2023.

3.8 Energy Transition Concerns

The Ghana National Energy Transition Framework aims at achieving economy-wide decarbonisation, energy security and access, and energy efficiency latest by 2070. These would be achieved through the development and utilisation of diversified energy sources including renewables (such as solar and wind), nuclear energy, natural gas, hydrogen gas, biofuels, and biomass as well as the deployment of clean cooking solutions and low-carbon solutions such as Carbon Capture Utilisation and Storage. The Framework envisages the development of charging stations for electric and hydrogen fuel cell vehicles to accelerate the replacement of internal combustion engines or fossil fuel dependent vehicles with electric and hydrogen fuel cell vehicles. It advocates for continuous oil and gas exploration and production in the country with abatement or mitigation of the emissions and promotes the development and utilisation of the country's critical mineral resources (such as lithium, cobalt, and nickel) to drive the energy transition.

3.9 Natural Gas Developments and Market Information

This section discusses natural gas developments and market information.

3.9.1 Natural Gas Regulatory Updates

In 2023, the Energy Commission, in line with its regulatory and management mandate under the Energy Commission Act, 1997 (Act 541), carried out the following activities relating to natural gas infrastructure development: The Commission:

- Developed draft Regulations pending the review by stakeholders to govern the operations of the natural gas market in Ghana. The regulations will ensure fair competition in the natural gas market in accordance with the Energy Commission Act, 1997 (Act 541);

- Initiated the review of Natural Gas Access Code: This Code was developed by the Commission in the year 2014 to ensure that the Natural Gas Transmission Utility (NGTU) provides fair, transparent, non-discriminatory, safe, reliable, secure, efficient, and cost-effective delivery of natural gas. It also initiated activities toward the review and update of the Access Code to reflect the current trends in the Natural Gas Supply Industry;
- Carried out inspection and monitoring visits on natural gas facilities to ensure compliance with construction and operational procedures as enshrined in the law and codes developed to govern the construction, operations, and maintenance of natural gas infrastructure in Ghana. The following facilities were inspected:
 - * The construction of a 24-inch 105km natural gas pipeline from Dawusasu/Gyegyetereso to Kumasi (Ejisu) for the supply of natural gas to a proposed power plant (Ameri) site in Kumasi.
 - * Gas Processing Plant, 20-inch 110km pipeline from Atuabo to Takoradi and 20-inch 70km Essiama- Prestea pipeline.
- Updated data on natural gas activities and published the 2022 National Energy statistics; and,
- Issued Siting Permit to Genser Energy Limited to construct a 20-inch 5.6Km pipeline from GCP to GRRS and a 12-inch 2.4Km pipeline from the Genser Receiving and Regulatory Station (GRRS) to Prestea Regulatory and Metering Station (PRMS) for the interconnection of their Genser Conditioning Plant (GCP) and GRRS.

3.9.2 Other Relevant Oil and Natural Gas Information and Updates

Quarterly Review of Gas Price

The Public Utilities Regulatory Commission (PURC), in November 2023, reviewed the tariffs for utilities including gas price as their mandate allows. The approved Gas Price for Q4 2023, effective 1st December 2023, was US\$7.6424/MMBtu, which is a reduction from the previous price of US\$8.1221/MMBtu. The reduction in gas price resulted in a 9 percent reduction of GNGLC's total service tariff (Gathering, Processing and Transmission) compared to the approved service tariff in August 2023.

Gas Supply Updates

The GNGLC commenced the supply of natural gas to:

- a. Marco Polo in April 2023 for the production of sanitary ware; and
- b. Sentuo Oil Refinery in November 2023.

Planned Maintenance Shutdown

During the period, the following institutions undertook planned shutdown activities of related facilities for maintenance works:

1. WAPCO undertook a 5-day planned shutdown (13th to 17th January 2023) for maintenance works at their Takoradi Regulating & Metering Station (TRMS).
2. GNGLC undertook a 14-day planned shutdown of the Atuabo Gas Processing Plant from 25th March to 7th April 2023 for maintenance activities at the Plant.
3. ENI's Onshore Receiving Facility (ORF) located at Sanzule in the Western Region, was shut down from 5th September 2023 to 26th September 2023 for a planned upgrade work (Phase 1). This upgrade increased the capacity of the facility from 210 MMscf/d to 235 MMscf/d. Gas supply from the SGN Field to the ORF was restored on 27th September 2023.

Observation

There was no Petroleum Agreement signed in 2023. The last Petroleum Agreement was signed in 2018.

CHAPTER 4

PETROLEUM PRODUCTION AND SALES

4.1 Crude Oil Production

Crude oil in Ghana is currently produced from three fields, namely Jubilee, TEN, and the Sankofa Gye-Nyame (SGN). First oil from the Jubilee Field was achieved in December 2010 while TEN and SGN came on stream in August 2016 and May 2017 respectively.

For the year 2023, a total of 48,247,036.61 barrels (bbls) were obtained from the three producing fields (see Figure 2), lower than the 2022 figure of 51,756,481.12 bbls by about seven (7) percent. The 2023 actual output represents about 92 percent of the 2023 Benchmark crude oil output of 52.61 million barrels. The relatively lower production volume in 2023 was due to reduced production on all the three producing Fields.

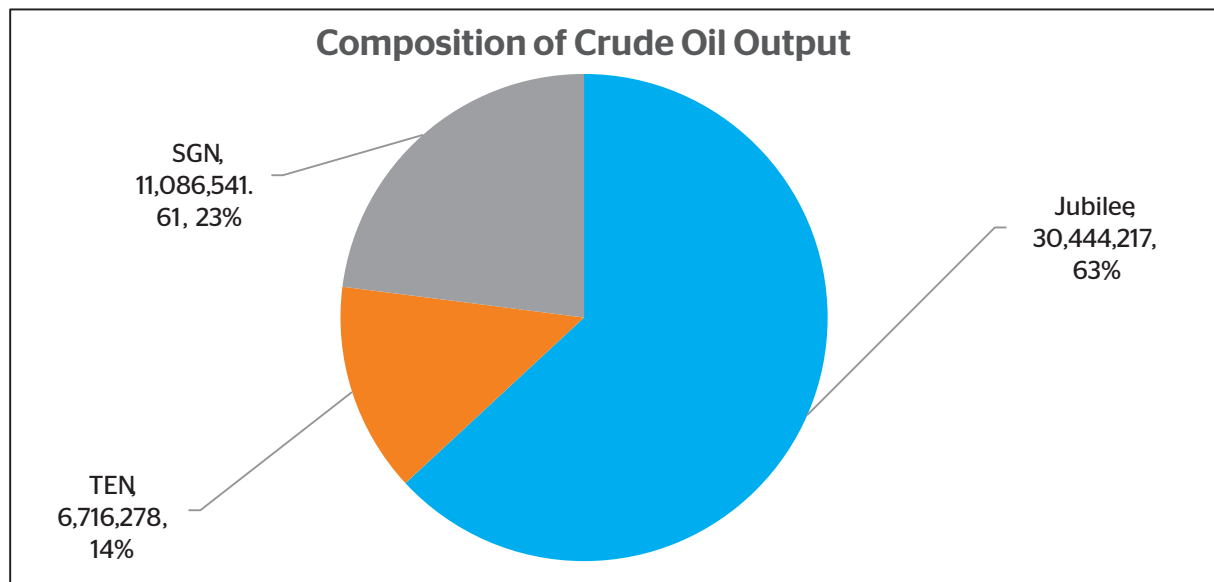


Figure 2: Composition of 2023 Crude Oil Output

Source: PIAC's Construct (Based on PC's Data), 2023.

In July 2023, two new wells, J61-P and J63-P, came online to augment the overall Jubilee field production. The J66-P well was brought online in September 2023 to complete the Jubilee South-East project expansion work scope which resulted in a peak production rate of 100,950.60 bbl/d. As shown in Figure

2, the Jubilee Field contributed about 63 percent of the total output. However, production on the Field decreased by 0.26 percent from the 2022 output of 30,523,813 bbls to 30,444,217 bbls in 2023.

Similarly, the TEN Field's production declined by 22 percent from 8,612,822 bbls in 2022 to 6,716,278 bbls in 2023 due to technical challenges on the Enyenra and Ntomme reservoirs. The SGN Field recorded a reduced output of 11,086,541.61 bbls in 2023 compared to 12,619,846.12 bbls in 2022, a reduction of 12 percent. Figure 3 illustrates monthly production across the three producing fields.

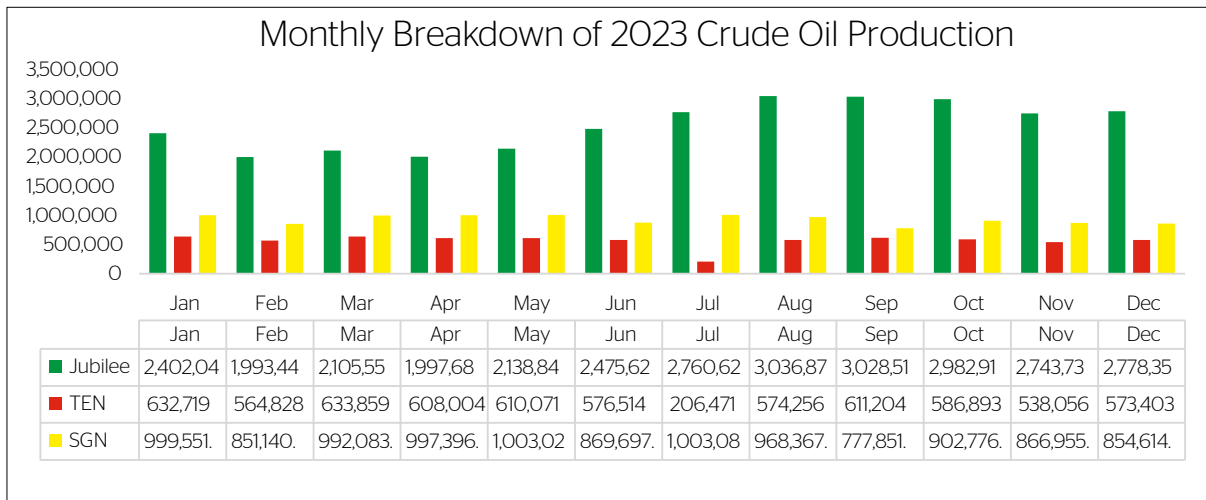


Figure 3: Monthly Breakdown of 2023 Crude Oil Production (Million Barrels)

Source: PIAC's Construct (Based on GNPC and PC Data), 2023.

The month of April recorded the lowest production volumes on the Jubilee Field due to water injection challenges during the period while September recorded the highest. The daily average barrels of oil produced during the period stood at 83,408.8 bbls.

The average barrels of oil produced per day on the TEN Field in 2023 stood at 18,400.76 bbls. The highest monthly oil production was recorded in March and the lowest in July. The lowest production recorded in July was mainly due to a planned 14-day shutdown maintenance activity carried out from 1st to 14th of July. This was focused on the modification of the multi-functional separator (MF) to allow the routing of produced gas from the MF separator to join the processing stream via the low-pressure gas compression (LPGC) system. Production gradually picked up after the shutdown but could not reach the optimal forecast threshold due to Riser 20 blockage downstream of the Riser base. For that reason, Nt03-P well could not be brought online.

An average output of 30,374.09 barrels of oil per day (bopd) was produced in 2023 on the SGN Field, with July recording the highest monthly production, and the lowest in September. The low production level was mainly attributed to planned NAG System upgrade activities carried out simultaneously on the FPSO and the ORF. The activity aimed to boost the gas export capacity to the ORF through modification and maintenance activities. Following the system upgrade activities, production levels increased in October 2023 but declined steadily from November to December which was mainly due to facility equipment upsets.

The cumulative oil production from 2010 to 2023 stands at 608,441,608 bbls, as shown in Figure 4.

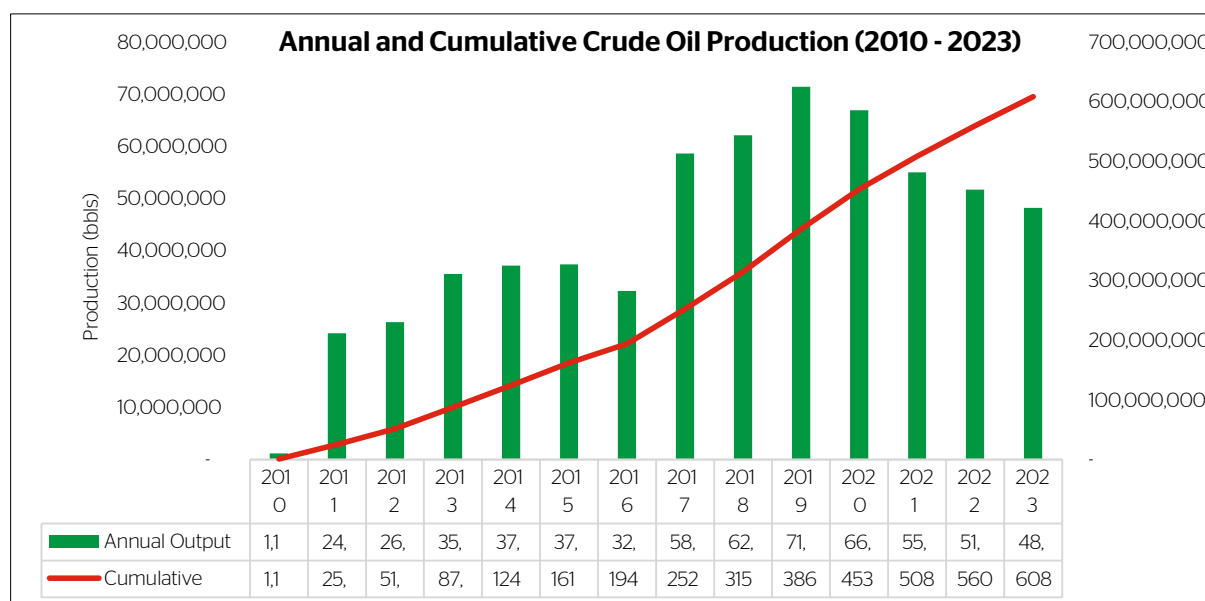


Figure 4: Annual and Cumulative Crude Oil Production (2010 - 2023)

Source: PIAC's construct, 2023 (based on GNPC and PC Data 2023).

The 2023 production figure represents the fourth consecutive year of reduction in annual production volumes since 2010. In 2019, Ghana witnessed its peak in crude oil production since inception, recording a volume of 71,439,585 barrels. This declined to 66,926,806 barrels in 2020, representing 6.32 percent. Crude oil production further declined to 55,050,391, 51,756,481, and 48,247,036.61 barrels in 2021, 2022 and 2023 respectively, representing 17.75 percent, 5.98 percent and 6.78 percent respectively (see Table 3).

Table 3: Annual Crude Oil Production (2019-2023)

Year	Production	Year-on-Year Change (%)
2019	71,439,585	NA
2020	66,926,806	-6.32
2021	55,050,391	-17.75
2022	51,756,481	-5.98
2023	48,247,036.61	-6.78

Source: PIAC Construct based on Previous Reports, 2023

4.2 Gas Production

For the period under review, a total of 255,171.97 MMSCF of raw gas (Associated Gas [AG] and Non-Associated Gas [NAG]) was produced in 2023 from the three Fields compared to the 2022 volume of 253,555.05 MMSCF. This represents a 0.64 percent increase in gas production relative to that of 2022.

The SGN Field, relatively gas-concentrated, produced the highest volume of combined AG and NAG of 127,203.02 MMSCF while the Jubilee and TEN Fields produced 77,900.05 MMSCF and 50,068.90 MMSCF respectively (see Table 4).

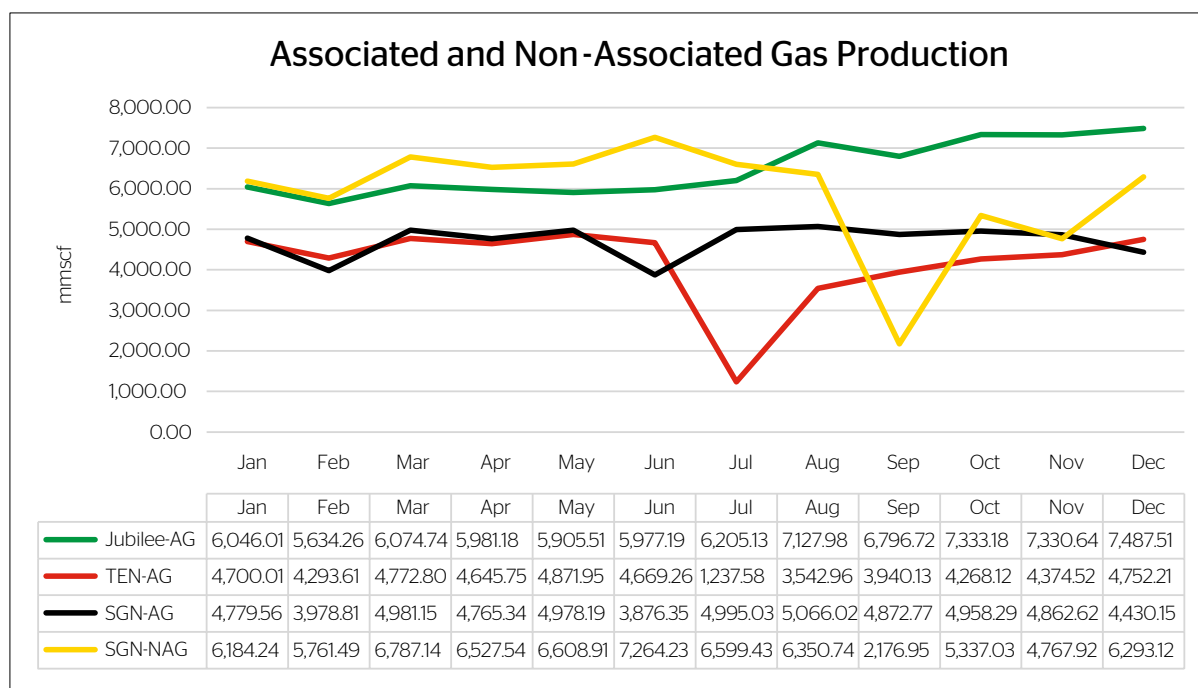


Figure 5: Associated and Non-Associated Gas Production (MMSCF)

Source: PIAC Construct, based on PC & GNPC Data, 2023.

Jubilee gas production increased by 13.8 percent from 68,481.76 MMSCF in 2022 to 77,900.05 MMSCF in 2023. For the TEN Field, production declined by 10 percent from 55,678.63 MMSCF in 2022 to 50,068.90 MMSCF in 2023. The SGN field recorded a decrease of 1.7 percent from 129,394.66 MMSCF in 2022 to 127,203.02 MMSCF in 2023.

Table 4 shows the annual gas production statistics since commercial gas production began in 2014.

Table 4: Annual Gas Production (2014-2023)

	Jubilee	TEN	SGN		TOTAL	
Year	AG	AG	AG	NAG	TOTAL (AG)	TOTAL (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
2021	70,527.21	64,129.87	51,659.30	69,945.66	186,316.38	256,262.04
2022	68,481.76	55,678.63	58,246.78	71,147.88	182,407.17	253,555.05
2023	77,900.05	50,068.90	56,544.28	70,658.74	184,513.23	255,171.97
TOTAL	567,378.97	349,762.38	254,037.54	323,291.78	1,171,178.89	1,494,470.67

Source: GNPC & PIAC Reports, 2023

4.3 Gas Export

A volume of 34,831.36 MMSCF (45 percent) of raw gas produced was exported from the Jubilee Field to the Ghana National Gas Limited Company (GNGLC) as shown in Table 5. The gas exported in 2023, reduced by 2.9 percent relative to the volume of 35,880.53 MMSCF recorded in 2022. The month of April recorded the lowest raw gas export mainly due to process upsets and maintenance activities carried out at the Ghana National Gas Limited Company (GNGLC) plant from March to April. Subsequently, raw gas exports were back to normal with May recording the highest in 2023.

Table 5: Breakdown of Gas Production and Utilisation from the Jubilee Field, 2023

Month	Total Gas Produced (AG) [MMSCF]	Gas Utilisation (MMSCF)			
		Export	Injection	Fuel	Flared
Jan	6,046.01	3,112.55	1,537.77	274.94	1,120.74
Feb	5,634.26	3,063.42	1,239.57	266.74	1,064.53
Mar	6,074.74	2,233.44	2,410.80	323.68	1,106.82
Apr	5,981.18	2,151.29	2,454.50	306.86	1,068.53
May	5,905.51	3,352.55	1,085.55	303.1	1,164.30
Jun	5,977.19	3,339.73	1,598.15	313.82	725.49
Jul	6,205.13	2,931.47	1,849.32	306.68	1,117.66
Aug	7,127.98	3,050.77	2,675.15	357.92	1,044.14
Sep	6,796.72	3,208.63	2,159.10	318.52	1,110.51
Oct	7,333.18	2,531.37	2,789.26	312.84	1,699.71
Nov	7,330.64	2,904.77	2,921.51	349.38	1,154.99
Dec	7,487.51	2,951.37	3,059.48	381.66	1,095.01
TOTAL	77,900.05	34,831.36	25,780.16	3,816.14	13,472.43
% of Total Gas Produced		44.71%	33.09%	4.90%	17.29%

Source: PIAC's Construct based on GNPC Data, 2023

For the TEN Field, about 1.8 percent of the gas produced (922.11 MMSCF) was exported to the GNGLC in 2023 as shown in Table 6. This represented a 75.6 percent decrease in the volumes exported, as compared to that of 2022 (3,782.89 MMSCF). The decline was mainly due to technical challenges encountered on the Field.

Table 6: Breakdown of Gas Production and Utilisation from the TEN Field, 2023

Month	Total Gas Production (AG) [MMSCF]	Gas Utilisation (MMSCF)			
		Export	Injection	Fuel	Flared
Jan	4,700.01	39.34	3,308.14	305.88	1,046.65
Feb	4,293.61	60.08	2,870.53	268.42	1,094.57
Mar	4,772.80	83.96	3,183.96	293.69	1,211.20

Month	Total Gas Production (AG) [MMSCF]	Gas Utilisation (MMSCF)			
		Export	Injection	Fuel	Flared
Apr	4,645.75	68.73	3,116.45	295.25	1,165.32
May	4,871.95	204.76	3,166.35	293.03	1,207.81
Jun	4,669.26	24.31	3,218.34	267.10	1,159.51
Jul	1,237.58	69.65	598.31	84.10	485.53
Aug	3,542.96	10.96	2,423.19	280.14	828.67
Sep	3,940.13	127.67	3,053.78	317.90	440.78
Oct	4,268.12	226.38	3,354.42	305.95	381.38
Nov	4,374.52	2.63	3,705.63	299.94	366.32
Dec	4,752.21	3.64	4,172.87	320.79	254.92
TOTAL	50,068.90	922.11	36,171.97	3,332.19	9,642.66
Percentage	100%	1.84%	72.24%	6.66%	19.26%

Source: PIAC's Construct based on GNPC FY 2023 Data.

A volume of 69,286.85 MMSCF (54.5%) of the total raw gas produced on the SGN Field, was exported to the Onshore Receiving Facility (ORF) in 2023 as shown in Table 7, which represents a 2 percent increase over the 2022 volume of 67,896.49 MMSCF. The highest production of NAG (7,264.23 MMSCF) was recorded in June while that of AG (5,066.02 MMSCF) was recorded in August.

Table 7: Breakdown of Gas Production and Utilisation from the SGN Field, 2023

Month	Gas Production (MMSCF)		Gas Utilisation (MMSCF)			
	AG	NAG	Gas Export	Injection	Fuel	Flared
Jan	4,779.56	6,184.24	5,904.19	4,533.65	340.59	100.22
Feb	3,978.81	5,761.49	5,533.77	2,795.73	280.22	1,042.91
Mar	4,981.15	6,787.14	6,399.56	4,808.06	348.93	122.41
Apr	4,765.34	6,527.54	6,210.91	4,636.66	337.08	22.2
May	4,978.19	6,608.91	6,307.88	4,787.05	347.41	52.02
Jun	3,876.35	7,264.23	6,018.99	3,707.62	313.44	1,008.68
Jul	4,995.03	6,599.43	6,291.27	4,843.50	348.84	20.31
Aug	5,066.02	6,350.74	6,018.13	4,861.16	349.84	99.22
Sep	4,872.77	2,176.95	2,058.09	4,550.03	336.78	77.16
Oct	4,958.29	5,337.03	5,916.74	3,176.96	311.73	803.63
Nov	4,862.62	4,767.92	5,924.05	2,505.42	304.55	809.64
Dec	4,430.15	6,293.12	6,703.27	2,457.40	298.18	1,172.60
TOTAL	56,544.28	70,658.74	69,286.85	47,663.24	3,917.59	5,331.00

Source: PC, FY 2023 Data

A volume of 35,753.47MMSCF of total raw gas produced was exported to the GNGLC from the Jubilee and TEN Fields during the period under review. A volume of 69,286.85MMSCF of raw gas was exported from the SGN Field to the Onshore Receiving Facility (ORF). Table 8 presents details of gas exports to the GNGLC and the ORF.

Table 8: Gas Exports to GNGLC & ORF, 2023

Month	Jubilee	TEN	Total (GNGLC)	SGN (ORF)
Jan	3,112.55	39.34	3,151.89	5,904.19
Feb	3,063.42	60.08	3,123.50	5,533.77
Mar	2,233.44	83.96	2,317.40	6,399.56
Apr	2,151.29	68.73	2,220.02	6,210.91
May	3,352.55	204.76	3,557.31	6,307.88
Jun	3,339.73	24.31	3,364.04	6,018.99
Jul	2,931.47	69.65	3,001.12	6,291.27
Aug	3,050.77	10.96	3,061.73	6,018.13
Sep	3,208.63	127.67	3,336.30	2,058.09
Oct	2,531.37	226.38	2,757.75	5,916.74
Nov	2,904.77	2.63	2,907.40	5,924.05
Dec	2,951.37	3.64	2,955.01	6,703.27
TOTAL	34,831.36	922.11	35,753.47	69,286.85
% of Total Gas Exports	97%	3%	100%	100%

Source: GNPC and PC Data, 2023

4.4 Production and Development Costs

Cost of production in the three producing fields is broadly classified under Development (capital) and Production (operating) costs. Details of the production and development costs in the three producing fields are shown in Appendixes 2, 3 and 4 .

A total amount of US\$1.62 billion was incurred in the three producing fields in 2023. This was made up of Production Costs of US\$612.27 million and Development Cost of US\$1 billion. GNPC's share of the total costs stood at US\$120.63 million. This was made up of production and developments costs of US\$79.81 million and US\$40.82 million respectively. Table 9 presents the Fields' costs and GNPC's share of the costs.

Table 9: Production and Development Costs for Jubilee, TEN and SGN - 2023

Field	Production Costs (US\$' 000)	Development Cost (US\$' 000)	Total Cost (US\$' 000)	GNPC-Total Cost (US\$M)
Jubilee	247,386	631,029	878,415	74.26
TEN	159,173	243,475	402,648	12.32
SGN	205,708	134,214	339,922	8.27
Total	612,267	1,008,718	1,620,985	94.85

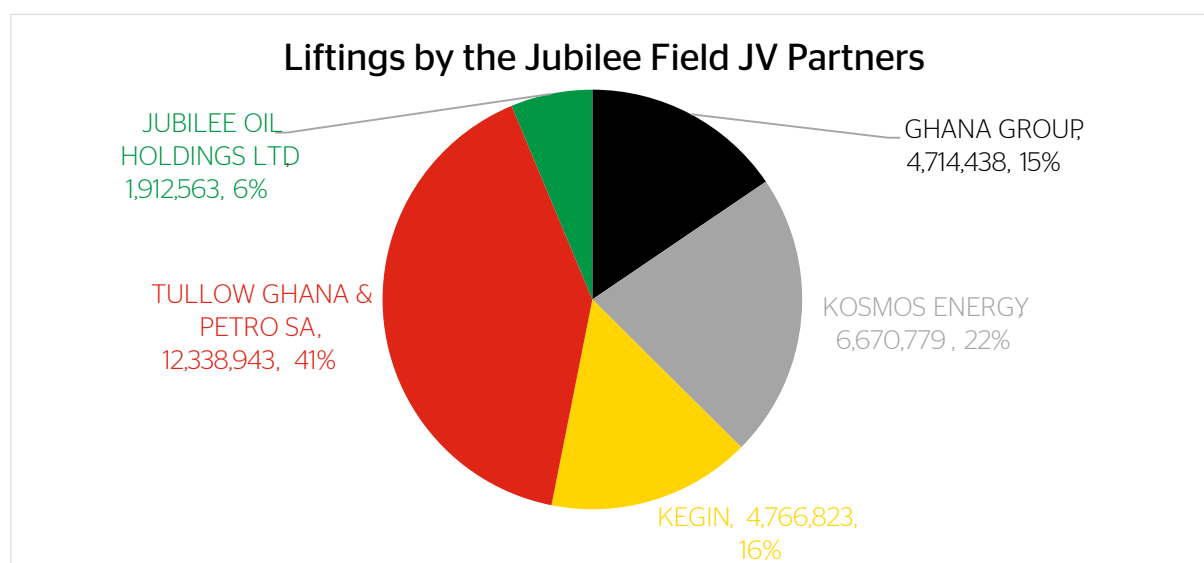
Source: PIAC Construct based on GNPC Data, 2023

4.5 Crude Oil Liftings

Lifting by Partners on each producing field was carried out in accordance with their respective Petroleum Agreements, Crude Oil Lifting Agreements (COLAs) and agreed annual lifting schedules.

4.5.1 Jubilee Field

A total of 32 liftings (30,403,546 bbls) were made by the Jubilee Partners in 2023, just as the 32 liftings (30,445,289 bbls) recorded in 2022. Figure 6 presents liftings by each of the Joint Venture (JV) Partners in accordance with the West Cape Three Points (WCTP) Petroleum Agreement.

**Figure 6:** Liftings by the Jubilee Field JV Partners

Source: PIAC's Construct using PC Data, 2023

As shown in Table 10, the Ghana Group, represented by GNPC, lifted five (5) parcels totaling 4,714,438 bbls, representing 18.6 percent of total volume of liftings. This represents a decrease of 16.6 percent from the 5,653,497 bbls lifted in 2022.

Table 10: Lifting Schedules of the Jubilee Field, 2023

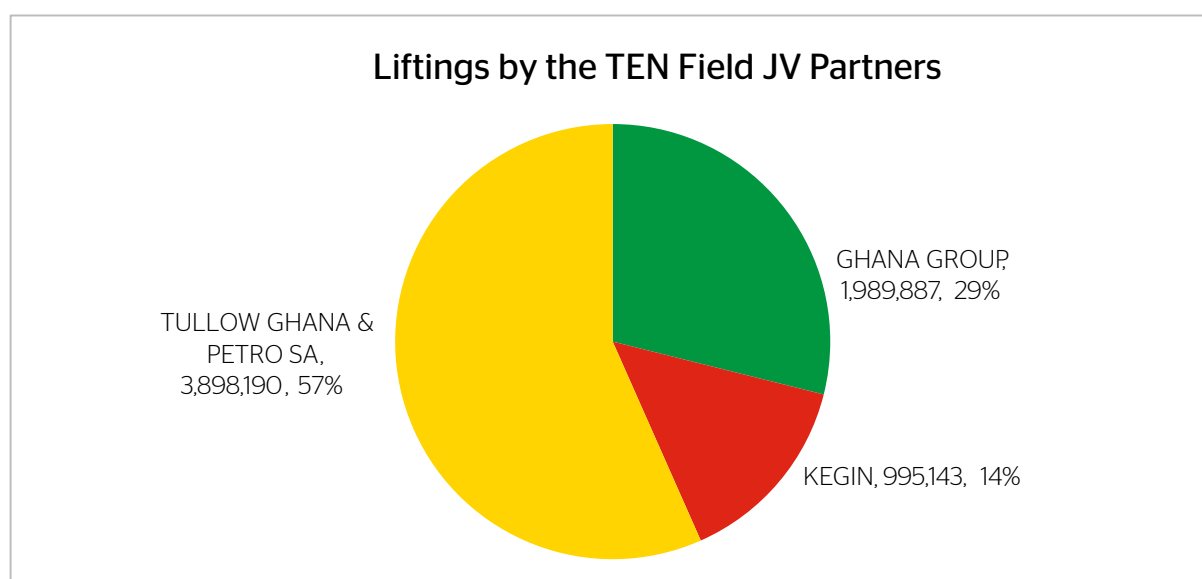
LIFTING PARTY	NO. OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
GHANA GROUP	5	4,714,438	15.51%
KOSMOS ENERGY	7	6,670,779	21.94%
KEGIN*	5	4,766,823	15.68%
TULLOW GHANA & PETRO SA	13	12,338,943	40.58%
JUBILEE OIL HOLDINGS LTD.	2	1,912,563	6.29%
TOTAL	32	30,403,546	100.00%

Source: PC Data, 2023

*Kosmos Energy Ghana Investments

4.5.2 Tweneboah-Enyennra-Ntomme (TEN) Field

The TEN Partners lifted a total of 6,883,220 bbls from seven (7) liftings, as compared with 8,736,805 bbls from nine (9) liftings in 2022, a decrease of 21 percent. Figure 7 presents the share of liftings by the TEN Partners.

**Figure 7:** Liftings by the TEN Field JV Partners

Source: PIAC's Construct using PC Data, 2023, KEGIN - Kosmos Energy Ghana Investments

As depicted in Table 11, GNPC lifted two (2) parcels on behalf of the Ghana Group in 2023, amounting to 1,989,887 barrels, as compared to one (1) parcel lifted in 2022, constituting a volume of 994,962 barrels.

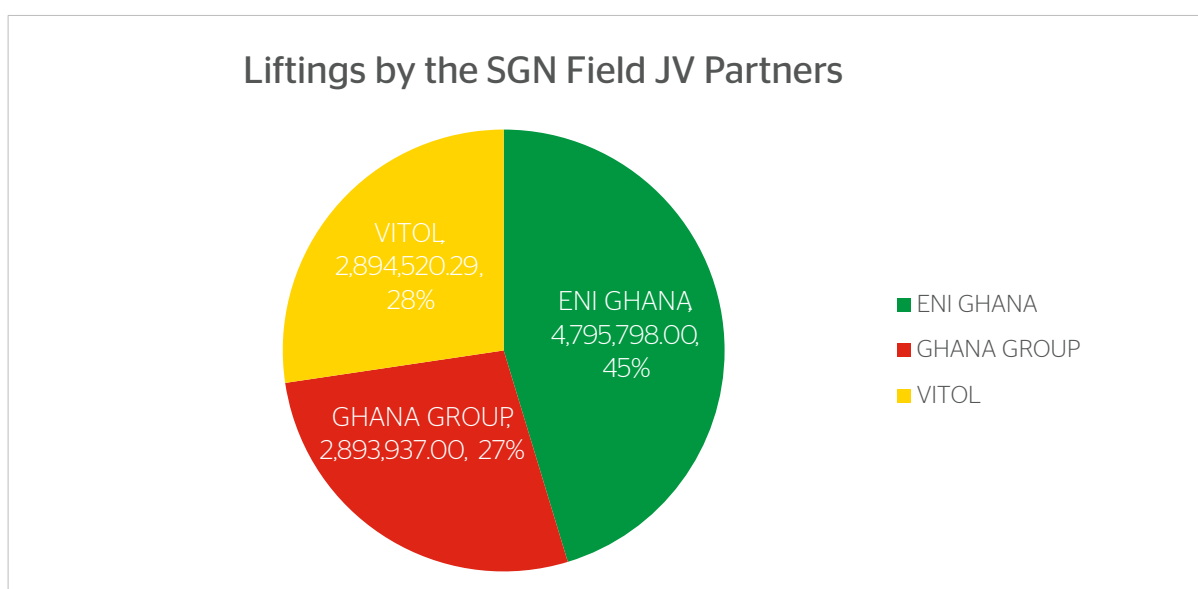
Table 11: Lifting Schedules of the TEN Field, 2023

LIFTING PARTY	NO. OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
GHANA GROUP	2	1,989,887	28.91%
KEGIN	1	995,143	14.46%
TULLOW GHANA & PETRO SA	4	3,898,190	56.63%
TOTAL	7	6,883,220	100.00%

Source: PC, FY 2023 Data

4.5.3 Sankofa Gye-Nyame (SGN) Field

For the period under review, 11 parcels of Crude oil was lifted from the SGN Field translating into 10,584,255 bbls, compared with 14 parcels in 2022, totalling 13,055,294 bbls. The Ghana Group's share makes up 27.34 percent of the total liftings in the Field as shown in Figure 8.

**Figure 8:** Liftings by the SGN Field JV Partners

Source: PIAC's Construct using PC Data, 2023

In 2023, the Ghana Group recorded three (3) liftings totaling 2,893,937 bbls. In 2022, three (3) liftings totalling 2,756,218 bbls was recorded. Table 12 presents the lifting schedules of the SGN Field.

Table 12: Lifting Schedules of the SGN Field, 2023

LIFTING PARTY	NUMBER OF LIFTINGS	VOLUME OF LIFTING	PERCENTAGE SHARE
ENI GHANA	5	4,795,798.00	45.31%
GHANA GROUP	3	2,893,937.00	27.34%
VITOL	3	2,894,520.29	27.35%
TOTAL	11	10,584,255	100.00%

Source: PC Data, 2023

4.5.4 JOHL Liftings

According to PC, the JOHL made two (2) liftings totalling 1,912,563 bbls of crude oil in 2023, amounting to US\$143,315,459.42⁴. The proceeds from these liftings were not paid into the PHF, contrary to the provisions of the PRMA. This brings the total JOHL receipts not paid into the PHF to an amount of US\$343,108,927.88 as at the end of 2023. GNPC insists that proceeds from liftings by JOHL do not constitute petroleum revenue. Table 13 presents the receipts and payments made by JOHL during the period under review.

Table 13: JOHL Receipts & Payments (1st January to 31st December 2023)

DETAILS	AMOUNT (US\$)
REVENUE*	71,991,561.58
CASH CALLS	(74,172,975.41)
GROSS MARGIN	(2,181,413.83)
OPERATING EXPENSES:	
JV OPERATIONS AND ADMIN EXPENSES (2023)**	(16,789,946.49)
SOFTWARE MAINTENANCE	(384,368.50)
BANK CHARGES	(36,981.44)
OVERHEADS	(112,677.69)
SUB-TOTAL:	(17,323,974.12)
NET MARGIN	(19,505,387.95)
JOHL BALANCE AS AT JAN 01 2023	57,527,723.50
OTHER CASHCALLS	
EXPLORCO - SPRINGFIELD, ENI BLK 4 etc.	(2,112,902.28)
SUB-TOTAL:	(2,112,902.28)
RE-PMT OF AMOUNT ADVANCED BY MOF***	(30,000,000.00)
JV OPERATIONAL & ADMIN. CHARGES (OCT 2021 - DEC 2022)	(4,670,348.10)
NET AMOUNT	1,239,334.09

Source: GNPC Data, 2023.

*Revenue receipts from sale of Crude (US\$70,456,718.93) and Gas (US\$1,534,842.65)

**JV Operations and Admin Expenses: This represents the Master Service Level Agreement between JOHL and GNPC

***Payment of amount advanced by MoF: This represents the final payment of the MoF advance.

4 According to GNPC, proceeds from the second JOHL lifting in 2023 of 959,956 bbls worth US\$72,858,740.49 was not received within the period under review. Payment will be received in January 2024.

4.5.5 Crude Oil Pricing

The average achieved price by GNPC on behalf of the Ghana Group for all three (3) producing fields, declined from US\$105.746//bbl in 2022 to US\$78.067/bbl in 2023. The Jubilee Field average achieved price was the highest at US\$84.760/bbl from five (5) liftings while TEN and SGN average achieved prices were US\$75.14/bbl from two (2) liftings and US\$74.30/bbl from three (3) liftings respectively.

The Jubilee Field's average achieved price was higher than the average Dated BRENT by US\$0.586/bbl for the review period while that of TEN was lower than the average Dated BRENT by US\$1.863/bbl. For the SGN field, the average achieved price was lower than the average Dated BRENT by US\$4.186/bbl. Table 14 shows the average achieved prices and average Dated BRENT prices for Ghana Group's liftings.

Table 14: Comparison of Achieved Prices for Jubilee, TEN, SGN and Dated BRENT, 2023

Jubilee			TEN			SGN		
Lifting Date	Unit Price	Dated BRENT	Lifting Date	Unit Price	Dated BRENT	Lifting Date	Unit Price	Dated BRENT
18-Feb	81.79	83.943	22-May	73.39	76.094	26-Feb	77.694	83.67
28-Apr	74.627	74.849	23-Dec	76.895	77.911	29-May	71.964	75.551
11-Jul	78.064	77.033				11-Dec	73.243	76.237
18-Sep	96.233	94.002						
27-Oct	93.088	91.047						
Average Price	84.760	84.175		75.143	77.003		74.300	78.486

Source: GNPC, FY 2023 Data

Comparing Ghana Group's achieved prices to those of the Jubilee and TEN partners⁵, the Group's average achieved price of US\$79.95/bbl from the two Fields was lower than Tullow's average price of US\$84.35/ bbl, and also lower than Kosmos' average price of US\$83.92/bbl.

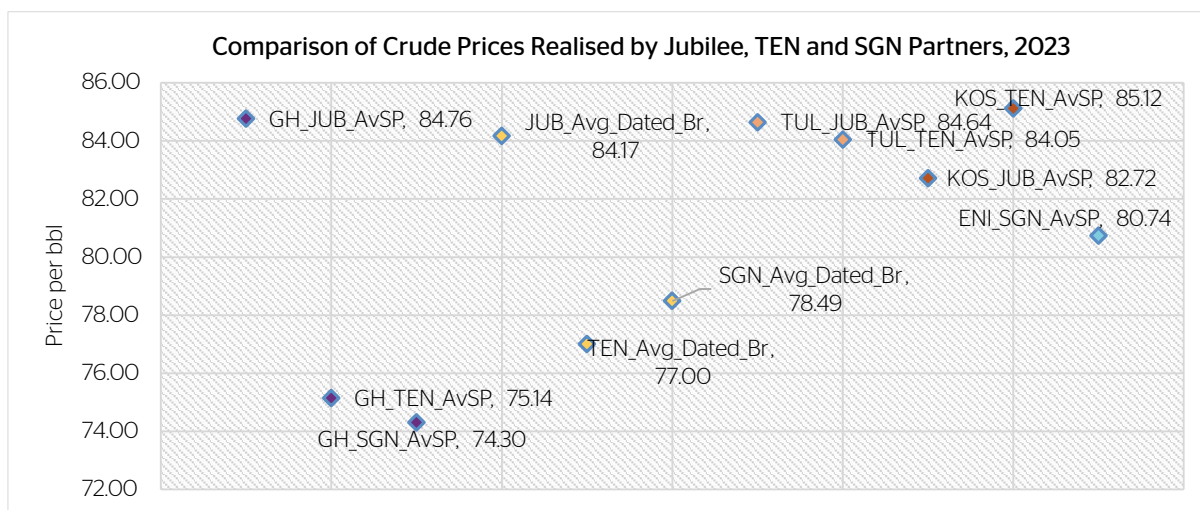


Figure 9: Comparison of Crude Prices Realised by Jubilee, TEN and SGN Partners, 2023

Source: PIAC's Construct, *AvSP= Average Selling Price

5 Both Tullow and Kosmos Energy are partners on the Jubilee and TEN Fields, whilst ENI is a partner on the SGN Field. The comparison is to give a broad overview of the average achieved price of partners in all fields of operation.

In the SGN Field, Ghana Group's achieved price of US\$74.30/bbl was lower than Eni's average price of US\$80.74/bbl. Figure 9 depicts a comparison of the average achieved prices for the partners.

The Ghana Group's average achieved price of US\$78.067/bbl for all fields was above government's 2023 benchmark price of US\$74.00/bbl (see Table 15). This represents a positive variance of US\$4.067/bbl.

Table 15: Comparison of Ghana's Achieved Prices and Government Benchmark for the last 5 Years

Year	Government Benchmark Price	Ghana Group Average Achieved Price
2019	66.76	65.08
2020	39.10	42.49
2021	54.75	63.61
2022	61.23*	105.75
2023	74.00	78.07
AVERAGE	59.17	71.00

Source: PIAC Construct based on Budget Statements and GNPC Data, 2023.

*Revised Benchmark Price

Finding

1. 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.

CHAPTER 5

REVENUE COLLECTION AND MANAGEMENT

The Ghana Revenue Authority (GRA) is required under Section 3 of the Petroleum Revenue Management Act, 2011 (Act 815) to assess, collect, and account for petroleum revenue due Ghana derived from defined sources. These revenues are paid directly into the Petroleum Holding Fund (PHF) by the 15th day of the ensuing month by the entities obliged to make the payment.

For 2023, a total of US\$1,062,323,419.12 accrued to the PHF from Royalties, Carried and Participating Interest (CAPI), Corporate Income Taxes (CIT), Surface Rentals, and income earned on the PHF, compared to US\$1,428,760,076.93 in 2022. This represents a 25.65 percent decrease from the 2022 figure.

The decline in revenues can be attributed to an interplay of lower production volumes and relatively lower international crude oil prices. The average achieved price by GNPC on behalf of the Ghana Group for the three producing fields decreased by 26.2 percent from US\$105.746/bbl in 2022 to US\$78.067/bbl in 2023.

5.1 Receipts from Crude Liftings for Ghana Group

Receipts from crude oil liftings (CAPI and Royalties) amounted to US\$690,282,530.89 in 2023 as compared to US\$1,036,800,383.96 in 2022, representing a decrease of 33.4 percent. Table 16 presents Field-by-Field receipts by the Ghana Group and other revenue sources.

Table 16: Ghana's Petroleum Receipts, 2023

	Jubilee	TEN	SGN	Total
CAPI	342,896,249.40	54,074,559.74	73,702,936.91	470,673,746.05
CIT	-	-	-	365,197,536.35
Royalty	132,302,538.78	18,973,529.73	68,332,716.33	219,608,784.84
PHF Income	-	-	-	6,072,151.40
Surface Rental	-	-	-	771,200.48
TOTAL	475,198,788.18	73,048,089.47	142,035,653.24	1,062,323,419.12

Source: PIAC's Construct using BoG, and GRA Data, 2023

5.1.1 Receipts from Jubilee Field Crude Liftings

Six (6) liftings (69th – 74th) were made from the Jubilee Field in 2023, yielding US\$475,198,788.19 in receipts, just as six liftings were recorded in 2022, yielding US\$567,393,883.49. Table 17 shows the revenue derived from the 2023 liftings comprising both Carried and Participating Interest and Royalties due the State. Receipts for the period include the 69th parcel of crude oil lifted on 17th December, 2022, which was realised in January 2023.

Table 17: Ghana Group Crude Oil Lifting and Revenue from Jubilee, 2023

Lifting Date	Lifting No	Parcel Qty (bbls)	Unit Price (US\$)	Pricing Option Fee (US\$)	Revenue (US\$)*
17-Dec-22	69	947,735	79.028	-	74,897,601.58
18-Feb-23	70	948,266	81.79	75,861.28	77,634,537.42
28-Apr-23	71	953,870	74.627	76,309.60	71,260,766.09
11-Jul-23	72	906,021	78.064	72,481.68	70,800,105.02
18-Sep-23	73	954,337	96.233	76,346.96	91,915,059.48
27-Oct-23	74	951,944	93.088	76,155.52	88,690,718.59
TOTAL		5,662,173			475,198,788.19

Source: GNPC and BoG, FY 2023 Data; *Revenue includes pricing option fees

The JOHL, a subsidiary of GNPC, made two (2) liftings during the year under review yielding a total of US\$143,315,459.42 as compared to two (2) parcels in 2022 yielding US\$185,567,320.93. Proceeds from the second lifting which occurred in December 2023 will be received in January 2024. See details in Table 18.

Table 18: JOHL Crude Oil Liftings and Revenues from Jubilee, 2023

Lifting Date	Lifting No	Parcel Qty (bbls)	Unit Price (US\$)	Pricing Option Fee (US\$)	Revenue (US\$)
7-Jun-23	3	952,607	73.962	-	70,456,718.93
7-Dec-23*	4	959,956	75.898	-	72,858,740.49
TOTAL		1,912,563			143,315,459.42

Source: GNPC, FY 2023 Data

*This is expected to be received in January 2024.

5.1.2 Receipts from TEN Field Crude Liftings for Ghana Group

Two (2) liftings (22nd and 23rd) were made in 2023. One lifting in 2023 yielded an amount of US\$73,048,089.47 whilst proceeds from a lifting in December 2023 will be realised in January 2024. See details in Table 19.

Table 19: Ghana Group Crude Oil Lifting and Revenue from TEN, 2023

Lifting Date	Lifting No	Parcel Qty	Unit Price (US\$)	Pricing Option Fee (US\$)	Revenue (US\$)
22-May-23	22	995,409	73.385	-	73,048,089.47
23-Dec-23	23	994,478	76.895	49,723.90	76,520,109.71*
TOTAL		1,989,887			149,568,199.18

Source: GNPC and BoG, FY 2023 Data;

*This is expected to be received in January 2024.

There was no lifting by JOHL on the TEN Field during the period under review.

5.1.3 Receipts from Sankofa Gye-Nyame (SGN) Field Crude Liftings

There were three (3) liftings from the SGN Field in 2023 with total revenues amounting to US\$215,016,809.52 as compared to three (3) liftings in 2022 yielding US\$287,035,725.78 in revenues. This represents a 25.09 percent decrease from the 2022 receipts. Proceeds from the 14th Lifting in December 2023 will be realised in January 2024. Find details in Table 20.

Table 20: Ghana Group Crude Oil Lifting and Revenue from SGN, 2023

Lifting Date	Lifting No	Parcel Qty (bbls)	Unit Price (US\$)	Pricing Option Fee (US\$)	Revenue (US\$)
26-Feb-23	12	948,631	77.694	-	73,702,936.91
29-May-23	13	948,881	71.964	47,444.05	68,332,716.33
11-Dec-23	14	996,425	73.243	-	72,981,156.28*
TOTAL		2,893,937			215,016,809.52

Source: GNPC and BoG, FY 2023 Data

*This is expected to be received in January 2024.

5.1.4 JOHL Crude Oil Lifting Receipts

For the year 2023, a total amount of US\$70,456,718.93 was made from JOHL's liftings in the Jubilee Field (See Table 21). However, the revenue from these liftings was not paid into the PHF for 2023. JOHL received US\$272,652,208.95 from its liftings in 2022. This brings total lifting proceeds from 2022 and 2023 to US\$343,108,927.88.

Table 21: Lifting Receipts from the JOHL in 2023

Date	Jubilee	TEN	TOTAL RECEIPTS
7-Jun-23	70,456,718.93	-	70,456,718.93
7-Dec-23	72,858,740.49	-	72,858,740.49*
TOTAL	143,315,459.42	-	143,315,459.42

Source: PIAC's Construct using GNPC Data, 2023

*This is expected to be received in January 2024.

5.2 Analysis of Petroleum Receipts

Carried and Participating Interest (CAPI) continues to contribute the highest percentage of total revenues followed by Corporate Income Taxes, Royalties, PHF Income, and Surface Rentals, as shown in Figure 10.

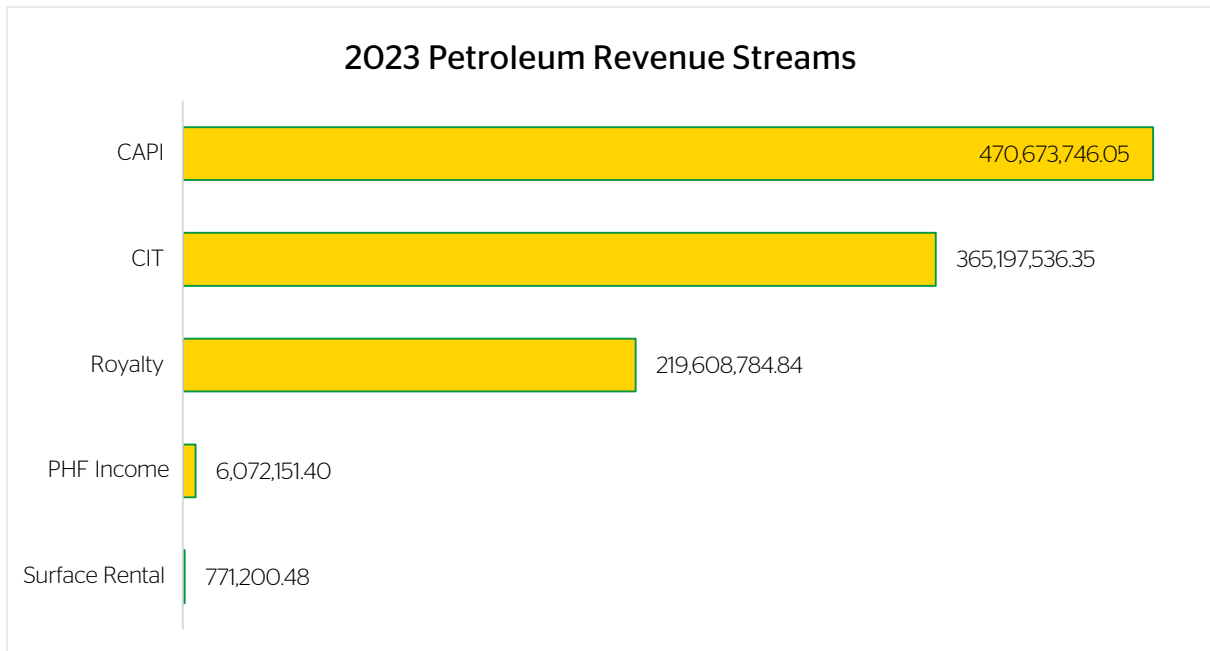


Figure 10: Petroleum Revenue Streams (2023), US\$M
 Source: PIAC’s Construct based on GRA and BoG Data, 2023

5.2.1 Carried and Participating (Additional) Interest (CAPI)

Carried and Participating Interest are two (2) forms of state participation that effectively capture the State’s share of economic rents from petroleum projects. The revenue derived from CAPI in 2023 constituted 44.3 percent (US\$470,673,746.05) of total petroleum revenues as compared to US\$733,845,523.27 in 2022. This represents about 36 percent decrease in CAPI over that of 2022.

The CAPI generated from the Jubilee Field stood at US\$342,896,249.40, whilst that of TEN and SGN amounted to US\$54,074,559.74 and US\$73,702,936.91 respectively, as shown in Figure 11.

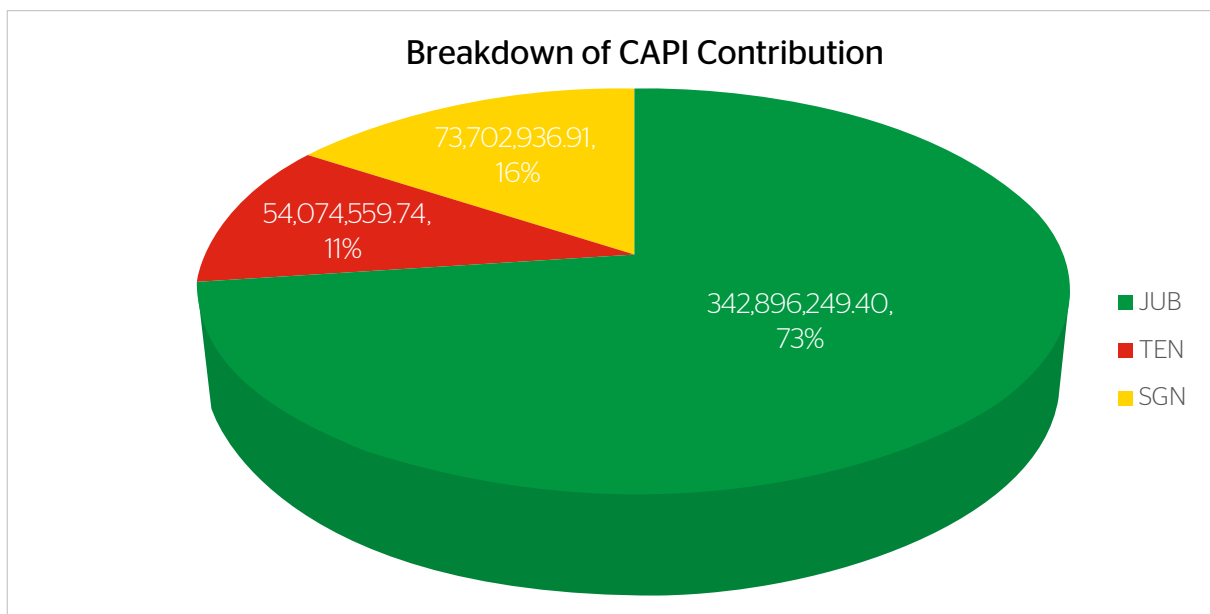


Figure 11: Breakdown of CAPI Contribution per Field to Total Revenue (2023)
 Source: PIAC’s Construct based on GRA and MoF Data, 2023

5.2.2 Royalties

Royalties are early and dependable sources of revenues for the State as it is a charge on gross production. Total revenue from Royalties for the three (3) Fields was US\$219,608,784.84 in 2023 compared to US\$302,954,860.69 in 2022, representing 27.5 percent decrease. Royalty from the Jubilee Field contributed 60 percent of the total Royalties for the period, followed by SGN (31%) and TEN (9%), as shown in Figure 12.

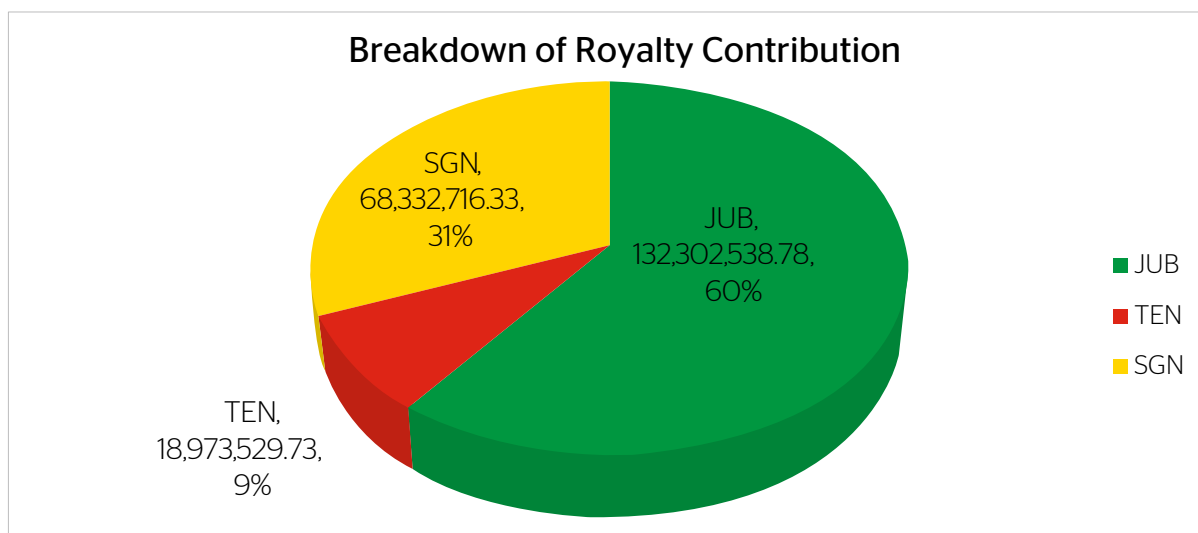


Figure 12: Breakdown of Royalty Contribution to Total Revenue, 2023

Source: PIAC's Construct based on GRA and MoF Data, 2023

5.2.3 Corporate Income Tax (CIT)

CIT is currently charged at a rate of 35 percent on profits of the IOCs. The total CIT received from the three (3) fields in 2023 stood at US\$365,197,536.35, representing a 6 percent decrease from that of 2022 (US\$388,889,564.00). CIT constituted the second highest among the petroleum revenue streams in 2023. Table 22 provides details of CIT payments.

Table 22: Breakdown of Corporate Income Tax Payments

Date	Payments	Company	Amount (US\$)
26-Jan-23	Q4 2022	Kosmos Energy Ghana HC	17,610,408.00
26-Jan-23	Q4 2022	Kosmos Energy Ghana Investments	31,042,752.00
25-Apr-23	Q1 2023	Kosmos Energy Ghana Investments	20,137,313.00
25-Apr-23	Q1 2023	Kosmos Energy Ghana HC	26,361,516.35
26-Apr-23	2022	Kosmos Energy Ghana HC	1,339,571.00
26-Apr-23	2022	Kosmos Energy Ghana Investments	1,681,715.00
25-Jul-23	Q2 2023	Kosmos Energy Ghana HC	9,162,374.00
25-Jul-23	Q2 2023	Kosmos Energy Ghana Investments	16,956,999.00
30-Oct-23	Q3 2023	Kosmos Energy Ghana Investments	51,143,504.00
30-Oct-23	Q3 2023	Kosmos Energy Ghana HC	17,454,988.00
Sub-Total			192,891,140.35

Date	Payments	Company	Amount (US\$)
31-Jan-23	Q4 2022	PetroSA Ghana Limited	3,188,547.00
31-Jan-23	2022 Provisional Tax	PetroSA Ghana Limited	2,777,497.00
28-Apr-23	Q1 2023	PetroSA Ghana Limited	1,223,891.00
31-Jul-23	Q2 2023	PetroSA Ghana Limited	3,377,370.00
31-Oct-23	Q3 2023	PetroSA Ghana Limited	4,532,655.00
Sub-Total			15,099,960.00
30-Jan-23	Q4 2022	Tullow Ghana Limited	34,022,510.00
28-Apr-23	Q1 2023	Tullow Ghana Limited	27,119,543.00
28-Jul-23	Q2 2023	Tullow Ghana Limited	40,374,495.00
30-Oct-23	Q3 2023	Tullow Ghana Limited	55,689,888.00
Sub-total			157,206,436.00
Total			365,197,536.35

5.2.4 Surface Rentals

Surface Rental payments received in 2023 totaled US\$771,200.48 compared with US\$687,759.16 for 2022, indicating a 12 percent increase. According to the GRA, this amount received is attributable to 12 out of the 13 companies with respect to the oil Blocks under their operation. As at the end of December 2023, Surface Rental Arrears had amounted to US\$2,738,365.29, down from US\$2,774,066.79 as at the end of 2022, representing a 1.3 percent decline. Out of the Surface Rental Arrears, an amount of US\$1,803,124.41, representing about 66 percent of the total arrears, relates to four (4) contractors whose Petroleum Agreements were terminated by the Minister for Energy in 2021. Details of the Surface Rental Payments and Arrears as at the end of 2023 are shown in Appendix 1.

5.2.5 Wrongful Lodgements

According to GRA, Kosmos Energy Plc made three (3) separate erroneous transfer payments in respect of Withholding Taxes totaling US\$3,999,325.65 into the PHF in July and October 2020 and January 2021 (see Table 23). It added that the anomalies were initially detected at a PIAC stakeholder reconciliation forum and its further checks confirmed the observation. In response to GRA's request to reverse the funds from the PHF, the BoG reported that since these receipts have already been distributed, the GRA can net off the amount against future corporate income tax obligations of Kosmos Energy.

Table 23: Wrongful Lodgement into PHF by Kosmos Energy

Receipt Date	Narration	Amount (US\$)	Distribution Date
14-Jul-2020	Withholding Tax	2,091,843.57	28-Oct-2020
14-Oct-2020	Withholding Tax	959,061.73	25-Nov-2020
12-Jan-2021	Withholding Tax	948,420.35	29-Jul-2021
TOTAL		3,999,325.65	

Source: GRA Data, 2023

Subsequently, according to GRA, the amount (US\$3,999,325.65) was paid back into GRA accounts in a net-off arrangement during the payment of Q1 2023 CIT liability on April 25, 2023. This resulted in the payment of CIT into the PHF by less the same amount.

5.2.6 PHF Income

Interest on the Petroleum Holding Fund yielded US\$6,072,151.40 in 2023 as against US\$2,382,369.82 in 2022. This represents a significant increase of 154.9 percent. The increase was due to a relatively higher overnight rate on PHF cash holdings in 2023.

5.2.7 Gas Revenue

Except in 2015 and 2016⁶, there has been no payment into the PHF with respect to gas revenues from raw gas supplied by GNPC⁷. A total of 26,525.10 MMSCF of raw gas worth US\$144,927,344.80, was delivered to Ghana National Gas Limited Company (GNGLC) during the period under review. Table 24 presents the monthly invoiced amounts.

Table 24: Invoiced Amounts from the Jubilee and TEN Fields, 2023

Date	Export Volume (MMSCF/d)	Invoiced Amount (US\$)
Jan	2,366.30	14,934,129.46
Feb	2,416.06	15,632,223.76
Mar	1,652.67	10,693,019.35
Apr	1,509.06	9,763,809.62
May	2,792.14	18,065,528.46
Jun	2,516.77	16,818,292.09
Jul	2,252.53	15,052,529.40
Aug	2,299.35	15,365,370.45
Sep	2,741.58	22,825,745.43
Oct	1,840.81	15,326,125.61
Nov	2,951.50	17,080,255.01
Dec	2,086.33	13,370,316.16
TOTAL	26,525.10	144,927,344.80

Source: GNPC Data, 2023

According to GNPC, total outstanding receivables from GNGLC with respect to raw gas supplied amounted to US\$562,696,382.33⁸ as at the end of December 2023 (see Table 25).

6 An amount of US\$553,815.32 was paid into the PHF as receipts from raw gas exports in 2015 (PIAC 2015 Annual Report), and US\$9,302,806.35 in 2016 (PIAC 2016 Annual Report).

7 Since the implementation of the Cash Waterfall Mechanism (CWM), no payment has been made into the PHF from the CWM because, by Government policy, Royalty and CAPI gas are sold at zero price.

8 GNGLC however reported US\$604,051,751.38 as the amount owed GNPC as at the end of December 2023. There is the need for both institutions to reconcile the outstanding amount.

Table 25: Total Receipts and Outstanding Receivables from GNGLC as at December 31, 2023

Items	Amount (US\$)
Outstanding Balance b/f as of 2022	613,404,073.63*
Total Invoice Amount (Jub/TEN, OCTP) from Jan - Dec	188,927,344.80
	822,321,448.83
Total Receipts:	
CWM/NGCH (Credit Notes Issued to GNGLC over the period) from Jan - Dec	(239,635,036.1)
Total Outstanding Receivables	562,696,382.33

Source: GNPC Data, 2023.

* As part of the gas receivables reconciliation, the Outstanding Balance brought forward from previous years had to be adjusted by US\$77m to reflect gas supplies from OCTP to GNGLC which had not been accounted for.

5.2.71 Make-Up Gas

Make-Up Gas⁹ (MUG) for the three-year period (2018 to 2020) amounted to 35,630.32 MMSCf. Out of the amount, 12,955.30 had been recovered as at the end of 2023, leaving a balance of 22,675.02 MMSCF to be recovered in 2024 and 2025.

Per the Gas Sales Agreement (GSA), the MUG for each year can be recovered within five years following the year that it was incurred, on First-In First-Out (FIFO) basis. Find details in Table 26.

Table 26: Analysis of Make-Up Gas for the Period 2018 to 2023

Year		2018	2019	2020	2021	2022	2023	Total
Make-up Gas (MMSCF)	A	6,449.14	26,460.17	2,721.00	-	-	-	35,630.32
MUG Recovered							-	
2021		(134.35)	-	-	-	-	-	(134.35)
2022		(5,552.25)	-	-	-	-	-	(5,552.25)
2023		(762.54)	(6,506.16)				-	(7,268.70)
Total MUG Recovered	B	(6,449.14)	(6,506.16)	-	-	-	-	(12,955.30)
Outstanding MUG	A-B	-	19,954.01	2,721	-	-	-	22,675.02
To be Recovered by Year		-	2024	2025	-	-	-	-

Source: ENI Data, 2023

The total invoiced amount for gas taken from the SGN Field in 2023 amounted to US\$524,264,437.89. Table 27 presents details of the Gas Invoiced amounts and reconciliation.

9 Make-Up Gas means the volume of gas, if any, by which the quantity of Base-load Gas delivered to and accepted by the Purchaser during a Contract Year for such Contract Year, falls short of the Annual Base-load Quantity. Make-up or recoupment provisions allow the buyer to take, without payment, a quantity of gas valued at the amount of the deficiency payments paid in previous periods.

Table 27: Gas Invoiced Amounts for 2023 and Reconciliation

	Total Gas Invoice (US\$)	Invoice Amount-Gas Taken (US\$)	Invoice Amount-Take or Pay (US\$)	Invoice Amount-Condensates (US\$)	Invoice Amount-Priority Deficiency Payment (US\$)	Credit amount Repayment to government (US\$)
Jan- Dec 2023	524,264,437.89	524,264,437.89	-	-	-	-
Total	524,264,437.89	524,264,437.89	-	-	-	-

Source: ENI Data, 2023

5.3 Cumulative Petroleum Revenues (2011 to 2023)

From 2011 to date, total petroleum revenue has amounted to US\$9.85 billion. The year 2022 recorded the highest realised petroleum revenues into the PHF, with 2016 recording the lowest revenues. Figure 13 shows the annual realised revenues from 2011 to 2023.

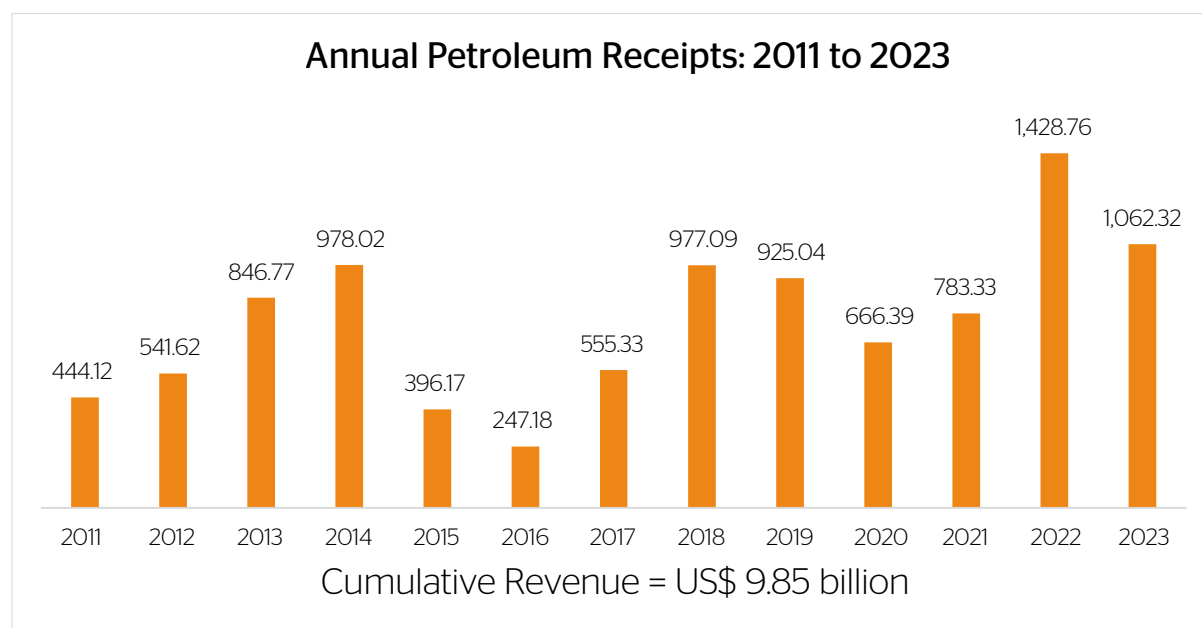


Figure 13: Annual Petroleum Receipts: 2011 to 2023 (US\$M)

Source: PIAC's Construct, 2023

Findings

1. 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.
2. Surface Rental owed by IOCs remain high at US\$2,738,365.29 as at the end of 2023.

CHAPTER 6

ALLOCATION OF PETROLEUM REVENUES

The Petroleum Revenue Management Act (PRMA), 2011 (Act 815) as amended provides for the allocation of petroleum revenues. The Act provides that petroleum revenue due the Republic of Ghana shall be deposited in the Petroleum Holding Fund (PHF) for subsequent transfers in accordance with the provisions of the Act. This makes the PHF a transitory fund that receives petroleum revenues for distribution as stipulated by the Act.

Figure 14 provides a representation of the provisions of the Act regarding deposits into and transfers from the PHF:

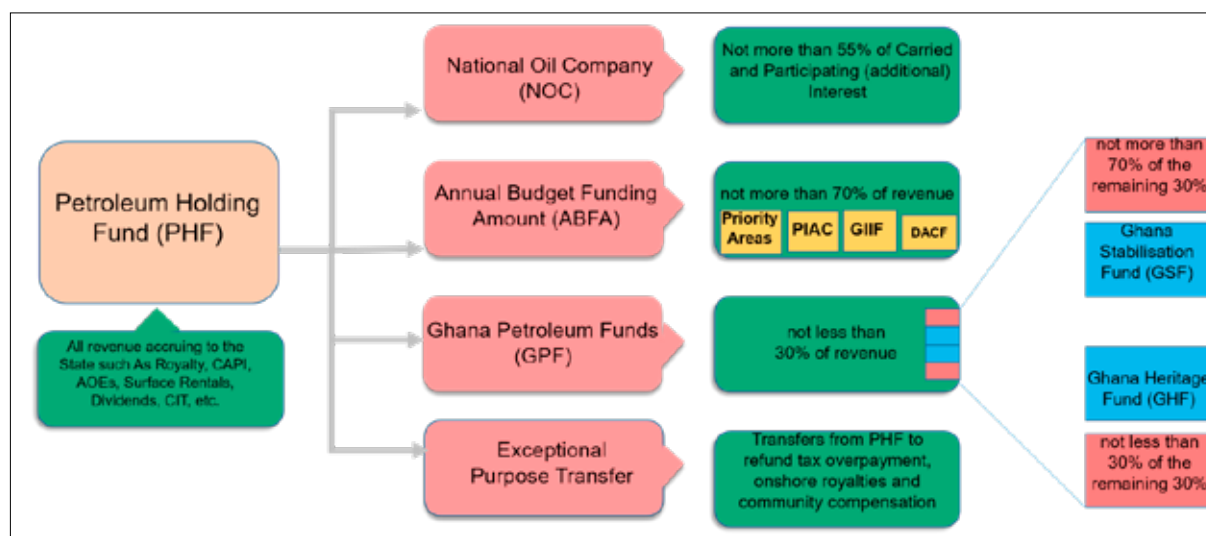


Figure 14: Distribution of Petroleum Revenue from the Petroleum Holding Fund

Source: PIAC Construct, December 2023

6.1 Allocation of Budgeted Petroleum Revenue

The budgeted petroleum revenue for the year 2023 in the Government's Budget Statement and Economic Policy was US\$1.48 billion. This was to be realised from Lifting Proceeds of US\$939.82 million and Other Receipts of US\$544.65 million.

The budgeted petroleum revenue was allocated as required by the Act and GNPC was projected to receive an amount of US\$368.83 million for the year. The remaining amount of US\$1,115.64 million which

constitutes the Benchmark revenue was allocated with the ABFA to receive US\$780.95 million representing 70 percent of the Benchmark revenue, and, the GPFs US\$334.69 million (30%) in compliance with the PRMA as amended.

Mandated by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893), the Minister for Finance revised the budgeted petroleum revenues and their allocations in the Mid-year Budget review from US\$1.48 billion to US\$1.01 billion, with lifting proceeds of US\$683.11 million and other receipts of US\$325.54 million. The revised projected revenue was allocated as follows: GNPC - US\$302.48 million, ABFA - US\$494.32 million (70% of the revised Benchmark revenue), and GPFs - US\$211.85 million (30%) (GSF - US\$148.30 million, GHF - US\$63.56 million).

6.2 Receipts into the Petroleum Holding Fund

Total actual petroleum receipts for the period paid into the PHF was US\$1,062,323,419.12, representing a 5.32 percent increase over the revised projected petroleum revenue for the year 2023.

The petroleum receipts for the period under consideration constitute a decline of 25.65 percent from that of the same period in 2022 (US\$1,428.76 million). This decline is due to a fall in crude oil prices on the world market during the period and a decline in the quantity produced.

The petroleum receipts distributed for the year 2023 amounted to US\$1,062,079,572.48.

6.3 Disbursement of Petroleum Receipts

In compliance with the provisions of the PRMA as amended, the petroleum receipts in the PHF were disbursed to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA) and the Ghana Petroleum Funds (GPFs) [the Ghana Stabilisation Fund and the Ghana Heritage Fund].

Total disbursement from the PHF for the period under review was US\$1,062,079,572.46. This distribution is 26.43 percent lower than the distribution for the same period in 2022.

The disbursement for the period under review per quarter is presented in Table 28:

Table 28: Quarterly Disbursement of Petroleum Revenues from the PHF in US\$

	GNPC	ABFA	GSF	GHF	Total
Quarter 1	58,883,861.92	128,696,759.34	38,609,027.80	16,546,726.20	242,736,375.26
Quarter 2	66,826,788.60	110,114,461.60	33,034,338.48	14,157,573.64	224,133,162.32
Quarter 3	58,737,017.91	123,580,371.35	71,054,927.42	30,452,111.75	283,824,428.41
Quarter 4	61,140,842.15	123,580,371.35	88,665,075.08	37,999,317.89	311,385,606.47
Total	245,588,510.58	485,971,963.64	231,363,368.78	99,155,729.48	1,062,079,572.46

Source: MoF and BoG Data, 2023.

6.3.1 Disbursement to the Ghana National Petroleum Corporation

Total petroleum receipts disbursed to the Ghana National Petroleum Corporation (GNPC) for its Equity Financing and Net Carried and Participating Interest for 2023 amounted to US\$245,588,510.58. This represents a decline of 26.85 percent compared to that of the same period in 2022, and 81.19 percent of the revised budgeted allocation of US\$302.48 million for the year.

6.3.2 Disbursement to the Annual Budget Funding Amount

The total amount of petroleum receipts disbursed to the Annual Budget Funding Amount (ABFA) for 2023 was US\$485,971,963.64, which is 7.66 percent lower than that of the same period in 2022, and 98.30 percent of the revised budgeted allocation of US\$494.32 million for 2023.

6.3.3 Distribution to the Ghana Petroleum Funds

The Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF) make up the Ghana Petroleum Funds (GPFs). The GPFs received US\$330,579,098.26 representing 56.04 percent over the revised budgeted allocation for 2023 and 56.85 percent of the distribution to the GPFs for the same period in 2022. The excess of actual distribution over the budgeted is due to the higher distribution to the GPFs in the third and fourth quarters of the year following the attainment of the quarterly ABFA. This made more funds available for distribution to the Funds.

The PRMA provides that where petroleum revenue collected in a quarter of any financial year exceeds one-quarter of the ABFA of that financial year, the US Dollar equivalent of the excess revenue shall be transferred from the PHF into the GPFs with a minimum of 30 percent transferred into the GHF and the balance transferred into the GSF.

This explains the outstanding balance of US\$101,507,039.15 after disbursing US\$123,580,371.35 to the ABFA in the third quarter. The balance was shared with GHF receiving US\$30,452,111.75 (30%) and the GSF US\$71,054,927.42 (70%), in compliance with the provision.

Similarly, for the fourth quarter, the balance of US\$126,664,392.97 was shared the same way as in the third quarter.

The Ghana Stabilisation Fund

For the period under review, the GSF received US\$231,363,368.78 representing seventy percent of the distribution to the GPFs, in compliance with the provision of the PRMA that not more than seventy percent of the amount remaining after the distribution to the ABFA shall be disbursed to the GSF. The distribution to the GSF for 2023 constitutes a 43.16 percent decrease from that of 2022, and 56.01 percent increase over the revised budgeted distribution to the GSF for 2023.

The Ghana Heritage Fund

Distribution to the Ghana Heritage Fund for the period under review was US\$99,155,729.48. This constitutes 30 percent of the distribution to the GPFs, in compliance with the PRMA requirement that not less than 30 percent of the amount remaining after the distribution to the ABFA shall be disbursed to the GHF. The distribution is 43.16 percent lower than the distribution to the GHF for the same period in 2022, and 56.01 percent higher than the revised projected distribution to the GHF for 2023.

6.3.4 Cumulative Distribution of Petroleum Revenue since Inception

The total amount distributed from the Petroleum Holding Funds since its establishment in April 2011 to December 2023 stands at US\$9,837,797,346.45. The GNPC has received an amount of US\$2,813,492,460.18, representing 29 percent and the ABFA an amount of US\$3,911,936,204.98 representing 40 percent of the cumulative total. While the GSF has received an amount of US\$2,184,879,681.58 (22%), the GHF has received US\$927,288,999.71 (9`x%). This distribution is presented in Figure 15.

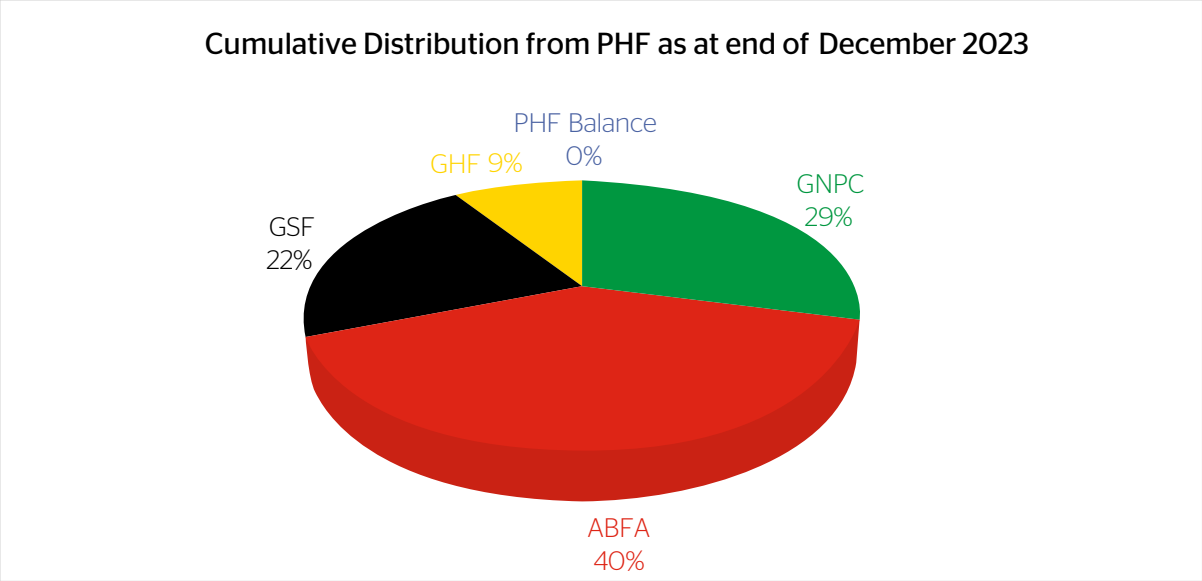


Figure 15: Cumulative Distribution from PHF as at end of December 2023

CHAPTER 7

DISTRIBUTION AND UTILISATION OF THE ANNUAL BUDGET FUNDING AMOUNT

7.1 Introduction

The Annual Budget Funding Amount (ABFA) is the total amount approved by Parliament to be withdrawn from the Petroleum Holding Fund to support the national budget for any financial year. The ABFA is therefore the main channel through which petroleum revenue finances the national budget under the PRMA. The ABFA must not exceed 70 percent of the Benchmark Revenue, but the exact percentage to be allocated annually must be subject to Parliamentary approval.

The PRMA provides that the ABFA is only to be transferred into the Consolidated Fund after it has been published in the Gazette to confirm the amount approved by Parliament for that financial year. The ABFA must be used to enhance the rate of economic development; promote equality of economic opportunity with a view to ensuring the well-being of citizens; and undertake even and balanced development of the regions.

7.2 Priority Areas for 2023 to 2025

Following the expiry of the Priority Areas selected for the period 2020 to 2022, the Minister for Finance presented new Priority Areas for 2023 to 2025 for the approval of Parliament in the 2023 Budget Statement and Economic Policy. These were subsequently approved. Although the presentation and approval of Priority Areas complies with the Act, it is not in full compliance with the position of the Act. The primary objective of the Act is that the use of the ABFA must be guided by a medium-term development strategy, aligned with a long-term national development plan approved by Parliament.

The Act provides that, in the absence of the long-term national development plan, the Minister for Finance is required to select not more than four of the priority areas listed in the Act, for the utilisation of the ABFA. Since the coming into force of the PRMA in 2011, the use of the ABFA has been guided by a medium-term development strategy, as there has not been a long-term national development plan approved by Parliament.

Table 29 shows the approved priority areas for 2023 to 2025.

Table 29: Priority Areas Selected by the Government (2023 to 2025)

No.	Priority Areas
1.	Agriculture including Fisheries
2.	Physical Infrastructure and Service Delivery in Education and Health
3.	Road, Rail and Other Critical Infrastructure Development
4.	Industrialisation

Source: PIAC Construct from MoF data, 2023

A brief observation of the newly selected Priority Areas reveals that it is essentially the same as those of the previous period (2020-2022) except for the addition of “including Fisheries” to the “Agriculture” Priority Area. The Committee notes the combination of priority areas into one which does not only amount to the selection of more than four priority areas but also leads to unequal attention to the areas combined. A typical example is the merger of “education and health”. Additionally, the omnibus “Other Critical Infrastructure” has been used to spend the ABFA in many other areas beyond the four priority areas selected.

PIAC has taken notice of Government’s admission in paragraph 291 of the 2023 Budget that the ABFA has been spread thin over the years, and the decision to use the ABFA allocation of 2023 to 2025 for few legacy projects, to ensure maximum impact. More specifically, the Committee welcomes the decision to use the Ghana Infrastructure Investment Fund to invest the Cedi equivalent of US\$380 million in the Tema Motorway and the Pwalugu Multi-purpose dam over the three-year period, and the Committee looks forward to their implementation as seed to attract the right investment for their completion.

7.3 Allocation of Budgeted Annual Budget Funding Amount

For the period under review, budgeted ABFA was US\$1,484.47 million (GH¢12,339 million). This was divided into four quarters of US\$371.12 million per quarter as provided for by the Act.

Table 30 shows budgeted petroleum revenues and their allocation for the reporting period.

Table 30: Allocation of Budgeted Annual Budget Funding Amount

	Priority Area	Covered Entity/ Description	Goods & Services GH¢	Public Investment Expenditure (CAPEX) GH¢	Total GH¢	Percentage
1.	Agriculture Including Fisheries	Ministry of Food and Agriculture (MoFA)				
		MoFA (Hqtrs & Agencies)		12,040,000	12,040,000	
		Planting for Food and Jobs	600,000,000	46,500,000	646,500,000	
		Irrigation Development	-	200,000,000	200,000,000	
		Pwalugu Multi-Purpose Dam	-	250,000,000	250,000,000	

	Priority Area	Covered Entity/ Description	Goods & Services GH¢	Public Investment Expenditure (CAPEX) GH¢	Total GH¢	Percentage
		Ministry of Fisheries and Aquaculture				
		Anomabu Fisheries College	-	28,000,000	28,000,000	
		Ministry of Sanitation and Water Resources				
		Water and Sanitation Initiative	-	66,984,800	66,984,800	
			600,000,000	603,524,800	1,203,524,800	9.75
2.	Physical Infrastructure and Service Delivery in Education and Health	Ministry of Education				
		Free SHS	2,957,502,092	-	2,957,502,092	
		Construction of Regional STEM Centres	-	30,088,000	30,088,000	
		Ministry of Health				
		Health Infrastructure		100,474,624	100,474,624	
		E-Health Project		30,000,000	30,000,000	
			2,957,502,092	160,562,624	3,118,064,716	25.27
3	Roads, Rail and Other Critical Infrastructure	Ghana Infrastructure Investment Fund				
		District Assembly Common Fund	-	1,727,452,820	1,727,452,820	
		Ministry of Roads and Highways				
		Road Infrastructure		2,206,383,898	2,206,383,898	
		Ministry of Works and Housing (MoWH)				
		MoWH (Hqtrs & Agencies)	-	123,028,174	123,028,174	
		Affordable Housing	-	203,728,000	203,728,000	
		Ministry of Railways Development				
		Railway Development	-	160,000,000	160,000,000	

	Priority Area	Covered Entity/ Description	Goods & Services GH¢	Public Investment Expenditure (CAPEX) GH¢	Total GH¢	Percentage
		Ministry of Transport				
		Fish Landing Sites	-	20,352,000	20,352,000	
		Ministry of Defence				
		Construction of Forward Operating Base/ Northern Border Security	-	220,000,000	220,000,000	
		General Government Services				
		Accra-Tema Motorway Project (Equity and VGF for GIIF SPV)	-	1,975,000,000	1,975,000,000	
		Ghana Cares	130,000,000	-	130,000,000	
		Ministry of Energy (MoEn)				
		MoEn (Hqtrs & Agencies)	-	62,558,320	62,558,320	
		Petroleum Hub	2,500,000	6,300,000	8,800,000	
		Ministry of Local Government, Decentralisation and Rural Development				
		Regional Reorganisation and Development	-	37,400,000	37,400,000	
		Office of Government Machinery				
		Infrastructure for Poverty Eradication Programme (SDI Secretariat and Dev't Authorities)	-	337,109,280	337,109,280	
			132,500,000	7,696,259,927	7,828,759,927	63.45
4.	Industrialisation	Ministry of Trade and Industries				
		One District One Factory	-	168,555,160	168,555,160	
		Ministry of Lands and Natural Resources				

	Priority Area	Covered Entity/ Description	Goods & Services GH¢	Public Investment Expenditure (CAPEX) GH¢	Total GH¢	Percentage
		Ghana Integrated Aluminum Development Company		3,009,134	3,009,134	
		Ghana Integrated Iron and Steel Corporation	7,044,678	4,800,000	11,844,678	
			7,044,678	176,364,294	183,408,972	1.49
		Ministry of Finance				
5	Public Interest and Accountability Committee	Public Interest and Accountability Committee	4,637,845	552,455	5,190,300	
			4,637,845	552,455	5,190,300	0.04
	Grand Total		3,701,684,615	8,637,264,099	12,338,948,714	100

Source: MoF Data, June 2023

The budgeted ABFA was allocated to the Priority Areas approved by Parliament for the utilisation of petroleum revenues as shown in Table 30. Total budgeted expenditure on goods and services was GH¢3,701,684,615 (30%) while that of public investment expenditure was GH¢8,637,264,099 (70%). This complies with the statutory ratio of 30:70 for Goods and Services, and CAPEX respectively.

In the mid-year budget review, the Minister reported that actual ABFA for H1 was US\$540.46 million, representing 72.82 percent of the H1 budgeted ABFA, and 36.41 percent for the budgeted ABFA for the full year. The performance of the revenues led the Minister for Finance to revise the Benchmark Revenue in the mid-year budget review, as mentioned in Chapter 6 of this Report.

7.4 Budgeted Versus Actual Annual Budget Funding Amount

With the revisions, the budgeted ABFA for 2023 became US\$1,008.65 million and the resultant quarterly ABFA was US\$252.16 million. Consistent with Act 815, the budgeted ABFA was allocated to the approved priority areas as shown in Table 31.

Table 31: Budgeted versus Actual ABFA Distribution to Priority Areas

No.	Priority Area	Revised 2023 Budgeted ABFA (GH¢ Million)	Actual 2023 ABFA (GH¢ Million) (utilised)	Percentage of Actual to Budgeted ABFA %	Actual 2022 ABFA (GH¢ Million)
1.	Agriculture including Fisheries	587.65	431.59	73.44	95.84
2.	Physical Infrastructure and Service Delivery in Education and Health	1,206.65	894.26	74.11	1,198.02
3.	Road, Rail and Other Critical Infrastructure Development	3,812.59	3,782.50	99.21	3,103.81
3.1	o/w Road infrastructure	871.61	1,017.21	116.70	
3.2	o/w Railway infrastructure	20.51	33.51	163.38	
3.3	o/w Other Critical infrastructure	2,920.47	2,731.78	93.54	
3.3.1	o/w DACF	281.76	501.15		105.28
	previous years payments	230.25	230.25	100	
3.3.2	o/w GIFF (including GIFF-SPV [GH¢ 1,216.74 million])	2,213.94	1,975.72	89.24	643.61
4.	Industrialisation	23.18	5.82	25.11	9.29
5.	Sub-total	5,630.07	5,114.17		
6.	Ministry of Finance/PIAC	5.19	4.64	88.63	4.97
7.	Total	5,635.26	5,118.81	90.83	4,411.92

Source: PIAC Construct based on MoF data, 2023

Table 32 analyses distribution of the ABFA to the Priority Areas under public investment expenditure and goods and services.

Table 32: Distribution of Actual ABFA for 2023 over Priority Areas

No.	Priority Area	Goods & Service (GH¢ Million)	Public Investment Expenditure (GH¢ Million)	Total (GH¢ Million)	Percentage %
	Agriculture including Fisheries	260.59	170.99	431.59	8.43
	Infrastructure and Service Delivery in Education and Health	850.00	44.26	894.26	17.47

No.	Priority Area	Goods & Service (GH¢ Million)	Public Investment Expenditure (GH¢ Million)	Total (GH¢ Million)	Percentage %
	Road, Rail & Other Critical Infrastructure	-	3,782.50	3,782.50	73.89
	Industrialisation	4.82	1.00	5.82	0.11
P	Public Interest and Accountability Committee (PIAC)	4.64	-	4.64	0.09
	Total	1,120.05	3,998.76	5,118.81	100

Source: PIAC Construct based on MoF data, 2023

7.5 Utilisation of the ABFA on the Priority Areas

The 2023 actual ABFA available for distribution was US\$485,971,963.64 and this was converted to Cedis at the Bank of Ghana Exchange Rate prevailing on the day of disbursement, yielding an amount of GH¢5,415,840,688.91.

The Ministry of Finance reports that GH¢5,118,806,084.31, representing 94.51 percent was disbursed to the four Priority Areas and PIAC under Public Investment Expenditure (Capital Expenditure) and Recurrent Expenditure (Goods and Services). Therefore, GH¢297,035,604.60 representing 5.48 percent of the ABFA was not utilised in 2023. PIAC looks forward to the utilisation and subsequent accounting of these funds in 2024. Table 32 shows that utilised ABFA for 2023 was 9.17 percent lower than the revised budgeted ABFA; and 16.02 percent higher than the utilised ABFA for 2022. The higher cedi amount of the ABFA utilised in 2023 (GH¢5,118.81), than in 2022 (GH¢4,411.92), was mainly due to differences in exchange rates, because of the depreciation of the Cedi against the US Dollar. The US Dollar ABFA of US\$526,308,319.00 in 2022 was higher by 7.66 percent than the US Dollar ABFA of US\$485,971,963.64 in 2023.

In its report to PIAC, the Ministry of Finance indicated that Public Investment Expenditure was 78.12 percent of the 2023 utilised ABFA while Goods and Services was 21.88 percent. However, a study of the breakdown of the expenditures of the relevant institutions revealed that of the 96% utilisation of the disbursement to the DACF, 53.75 percent was spent on Goods and Services with 46.25 percent on Public Investment Expenditure. This utilisation is a departure from the directive given to the DACF in respect of the funds by the Ministry of Finance. It is the expectation of PIAC that the increase in collaboration between the two institutions, including the institutionalisation of quarterly reports to the Ministry will prevent such recurrence.

The utilisation of the ABFA in the priority areas is discussed below:

7.5.1 Agriculture including Fisheries

The Agriculture including Fisheries Priority Area received an amount of GH¢431,585,128.36 which is 73.44 percent of the revised 2023 budgeted ABFA to the Priority Area, and this constitutes 8.43 percent of the utilised ABFA for 2023. The 2023 disbursement is 350 percent higher than the ABFA disbursement to the same Priority Area in 2022 (GH¢95.84 million).

An amount of GH¢423,181,267.49 representing 98.05 percent of the disbursement to this Priority Area was given to the Ministry of Food and Agriculture for the Planting for Food and Jobs (PFJ) Programme. The funds were used to support activities under the PFJ programme, such as fertiliser subsidy, seed subsidy and the construction of small earth dams in flood-prone areas in the Savanna Zone in the Garu-Tempene District. Other projects and programmes undertaken under the PFJ programme were the prevention and control of the outbreak of Anthrax, construction of warehouses in the Coastal Development Zone, supply of broiler day old chicks, irrigation infrastructure at Tamne and construction of CHPS compound in the Greater Accra Region.

The remaining portion of the funds to the Priority Area was given to the Ministry of Fisheries and Aquaculture for construction works on the Anomabu Fisheries College.

7.5.2 Physical Infrastructure and Service Delivery in Education and Health

The Physical Infrastructure and Service Delivery in Education and Health Priority Area received an amount of GH¢894,262,103.62. This amount constitutes 74.11 percent of the revised budgeted allocation to this priority area, 17.47 percent of the utilised ABFA for 2023 and 74.64 percent of the ABFA to this Priority Area for 2022 (GH¢1,198.02).

An amount of GH¢850 million which is 95.05 percent of the disbursement to this priority area was given to the Ministry of Education for the implementation of the Free Senior High School programme which falls under Goods and Services. This amount is 27.11 percent less than the ABFA disbursed for the implementation of the Free Senior High School Programme for 2022 (GH¢1,166,084,947.95). An amount of GH¢3 million was spent on the construction of Regional STEM Centres under the educational infrastructure aspect of this Priority Area.

The Ministry of Health received an amount of GH¢41,254,103.62 for the health component of the Priority Area. The funds were used for the implementation of the Electronic Medical Records and Patient Management System in the Health Sector, the Construction of CHPS compound in such places as Klefe Demetey (Volta Region), Tiawia (Eastern Region), Ntunkumso (Ashanti Region), the Rehabilitation of Diabetes Management, Research and Training Centre at the Korle Bu Teaching Hospital, and the Proposed Design, Construction and Equipping of the Treatment and Holding Centre at Sunyani in the Bono Region.

7.5.3 Road, Rail and Other Critical Infrastructure Development

This Priority Area received an amount of GH¢3,782,504,656.65 representing 99.21 percent of the revised budgeted ABFA to this Priority Area, and 73.89 percent of the utilised ABFA for 2023. The entire amount was spent on public investment expenditure.

7.5.3.1 Road Infrastructure

The Road component of this Priority Area received an amount of GH¢1,017.21 million, which is 16.70 percent higher than the revised budgeted ABFA to the Priority Area for various road projects. This is 45.40 percent lower than the distribution to the Road component of this Priority Area for 2022 (GH¢1,863.04). The funds were used for such projects as compensation to project-affected persons on the Awoshie, Pokuase and Community Development Project, upgrading of the Gushiegu - Nalerigu road, construction of Teshie link, rehabilitation/upgrading of selected roads in the Ashanti Region. Other projects expended on were the dualisation of 3rd Ring Road in Tamale (Fuo/Taha-Vittin section), Upgrading of the Ekumdiye - Salaga Road, and the rehabilitation of Kwabenya - Taifa Roundabout area roads. Details of the road projects are provided in Appendix 8.

7.5.3.2 Rail infrastructure

An amount of GH¢33,510,596.20, constituting 163.38 percent of the revised budgeted ABFA was disbursed to the Ministry of Railways Development for the railway component of the Priority Area. This compared to 36.43 percent of the disbursement to this component in 2022 (GH¢91,992,625.50). The disbursement was used for the development of the Kojokrom – Manso Railway line and the procurement and supply of treated wooden slippers in Takoradi.

7.5.3.3 Other Critical Infrastructure

An amount of GH¢2,731,781,054.61 representing 93.54 percent of the revised budgeted ABFA to this component of the Priority Area was disbursed to various Ministries, Departments and Agencies. This distribution which is 237.80 percent of the distribution to this component in 2022 (GH¢1,148,768,433.29), was used by the underlisted Ministries, Departments and Agencies for the programmes and projects:

Ministry of Sanitation and Water Resources

The Ministry of Sanitation and Water Resources (MSWR) received an amount of GH¢27,089,289.95. This represents 0.99 percent of the amount to the Other Critical Infrastructure component of this Priority Area, and 32.76 percent of the distribution to MSWR in 2022 (GH¢82,678,369.37). The funds were used for the following activities under the Water and Sanitation Initiative of the Ministry:

- Supply and laying of HDPE distribution pipelines;
- Reconstruction of water supply systems in various parts of the country; and,
- Drilling of boreholes and installation of nine (9) submersible hybrid pumps with solar farms in various parts of the country

Ministry of Energy

The Ministry of Energy (MoEn) received an amount of GH¢31,447,327.84 constituting 1.15 percent of the amount distributed to the Other Critical Infrastructure component of this Priority Area and 40.94 percent of the distribution to MoEn in 2022 (GH¢76,814,898.24). The funds were used to purchase materials for the National Electrification Programme, construction of pre-fabricated office complex, purchase of laptops and the mounting of billboards.

Ministry of Works and Housing

The Ministry of Works and Housing (MWH) received an amount of GH¢105,290,798.96 being 3.85 percent of the distribution to the Other Critical Infrastructure of this Priority Area, compared to 153.95 percent of MWH in 2022 (GH¢68,391,482.45). Some of the programmes and projects that the Ministry used the funds for are as follows:

- Construction of Aboadze Coastal Protection Project;
- Construction of concrete drains;
- National flood control programme;
- Construction of warehouses in the coastal development zone;
- Construction of Axim Sea Defence; and,
- Construction of Housing units for security forces at Police Training School, Tesano Accra.

Office of Government Machinery

An amount of GH¢47,999,912.27 disbursed to the Office of Government of Machinery (OGM) was spent under the Infrastructure for Poverty Eradication Programme. The amount represents 1.76 percent of the distribution to Other Critical Infrastructure component of the Priority Area and 45.91 percent of the distribution to OGM for 2022 (GH¢104,543,165.80).

Some of the programmes and projects the funds were used for are as follows:

- Reshaping, Construction and Regraveling of roads

- Construction of drains, culverts
- Construction of lockable open seater markets, market sheds,
- Construction of Astroturfs, community centres, durbar grounds
- Construction of small dugouts, dams, and boreholes
- Construction of classrooms, supply of desks,
- Construction of CHPS compound, maternity ward.

Ministry of Defence

The Ministry of Defence received an amount of GH¢36 million representing 1.32 percent of the distribution to the Other Critical Infrastructure component of this Priority Area. The Ministry used the funds for the construction of the Forward Operating Base in the Northern Region.

Ministry of Local Government, Decentralisation and Rural Development

The Ministry of Local Government, Decentralisation and Rural Development (MLGDRD) received an amount of GH¢6,932,701.52 representing 0.25 percent of the distribution to Other Critical Infrastructure compared to 10.28 percent of the distribution to MLGDRD in 2022 (GH¢67,451,440.64). The funds were used mainly for the construction of bungalows for senior staff and for the Ghana Police Service at Kintampo in the Bono East Region and Sefwi Wiawso in the Western North Region respectively. The funds were also used for the erection and completion of 2-storey administration blocks for decentralised departments at Prang and Nkoranza both in the Bono East Region and Sefwi Wiawso in the Western North Region.

The District Assemblies Common Fund

The Supreme Court of Ghana in the case of *Kpodo and Another vs Attorney-General*, held that for purposes of calculating the annual amount to be allocated to the District Assemblies Common Fund (DACF), it is the ABFA (not the GPFs nor the PHF) that is required to be considered as part of the “total revenues of Ghana” and a minimum of 5 percent calculated thereon. In 2023, total ABFA was US\$485,971,963.64 and the Government allocated US\$24,298,598.18 representing 5 percent to DACF.

The Ministry of Finance reports that it disbursed to the District Assemblies Common Fund an amount of GH¢501,154,180.28 from the ABFA under the Other Critical Infrastructure component of this Priority Area for the period under review. The Ministry explains that GH¢230,246,518.00 of this payment relates to 2022 which was in arrears. This means that the actual ABFA disbursed to DACF for 2023 was GH¢270,907,662.28. Again, the Ministry also reported to PIAC that the payment to the DACF for the 2022 arrears was made out of funds from the 2022 ABFA. The Committee however observed upon further analysis of the data provided by the Ministry, that the payment was made from the 2023 ABFA. This means that the entire disbursement of GH¢501,154,180.28 (not only GH¢270,907,662.28) to the DACF during the period under review was made from the 2023 ABFA, contrary to the position the Ministry of Finance had given PIAC.

According to information made available to PIAC by DACF, 53.75 percent of the funds were used for Goods and Services (recurrent expenditure) and 46.25 percent on Public Investment Expenditure. This is at variance with the provisions of the PRMA, which require that not less than 70 percent of the ABFA be used for public investment expenditure. If the objects of the PRMA will be realised, stakeholders including implementing Ministries, Departments and Agencies will have to understand the provisions of the Act as well as the peculiarities of extractive resource revenues, and therefore the need to use them differently.

More specifically, 34.62 percent of the funds was used for the supply of dual desks for public basic schools; 53.75 percent for the supply of farm inputs; 9.92 percent for the construction of markets, 1.64 percent for the construction of classroom blocks, 0.07 percent for the construction of CHPs compound.

Ghana Infrastructure Investment Fund

In accordance with the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) and the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063), the Ghana Infrastructure Investment Fund (GIIF) received an amount of US\$68,036,074.85 (GH¢758,975,487.29) during the period under review. The entire amount was spent on the Agenda 111 project. This brings the total ABFA contribution to Agenda 111 as at 31st December 2023 to US\$191,065,707.41 (GH¢1,708,287,215.59). According to GIIF, the Ministry of Finance made additional Government of Ghana budgetary allocation of GH¢910,000,000 to fund the Agenda 111 project besides the ABFA, thereby bringing total expenditure on Agenda 111 to GH¢2,618,287,215.59. Therefore, ABFA contribution to the Agenda 111 project as at 31st December 2023 was 65.24 percent.

Towards the implementation of the policy initiative of the Government to use the GIIF Special Purpose Vehicle to invest in the Tema Motorway Project and the Pwalugu Multipurpose Dam for the period 2023 to 2025, an amount of GH¢1,216,739,562.50 (US\$108,750,000) was transferred into the Viability Gap Facility Account established by Section 80 of the Public Private Partnership Act, 2020 (Act 1039). An amount of US\$125 million was provided for in the 2023 Budget for the Equity and Viability Gap Funding for the GIIF-SPV towards the construction of the Accra - Tema Motorway.

According to the Ministry of Finance ABFA of US\$108,750,000.00 is to be transferred into the GIIF-Special Purpose Vehicle (SPV) -the project company which must be created for the delivery of the Accra-Tema Motorway and Extensions Project. For the funds to be disbursed to the GIIF-SPV, it is required that Parliament approves the Concession Agreement with the GIIF-SPV incorporated. Also, the Concession Agreement must be executed.

The Ministry indicated that at the end of 2023, the GIIF-SPV had been incorporated and Parliamentary approval granted. The outstanding item was the execution of the Concession Agreement which was being finalised. The Concession Agreement was yet to be executed as at the end of the reporting period. When the Concession Agreement is executed, the Ministry will be able to transfer the funds to the GIIF-SPV upon a request by the Chief Executive of the GIIF-SPV.

While commending the Ministry of Finance for the efforts at investing the ABFA in legacy national projects like the Accra-Tema Motorway for the benefit of citizens, the Committee underscores the fact that the PRMA provides comprehensively for the allocation and disbursement of petroleum revenues. The Act provides that petroleum revenues must be disbursed to GNPC, the GPFs, and the ABFA.

Disbursements to the ABFA are to be done under the priority areas selected by the Government every three years. The Petroleum Revenue Management Act, 2011 (Act 815) was amended in 2015 by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) to, among other purposes, allow for direct disbursements to other entities besides the Ministries, Departments and Agencies under the priority areas. Act 893 permitted disbursement of ABFA to the Ghana Infrastructure Investment Fund (GIIF) and the Public Interest and Accountability Committee (PIAC). The decision of the Supreme Court in *Kpodo and another vs Attorney-General* in 2019 added the DACF to the list.

PIAC is of the considered view that much as the funding of the Accra - Tema Motorway Project is well-intended, and the processes approved by Parliament, the direct disbursement of the ABFA to the GIIF-SPV, an incorporated entity, is foreign to the PRMA as amended. This is because, the GIIF-SPV (the project company) is unknown to the PRMA as amended.

To the extent that the PRMA has not been amended to allow for disbursement to any SPV besides GILF, which is itself Government's SPV for infrastructure development, direct disbursement to GILF-SPV is at variance with the PRMA.

7.5.4 Industrialisation Priority Area

The Industrialisation Priority Area received an amount of GH¢5,816,350.68 which was spent under both Public Investment Expenditure (17.19%) and Goods and Services (82.81%). The disbursement to this Priority Area is 25.11 percent of the revised budgeted allocation to the Priority Area and 37.35 percent less than the disbursement to this Priority Area for 2022 (GH¢9,285,080.76). The funds were used by the Ministry of Lands and Natural Resources for consultancy services on mineral resource estimation, transaction advisory services, administrative expenses such as insurance on vehicles and purchase of stationery.

The disbursement to this Priority Area which is 0.11 percent of the total ABFA as well as the spending of 82.81 percent of the amount disbursed on Goods and Services raises questions about the retention of industrialisation as a priority area.

From 2020 to 2022 when Industrialisation was first selected as a Priority Area, it has consistently received the lowest portion of the ABFA as shown in Table 33.

Table 33: Disbursements to Industrialisation Priority Area (2020 to 2023)

Year	Amount Disbursed to Priority Area GH¢	Percentage to Total ABFA %	Total Utilised ABFA GH¢
2020	31,800,000.00	1.15	2,771,123,314.72
2021	16,262,699.33	0.87	1,859,126,574.64
2022	9,285,080.76	0.20	4,411,919,419.78
2023	5,816,350.68	0.11	5,118,806,084.31

Source: PIAC Construct from MoF Data, 2023.

It is worth noting that while total ABFA has continued to increase over the period (from GH¢2.77 billion to GH¢5.12 billion), allocation and disbursement to Industrialisation has continued to decrease (from 1.15% to 0.11%). In other words, there has been an inverse relationship between growth in the ABFA and disbursements to the Industrialisation Priority Area. The PRMA provides that Priority Areas selected shall be reviewed by the Minister for Finance every three years. This is to provide basis for the next selection. While industrialisation should undoubtedly be of a priority to a country seeking to develop other sectors of the economy and thereby create jobs, allocations, and disbursements to this Priority Area since it was selected have not demonstrated the essence of prioritisation. Consequently, the Committee urges the Ministry of Finance/Government to review its strategy for the retention of industrialisation as a priority area.

Having reviewed allocations and disbursement of funds to the selected Priority Areas in 2023, the first year in the new term of 2023 to 2025, the Committee hereby raises the following concerns (makes the following observations) for the attention and necessary action of duty bearers:

In the first place, the allocations, and subsequent disbursements to the "Other Critical Infrastructure" component of the "Road, Rail and Other Critical Infrastructure Priority Area" were made to many Government Ministries thereby leading to their thin spread.

Another observation made was cross-spending by Ministries, Departments and Agencies (MDAs). This involved different MDAs spending on an area or expenditure item which already falls under a priority area and could have been brought under the relevant priority area and MDA for better project coordination and implementation. A typical example is the construction of CHPS compound by the Ministry of Agriculture, Office of Government Machinery, and the Ministry of Health.

Public Interest and Accountability Committee

The Public Interest and Accountability Committee (PIAC) received an amount of GH¢4,637,845 which is 0.09 percent of the total ABFA and 11.37 percent less than PIAC allocation in the revised budgeted ABFA for 2023. The disbursement is 6.72 percent lower than the disbursement to PIAC for 2022 (GH¢4,971,969.95) and was used for the operations of the Committee as provided for by the Act (see Table 59).

Observation

1. Since the coming into force of the PRMA in 2011, the use of the ABFA has been guided by a medium-term development strategy, without a long-term national development plan approved by Parliament.

Findings

1. The Annual Budget Funding Amount disbursed to support the Agenda 111 project was GH¢758,975,487.29 in 2023. This brings total ABFA contribution to the Project to GH¢1,708,287,215.59, amounting to 65.24 percent of the total spending on the project, which is GH¢2,618,287,215.59.
2. 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.
3. 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.
4. About 54 percent of the ABFA disbursed to the District Assemblies Common Fund was used for Goods and Services (recurrent expenditure), contrary to Section 21(4)(a) of the PRMA, as amended, which provides that not more than 30 percent of the ABFA shall be used for Goods and Services.
5. 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, as amended.
6. An amount of GH¢297,035,604.60, representing 5.48 percent of the ABFA for 2023, was not utilised during the period under review.

CHAPTER 8

MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS

8.1 Ghana Petroleum Funds

The Ghana Petroleum Funds (GPFs) are owned by the Government of Ghana and comprise the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). The Funds are required to be transparently managed and operated within its constitutional and legal framework.

The GPFs are supported by a three-tier governance structure and a legal framework enshrined in law with the passage of the Petroleum Revenue Management Regulations, 2019 (L.I. 2381), specifically Regulation 14.

The Funds are meant to channel excess petroleum revenues into financial instruments for sustaining public expenditure capacity during periods of unanticipated petroleum revenue shortfalls and serve as an endowment to support the development of future generations.

The investment process of the Ghana Petroleum Funds is supported by a strong risk management framework. The framework of compliance rules is coded into the investment platforms which are monitored and implemented by the Risk Management and Compliance Unit of the Bank of Ghana.

The Bank presents periodic quarterly financial statements of the Ghana Petroleum Funds and the Petroleum Holding Fund. The Funds are audited quarterly by the Bank of Ghana's internal auditors and annually by external auditors.

The Bank of Ghana also reports on the investment performance of the Ghana Petroleum Funds and the Petroleum Holding Fund.

8.2 Disbursements to the Funds

The PRMA's disbursement requirements provide that the Funds must receive at least 30 percent of the benchmark revenue or realised petroleum revenue, net of GNPC's allocation, in any fiscal year. The Law further mandates that at least 30 percent of the revenue accruing to the Funds be deposited into the GHF, and the remaining portion into the GSF.

8.2.1 Ghana Heritage Fund (GHF)

The GHF provides an endowment to support development for future generations when Ghana's petroleum reserves are depleted. The Fund is invested outside of Ghana in safe, eligible securities since the GHF is required to be invested in conservative instruments. The only securities that meet the requirements are investment-grade bonds and convertible currency deposits issued by central banks, sovereign governments, and international institutions such as the Bank for International Settlements.

According to the PRMA, Parliament is required to evaluate any limitations on transfers from the Heritage Fund every 15 years and to also transfer a portion of the accrued interest into any additional fund(s) created by Act 815.

8.2.2 Ghana Stabilisation Fund (GSF)

The purpose of the GSF was to allow the government to access funds in case of unanticipated declines in petroleum revenue or economic shocks that require the government to find other sources of funding to balance the budget. As shown in 2015 - 2016 and 2020 - 2023, the Fund thereby lessens the impact on public expenditure capacities. The withdrawal in 2023, similar to that of 2021 and 2022, was made to support government spending on the post-COVID-19 economic recovery programme; the withdrawals in 2015, 2016, and 2020 were due to unanticipated deficits in petroleum revenue brought on by low oil prices.

The Minister for Finance may, subject to parliamentary approval, cap the amount that can be accumulated in the GSF, depending on the demands of the macroeconomic climate. When oil prices are high, the Minister may review the cap upward; and vice versa when they are low.

Similarly, during a national emergency, the Stabilisation Fund may, subject to L.I. 2381, be capped and any surplus transferred to the Contingency Fund, as established by the 1992 Constitution and mandated by the PRMA.

8.2.2.1 Capping of the Ghana Stabilisation Fund

The PRMA authorises the Minister for Finance to cap the GSF and transfer the excess over the cap into the Contingency and Sinking Funds. Regulation 8 of the Petroleum Revenue Management Regulations, 2019 (L.I. 2381) provides the formula for the calculation of the cap.

Sub-Regulation 1 provides that in recommending the maximum amount of accumulated resources of the GSF, the Minister shall ensure the amount is not less than the average of ABFA over three years. Sub-Regulation 2 provides the 3 years in Sub-Regulation 1 and shall comprise:

- a. The current financial year;
- b. The year preceding immediately before the current financial year; and
- c. The year immediately after the current financial year.

Based on L.I. 2381, the cap for 2023 should be calculated as shown in Table 34.

Table 34: Determination of 2023 GSF Cap

Description	2022 Mid-Year Budget Review
Current Financial Year (2023) (A)	US\$485.97 million
The year preceding immediately before the current financial year (2022) (B)	US\$526.31 million
The year immediately after the current financial year (2024) (C)	US\$730.88 million
Total (A+B+C)	US\$1,743.16 million
Average (Total/3)	US\$ 581.05 million

Source: PIAC's Construct based on 2022 Mid-Year Budget Review and 2023 Mid-Year Budget Review

Therefore, the cap on the GSF as prescribed by L.I. 2381 should be US\$581.05 million for the 2023 fiscal year and not the US\$100 million determined by the Minister for Finance.

8.3 Ghana Petroleum Wealth Fund (GPWF)

Section 20 of Act 815 mandates that the funds held in the Ghana Petroleum Funds be combined into one fund, to be called the Ghana Petroleum Wealth Fund (GPWF), within a year of the depletion of the country's petroleum reserves. The GPFs will cease to exist following this consolidation. Illustrated in Figure 16 are the GPWF's sources of income.

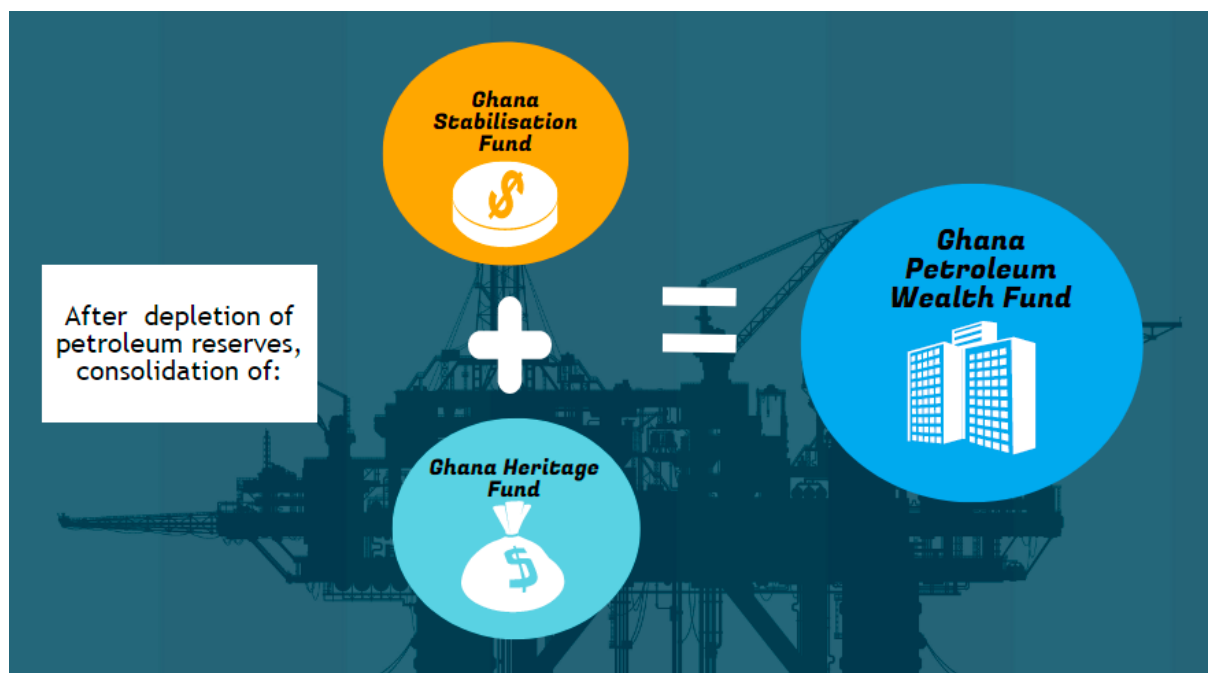


Figure 16: The Ghana Petroleum Wealth Fund

Source: PIAC's Simplified PRMA, 2017.

The GPWF will offer dependable funding for public expenditure. The fund shall be invested in approved securities, and the Minister, acting on the Investment Advisory Committee's recommendations, must evaluate these securities every three years or sooner. The sum of the dividends from the GNPC and the earnings on the GPWF is what will be used to support the budget through the ABFA after petroleum reserves are depleted.

8.4 Receipts and Returns on Investments

During the period under review, the GPFs received an amount of US\$330.52 million from the PHF, compared to US\$581.52 million in 2022. In comparison to the 2022 receipts, the GPFs' receipts represented a 43.16 percent decrease. Of the 2023 amount received, US\$231.36 million and US\$99.16 million were distributed to the GSF and GHF, respectively.

The Funds' net return on investments in 2023 was US\$33.82 million, a 92.16 percent increase over the US\$17.60 million obtained at the end of 2022. According to Figure 17, the GSF provided US\$4.82 million (14.26%) to the net income compared to US\$0.37 million in 2022, while the GHF contributed US\$29.00 million (85.74%), up from US\$17.23 million in 2022.

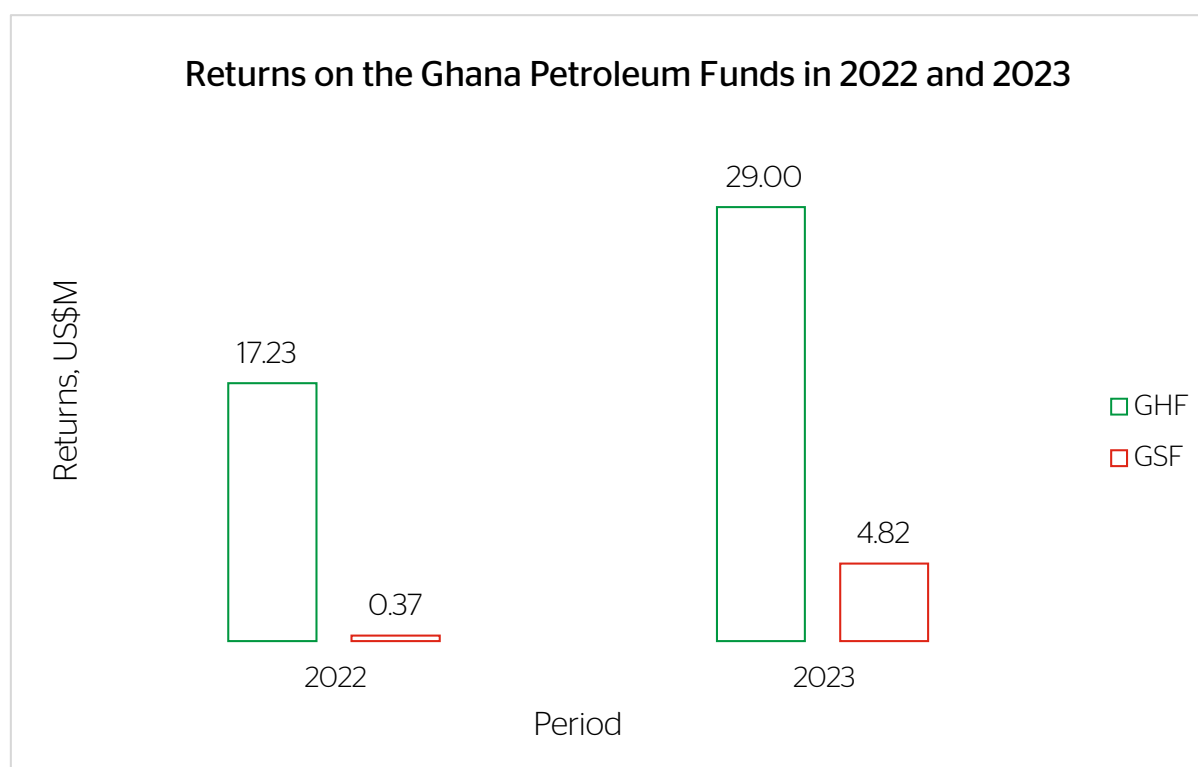


Figure 17: Returns on the Ghana Petroleum Funds in 2022 and 2023

Source: PIAC Construct, from BoG Data, 2023

Compared to the GSF, investments made with the GHF are often of a long-term nature. However, the GHF is occasionally invested across the full range of the US yield curve - short, medium, and long term - to benefit from the entire investment spectrum. The 2-year and 10-year US Treasury Notes have historically served as the benchmarks for returns. For the reporting period, the US 10-year Treasury note yield increased by 4 bps from 3.84 percent in June 2023 to 3.88 percent in December 2023, whilst the yield of the 2-year note, sensitive to FED policy communications, decreased by 65 bps to end the year at 4.25 percent.

The total return on investment of the GHF was up by 4.59 percent as compared to 9.63 percent for 2022. The two-year annualised return (2Y (A)) and three-year annualised return (3Y (A)) were down by 2.84 percent and 2.48 percent respectively for the GHF.

The Ghana Stabilisation Fund return was up 2.82 percent and 2.77 percent in the second half of 2023 and 2-year annualised (2Y (A)), respectively.

Tables 35 and 36 show the GHF and GSF investment instruments for the period under consideration.

Table 35: GHF Investment Instruments, 2023

Investment Instrument	Total Number of Securities held		Amount Invested (US\$)	
	H1	H2	H1	H2
U.S Treasury Bonds	54	69	508,503,635.02	609,575,227.19
Agency Bonds	30	30	152,118,905.75	155,202,828.41
Sovereign Bonds	22	21	123,886,236.90	120,735,833.63
Supranational Bonds	18	17	89,053,270.00	80,041,949.16

Source: Bank of Ghana Data, 2023

Table 36: GSF Investment Instruments, 2023

Investment Instrument	Total Number of Securities held		Amount Invested (US\$)	
	H1	H2	H1	H2
U.S Treasury Bonds	4	12	125,933,076.56	182,350,235.95
Agency Bonds	1	1	2,880,510.00	2,957,778.24
Sovereign Bonds	1	1	4,728,500.00	4,839,362.35

Source: Bank of Ghana, 2023

8.5 Accumulations and Reserves

Realised at the end of 2023 was an amount of US\$148.98 million being the net profit on the investment of the Ghana Petroleum Funds since November 2011, with the GHF and GSF contributing 80 percent and 20 percent, respectively, as depicted in Figure 18.

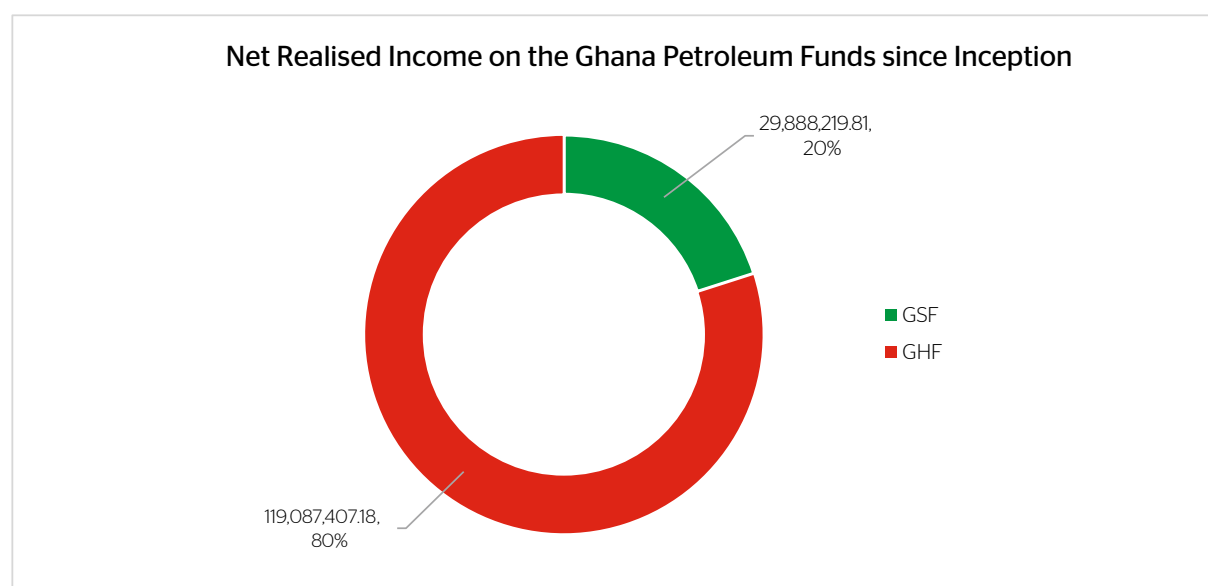


Figure 18: Net Realised Income on the Ghana Petroleum Funds since Inception (2011)

Source: PIAC Construct, from BoG Data, 2023.

The GPFs had US\$1,236.76 million in total reserves as at the end of 2023, compared to US\$1,061.89 million at the end of 2022, representing an increase of 16.47 percent.

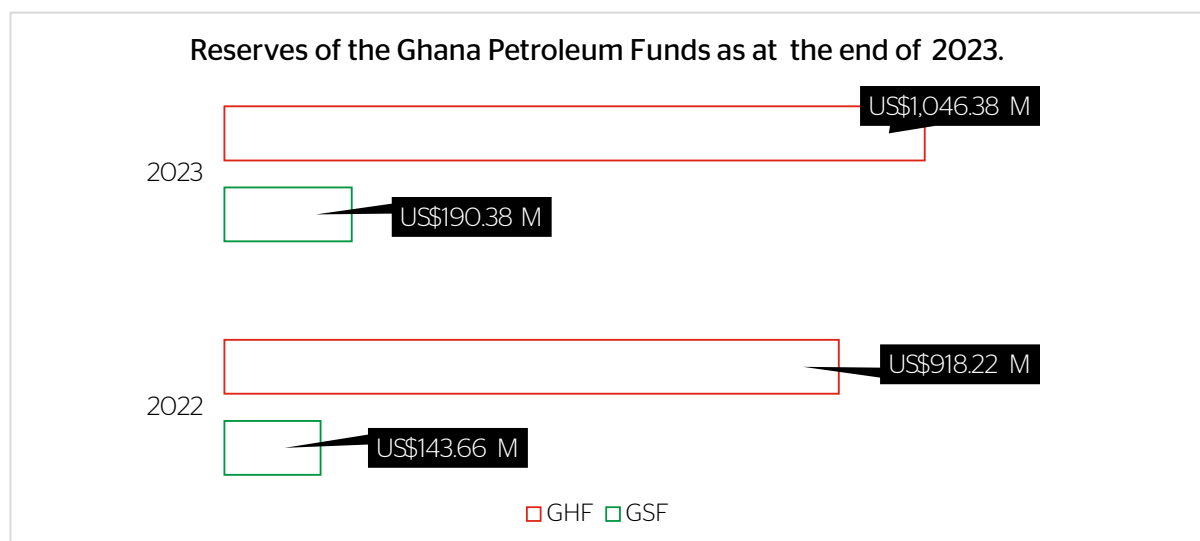


Figure 19: Reserves of the Ghana Petroleum Funds as at the end of 2023.

Source: PIAC Construct, from BoG Data, 2023

The total reserves for 2023 are made up of GHF - US\$1,046.38 million and GSF - US\$190.38 million, compared with GHF - US\$918.22 million and GSF - US\$143.66 million in 2022. Table 37 shows the details of the Ghana Petroleum Funds.

Table 37: Net Accumulated Reserve of the Ghana Petroleum Funds in US\$

FUND	ALLOCATIONS SINCE INCEPTION	REALISED INCOME (NOV. 2011 - DEC 2023)	TOTAL SINCE INCEPTION	WITHDRAWALS	CLOSING VALUE
GHF	927,288,999.71	119,087,407.18	1,046,376,406.89	-	1,046,376,406.89
GSF	2,184,879,681.58	29,888,219.81	2,214,767,901.39	(2,024,386,456.75)	190,381,444.64
Total	3,112,168,681.29	148,975,626.99	3,261,144,308.28	(2,024,386,456.75)	1,236,757,851.53

Source: BoG, Dec. 2023.

8.6 Ghana Stabilisation Fund

8.6.1 Capping and Withdrawals

As determined by the Minister for Finance and approved by Parliament under Section 23(3¹⁰) of the PRMA as amended, the cap (threshold) remained at US\$100 million in 2023. This means that any amount above US\$100 million may be withdrawn. Throughout the period, withdrawals totaled US\$189.47 million, leaving a balance of US\$190.38 million in the GSF account. This suggests an excess of US\$90.38 million over the cap, as indicated on the Statement of Accounts in Table 38.

¹⁰ This states that "The accumulated resources of the Ghana Stabilisation Fund shall not exceed an amount recommended by the Minister and approved by Parliament and the amount shall be reviewed from time to time as necessitated by macroeconomic conditions."

Table 38: GSF Statement of Account for 2023

	US\$
Opening Book Value (1 Jan 2023)	143,661,569.28
Receipt During the Period	231,363,368.79
Bank Charges	(3,556.17)
Realised Income	4,828,203.36
Withdrawal	(189,468,140.51)
Closing Book Value (31 Dec 2023)	190,381,444.66
Net Income for the Period Comprised:	
INCOME	US\$
Investment Income	4,828,203.36
Less:	
Bank Charges	(3,556.17)
Net Return for the Period	4,824,647.19

Source: Bank of Ghana, Dec. 2023

8.7 Ghana Heritage Fund

At the end of December 2023, the closing book value of the Ghana Heritage Fund was US\$1,046 million, as indicated in Table 39.

Table 39: GHF Statement of Account for 2023

	US\$
Opening Book Value (1 Jan 2023)	918,223,453.56
Receipt During the Period	99,155,729.48
Bank Charges	(59,697.44)
Realised Income	29,056,921.29
Closing Book Value (31 Dec 2023)	1,046,376,406.90
Net Income for the Period Comprised:	
Income	US\$
Investment Income	29,056,921.29
Less:	
Bank Charges	(59,697.44)
Net Return for the Period	28,997,223.85

Source: Bank of Ghana, Dec. 2023

8.8 The Petroleum Holding Fund

At the end of 2023, the PHF held a balance of US\$0.75 million, which comprised a mandatory balance of US\$0.20 million, and PHF overnight interest of US\$0.55 million.

Observation

1. The reserves of the GHF increased by 13.96 percent whilst the GSF reserves went up by 32.52 percent, despite withdrawals. The combined effect on the GPFs was a 16.47 percent increase from US\$1,061.89 million in 2022 to US\$1,236.76 million in 2023.

Finding

1. The retention of the current cap of US\$100 million on the GSF for the year 2023 did not follow the formula stipulated in L.I. 2381. A proper application of the formula would have returned a cap of US\$581.05 million. The current cap does not help build the Fund to serve its purpose.

CHAPTER 9

GNPC ALLOCATION AND UTILISATION

9.1 Introduction

National Oil Companies (NOCs) are vehicles through which States hold strategic interest and play a role in the oil and gas business. NOCs account for some 55 percent of global oil and gas production¹¹ and contribute significantly to government revenues and national development. Ghana's NOC, the Ghana National Petroleum Corporation (GNPC), established in 1984 by the GNPC Act, 1983 (PNDCL 64) has a mandate that seeks to maximise value to the State from exploration, production, marketing and investments in upstream petroleum and related activities. GNPC plays an important role in the petroleum value chain from licensing and extraction to decommissioning. The Corporation is party to every petroleum agreement and holds the State's interest on behalf of the government of Ghana.

The GNPC governing Act (P.N.D.C.L. 64) provides for the funding of the Corporation from government grants, advances, and loans. However, with the enactment of the Petroleum Revenue Management Act, 2011(Act 815) as amended, a more comprehensive funding mechanism for financing the Corporation's equity participation in petroleum activities as well as its operational spending has been put in place. The PRMA makes provision for a deduction of equity financing costs (including interests and advances) from the proceeds of the Carried and Participating Interests (CAPI) before payment into the PHF. These deductions are ceded to the NOC at two levels:

- Level A: Equity financing costs (including interests and advances) from the proceeds of the Carried and Participating Interests (CAPI) before payment into the PHF.
- Level B: the cash or the barrels of oil equivalent that shall be ceded to the National Oil Company out of the CAPI recommended by the Minister for Finance and approved by Parliament. In accordance with the PRMA, Level B allocation shall be no more than 55 percent of the net cash flow from the CAPI after deducting the equity financing cost (in cash or equivalent barrels of oil) for a period not exceeding 15 years from the commencement of oil production, that is, until 2026.

In practice, the Minister has since 2016 recommended for the approval of Parliament, 30 percent of net CAPI to be allocated to GNPC for Level B expenditure. Prior to 2016, the allocation for Level B expenditure was 40 percent of CAPI.

Over the past 13 years (2011 – 2023), total receipts of the Corporation amounted to US\$2,873.64 million. Of this, returns from total equity financing (Level A receipts) amounted to US\$1.61 billion, representing

¹¹ www.nationaloilcompanydata.org.

56.08 percent while Level B receipts for operational and other expenditures amounted to US\$1.26 billion, representing 43.92 percent of total allocations.

9.2 Receipts

During the reporting period, GNPC received an amount of US\$269.76 million as its share of crude oil proceeds. The amount represents a 13.42 percent decline over the 2022 receipts, largely on account of poor revenue performance from TEN in respect of both Levels A and B receipts, due to the drop in the production levels from the Field. Only one Parcel was lifted by the Corporation on the Field. Of the 2023 receipts, US\$148.63 million was in respect of Level A while US\$121.13 million was for Level B. The receipts, when added to the cash balance of US\$3.14 million from 2022 brought the total amount available for spending in 2023 to US\$272.90 million.

The breakdown of receipts is as follows:

9.2.1 Receipts from Equity Financing (Level A)

- Jubilee Equity financing (share of development & production cost) - US\$99.56 million;
- TEN Equity financing (share of development & production cost) - US\$26.63 million; and,
- Sankofa Equity financing (share of development & production cost) - US\$22.44 million.

9.2.2 Share of Net Proceeds (Level B)

- 30% share of net proceeds of Jubilee crude oil revenue - US\$73.34 million;
- 30% share of net proceeds of TEN crude oil revenue - US\$ 39.56 million;
- 30% share of net proceeds of SGN crude oil revenue - US\$8.23 million

9.3 Expenditure

GNPC recorded a total expenditure of US\$220.19 million (see Table 40) in the period under review, leaving a cash balance of US\$52.71 million with US\$147.11 million being provisions for payments to be made as of 31st December 2023 giving rise to a deficit of US\$94.4 million.

Table 40: GNPC's Receipts and Expenditure for 2023

SRN	Item	Amount (US\$)
Receipts		
1	Level A Receipts (Equity Financing) - Jubilee	99,564,870.59
2	Level B (30% of Net Proceeds) - Jubilee	73,343,334.84
3	Level A Receipts (Equity Financing) - TEN	26,629,823.89
4	Level B (30% of Net Proceeds) - TEN	8,233,420.75
5	Level A Receipts (Equity Financing) - SGN	22,437,399.18
6	Level B (30% of Net Proceeds) - SGN	39,555,768.34
	Total Amount Received (A)	269,764,617.59
Expenditure		
1	Jubilee Equity Financing Cost -Note 1	74,263,640.69
2	TEN Equity Financing Cost	12,316,859.74

3	Sankofa/OCTP Financing Cost	8,273,284.52
4	Exploration and Development Projects - Note 2	11,122,411.39
5	Staff Cost	17,387,064.38
6	Admin. Capital Expenditure	787,959.26
7	Capital Projects	24,182,371.85
8	General Operational Expenditure	14,317,186.03
9	Gas Enclave Roads Payments	2,228,707.76
10	Saltpond Field Decommissioning Project	39,453,068.20
11	Mid-Stream & Other Projects	8,761,426.57
12	Sustainability and Stakeholder Relations and GNPC Foundation	7,100,793.58
	Total Expenditure (B)	220,194,773.97
	Net Position (C) (A-B)	49,569,843.62
	Add: Cash Brought Forward (01.01.2022) (D)	3,137,639.52
	Total Cash Available (E) (C+D) - Note 3	52,707,483.14
	Note 1 - Level A Receipts (Equity Financing)- Jubilee is inclusive of US\$13 million direct transfer to Saltpond Field Decommissioning Project Contractor	
	Note 2 -Breakdown of Exploration & Development Projects	Amount (US\$)
	Voltaian Basin Petroleum Projects	9,568,542.61
	GH-WB-01 (GNPC)	423,255.40
	Maritime Boundary Special Project	1,130,613.38
	Total Non-Jubilee, TEN and SGN Projects Expenditure	11,122,411.39
	Note 3 - Provision for payments to be made out of the US\$52.71 million Cash Balance	Amount (US\$)
	Jubilee Cash Call	6,118,371.04
	TEN Cash Call	26,629,823.89
	Saltpond Field Decommissioning Contractor	9,638,519.75
	Outstanding payment (Appendix 5)	104,720,890.78
	Total Outstanding payments	147,107,605.46

Source: PIAC's Construct based on GNPC Data, 2023

9.3.1 Jubilee Expenditure

In 2023, an amount of US\$74.26 million, representing 28 percent of receipts, was in respect of GNPC's share of production and development cost in the Jubilee Field, compared to an amount of US\$95.15 million in 2022. The amount represents GNPC's contribution to total Jubilee cost incurred by the partners for 2023 which stood at US\$878.88 million, increasing by 37.24 percent compared with that of 2022 (US\$640.41 million). Development cost component witnessed an increase of 66.06 percent. According to GNPC, development cost was significantly influenced by Drilllex and Subsea costs of US\$405.87 million

and US\$211.59 million respectively. The GNPC component of US\$74.26 million represents 8.45 percent of the total cost in line with its interests in the Field.

9.3.2 TEN Expenditure

Development and production spending by GNPC on the TEN Field was US\$12.32 million, 82.86 percent lower than the US\$71.89 million expenditure in 2022. This is as a result of an amount of US\$26.63 million, accounted for as received, not being paid to the TEN JV Partners. The expenditure represents 5 percent of receipts during the period. Total TEN cost incurred by the partners for the year was US\$402.82 million and the GNPC component represents 3.06 percent of total TEN production and development costs. The total TEN cost for 2023 was 25.24 percent lower than that of 2022 of US\$538.83 million. Production cost was driven by Operations and Management Contractor cost, Business Management and Assurance, Logistics and Materials costs while Development costs on the other hand was largely influenced by FPSO Charter, Drilllex and Subsea costs.

9.3.3 SGN Expenditure

An amount of US\$8.27 million, representing 3 percent of receipts in 2023 was spent in respect of GNPC's share of production and development cost in the SGN Field. Total development and production cost on the Field for the period amounted to US\$339.92 million. No significant changes in costs were recorded on the SGN Field during the period. For the year 2023, the total number of barrels applied for the cost repayment was 276,275.74 barrels amounting to US\$46,031,036.63, resulting in a weighted average price of US\$79.8767 per barrel. It is worth noting that the SGN Petroleum Agreement allows the other partners to advance payments for cash calls on behalf of GNPC and lift the Corporation's share of crude to settle its cash call obligations.

9.3.4 Exploration & Development Projects

An amount of US\$11.12 million representing four (4) percent of the amount received for the period was spent on Exploration and Development projects. The expenditure covered the Corporation's cost incurred on projects other than Jubilee, TEN and SGN and included expenditure on Voltaian Basin, Block GH-WB-01 operated by GNPC and the Maritime Boundary Special Project. A breakdown of exploration and development projects are shown in Note 2 of Table 40. This expenditure witnessed a 58.80 percent reduction over the amount of US\$26.99 million spent in 2022.

9.3.5 Staff Cost

Expenditure in respect of remuneration for Technical as well as Petro-business support staff was US\$17.39 million constituting six (6) percent of receipts for 2023. The 2023 expenditure is a 15.71 percent reduction over the 2022 spending of US\$20.63 million. It is instructive to note that GNPC's staff costs have been reducing albeit sometimes marginally since 2021.

9.3.6 Administrative Capital Expenditure

This amounted to US\$0.79 million and represents 0.5 percent of total receipts for 2023 and was spent in procuring workstations, printers, and laptop among others. This expenditure represents a 43.97 percent decline relative to 2022.

9.3.7 Capital Projects

An amount of US\$24.18 million, representing nine (9) percent of total receipts was spent on investment in the Research and Technology Project, Accra Head Office and IT Security Solutions in 2023. There was no significant change in the amount spent on these projects compared to 2022. The details of the capital project are shown in Table 41.

Table 41: Breakdown of GNPC Capital Project Expenditure (2023)

ITEM	AMOUNT (US\$)
Head Office - Takoradi	8,713,361.11
Head Office - Accra	8,886,009.93
Research and Technology (RAT) Project	4,665,003.60
Works on Landed Properties	1,513,732.65
ICT/Digitalisation	404,264.56
TOTAL	24,182,371.85

Source: GNPC Data, 2023

9.3.8 General Operating Expenditure

An amount of US\$14.32 million, representing five (5) percent of total receipts within the period, went into Operating Expenditure. Expenditure items under this include insurance, utilities, communication expenses, professional services, ICT-related cost, such as, software maintenance, general repairs and maintenance, vehicle repairs and maintenance, among others.

9.3.9 GNPC Gas Enclave Roads Payments

As reported in the 2022 and other earlier reports, GNPC continues to spend on Gas Enclave Roads with the justification that it is performing its role as a gas aggregator. Regardless of this assignment by the Presidency to GNGLC as gas aggregator as far back as May 2020, the Corporation spent US\$2.23 million on the Gas Enclave Road project during the reporting period, representing one percent of total receipts. The total expenditure on the Western Corridor Gas Enclave Roads since 2014 stands at US\$126.89 million (See Table 42).

Table 42: GNPC's Expenditure on Western Corridor Gas Enclave Roads (2014 to 2023)

Year	Amount (Million US\$)	Annual Percentage of Expenditure (%)
2014	50.00	28
2015	25.30	20.5
2016	7.58	8.6
2017	6.76	4
2018	4.14	1
2019	2.3	0.8
2020	11.72	6
2021	12.99	6
2022	3.87	1
2023	2.23	1
Total	126.89	

Source: PIAC's Construct based on GNPC's Data, 2023 & PIAC Annual Reports 2014-2022

9.3.10 Saltpond Field Decommissioning

GNPC continued the decommissioning of the Saltpond Field in 2023, spending US\$39.45 million, equivalent to 15 percent of its total receipts, on the project. Compared to the 2022 expenditure, this spending depicts an increase of 123.64 percent. The amount was spent on salaries, crew change, food supply, fuel, transportation, and milestone payments towards the decommissioning of the Field (see details in Table 43). A further amount of US\$13 million was transferred directly to Saltpond Field Decommissioning Project (SFDP) Contractor (see Table 40).

Table 43: Breakdown of Saltpond Field Decommissioning Project Expenditure (2023)

ITEM	AMOUNT (US\$)
Permit Fees	87,850.00
Hans and Co. Oil and Gas Co. Ltd	37,711,612.63
Salaries	261,915.59
General Expenses	1,008,818.94
Legal Fees	382,871.05
TOTAL	39,453,068.20

Source: PIAC Construct based on GNPC Data, 2023

The Saltpond Field Petroleum Agreement was formally terminated by the Minister for Petroleum on August 18, 2016, and this paved way for the processes for decommissioning the Field. GNPC has disclosed that the total estimated cost of the decommissioning project is US\$73.5 million (excluding taxes) and US\$96 million (including taxes). The cost incurred by GNPC on Saltpond decommissioning from commencement to the end of 2023 is US\$63.01 million (see Appendix 6).

9.3.11 Mid - Stream and Other Projects

An amount of US\$8.76 million was spent on Mid-Stream activities, including the City Gate projects (US\$2.2 million). The Corporation made no investment on the Tema LNG Terminal Facility (98% complete) in 2023. These projects account for three (3) percent of total receipts for the period under review.

9.3.12 Subsidiary Expenditure

9.3.12.1 Sustainability and Stakeholder Relations and GNPC Foundation

A total of US\$7.10 million, representing three (3) percent of receipts, was spent on sustainability and stakeholder relations, scholarship awards and community projects of the GNPC Foundation.

9.4 Outstanding Payments and Guarantees on behalf of Government and other State-owned Enterprises.

GNPC's total guarantees and payment receivables amounted to US\$1.23 billion as at December 2023. These include loan amounts due from government and its related agencies, payments outstanding from gas sales and guarantees on behalf of the State and its agencies as shown in Table 44.

Table 44: GNPC's Payments and Guarantees as at end of 2023

Agency	2023 Outstanding Balance (US\$)	Date Receivables Crystallised	2023 Status
Loan Amount Due from Government and other Agencies			
Government of Ghana	23,217,406.00		No change
MoF Enclave Roads (GH¢)	26,901,979.64	2015 to date	No change
MoF Enclave Roads (US\$)	17,188,682.54	2015 to date	No change
Tema Oil Refinery	58,404,875.00	2011	No change
ECG-BG Related Charges	4,966,027.40	2015-2017	No change
GNGLC - 14km Offshore Pipeline	36,811,783.78	2010	Ghana Gas has paid a total of US\$7,807,005.58 to two Enclave Road Contractors to offset the legacy debt owed GNPC with respect to the cost of the 14km offshore pipeline
*OCTP Escrow	100,000,000.00	2018/19	No Change
MoF BOST Under recoveries	10,539,063.25	2015	US\$9,638,519.75 of the US\$20,177,583.00 receivable by the Corporation was received as under recoveries from the Ministry of Finance
Sub-total	278,029,817.61		
Outstanding from Gas Sales			
Volta River Authority	118,351,117.93	ongoing	
Total outstanding receivables from GNGLC	562,696,382.33	ongoing	CWM reconciled position
Sub-total	681,047,500.26		
Guarantees			
**Karpower Guarantees	117,000,000.00		Total Karpower Guarantee outstanding is US\$117 million of which Guarantee A (for early termination and reducible by 10% annually) is US\$38 million and Guarantee B (for Capacity) is US\$79 million. It will expire on December 20, 2024.

Agency	2023 Outstanding Balance (US\$)	Date Receivables Crystallised	2023 Status
ECG HFO Commitment (Litasco)	155,000,000.00	Secured 19 th August 2020 ***Amortisation ongoing	This facility previously serviced by GoG is now being serviced by Explorco at the request of Government. The loan amount plus interests over the years as at 31/12/2023 stood at 155,000,000.00 an increase from US\$138 million from H1 2023.
Sub-total	272,000,000.00		
Total	1,231,077,317.87		

Source: GNPC, 2023

*OCTP Escrow - Represents funds put in an escrow for security which has been utilised by contractors because of non-payment by users.

**Karpower Guarantees are Contingent Liabilities. The issuance fees are paid by GoG when they fall due.

***Date financing procured for a 3-year tenor

Some of these payments and guarantees have been in the books of GNPC since 2010. In 2023, GNPC recovered a total of US\$68.15 million compared to US\$192.56 million recovered in 2022. Table 45 provides details of GNPC's recoveries.

Table 45: GNPC Schedule of Recoveries and Payments in 2023

Agency	FY 2022 Outstanding Balance (US\$)	FY 2023 Outstanding Balance (US\$)	Difference (FY2022-FY2023)	Status as at 31 st December, 2022
GNGLC - 14km Offshore Pipeline	44,618,789.36	36,811,783.78	7,807,005.58	Ghana Gas has paid US\$7,353,252.13 and US\$7,807,005.58 to two contractors to offset the cost of the 14km offshore pipeline at the request of GNPC
Total Outstanding Receivables From GNGLC*	613,404,073.63	562,696,382.33	50,707,691.30	CWM reconciled position
Advance to Ministry of Finance	50,000,000.00	0.00		MoF cited financial obligations arising from the Capping Law as basis for GNPC to offset the US\$50 million owed and expunge same from its books

Agency	FY 2022 Outstanding Balance (US\$)	FY 2023 Outstanding Balance (US\$)	Difference (FY2022- FY2023)	Status as at 31 st December, 2022
MoF Bost Under recoveries	20,177,583.00	10,539,063.25	9,638,519.75	US\$9,638,519.75 of the US\$ 20,177,583.00 receivable by the Corporation was received as under-recoveries from the Ministry of Finance.
Total Reduction in FY 2023			68,153,216.63	

Source: GNPC FY Data, 2023

*As part of the gas receivables reconciliation, the outstanding balance brought forward from previous years had to be adjusted by US\$7.7m to reflect gas supplies from OCTP to GNGLC which had not be accounted for.

Receipts from the Cash Waterfall Mechanism for the period are shown in Table 46.

Table 46: Receipts from the Cash Waterfall Mechanism, 2023

CWM Receipts	GH¢	(US\$ equivalent)
Commodity	0.00	0.00
Service ¹²	381,838,463.15	31,074,935.75
Total	381,838,463.15	31,074,935.75

Source: GNPC, 2023

9.5 GNPC Foundation

The GNPC Foundation is the Corporate Social Investment arm of GNPC, dedicated to impacting the lives of people and communities within the production enclave of the Corporation in the Western Region, Voltaian Basin and in Ghana at large through community and social intervention programmes. GNPC reported that it spent US\$7.10 million representing three (3) percent of receipts on Sustainability and Stakeholder Relations, scholarship awards and community projects of the GNPC Foundation. The Foundation's budget for the year was US\$21.75 million for which it received GH¢25,114,977.82 and US\$1,085,000.00 to fund its projects and operational activities. The Foundation's scope for Corporate Social Investments (CSI) is based on four (4) thematic areas of support to stakeholder communities:

- Education and Training;
- Economic Empowerment;
- Environment and Social Amenities; and,
- Sports.

A breakdown of the GNPC Foundation's expenditure for 2023 under the four (4) thematic areas is shown in Table 47 and Appendix 7.

¹² According to GNPC, this is gas management services comprising of WAPCO for transportation and West Coast Gas Limited for gas management.

Table 47: Budgeted and Actual Spending of the GNPC Foundation (2023)

Thematic Area	Budgeted Spending	Actual Spending	
	(US\$M)	US\$M	GH¢M
Education and Training	8.77	0.64	16.51
Economic Empowerment	0.90		3.95
Environment and Social Amenities	10.38		1.01
Sports	1.70		0.45
Sub-total	21.75	0.64	21.92
Operational Expenditure			4.69
Grand Total	21.75	0.64	26.61

Source: GNPC Foundation, 2023

9.6 Revenue and Expenditure of Jubilee Oil Holding Limited (JOHL)

From two liftings made by JOHL in 2023, the GNPC subsidiary raked in a total revenue of US\$71,991,561.58, being receipts from one of the liftings and proceeds from gas. This, when added to the cash brought forward from 2022 of US\$57,527,723.50, increased the total amount available to JOHL for spending in 2023 to US\$129,519,285.08. Out of this, the total expenditure amounted to US\$128,280,199.91 leaving a balance of US\$1,239,334.09 at the end of 2023. Proceeds of the second lifting in December 2023 will be realised in 2024. Table 48 provides details of the revenue and expenditure for JOHL.

Table 48: Receipts and Expenditure of Jubilee Oil Holding Limited (2023)

DETAILS	AMOUNT (US\$)
REVENUE ¹	71,991,561.58
CASH CALLS	(74,172,975.41)
GROSS MARGIN	(2,181,413.83)
OPERATING EXPENSES:	
JV OPERATIONS AND ADMIN EXPENSES (2023) ²	(16,789,946.49)
SOFTWARE MAINTENANCE	(384,368.50)
BANK CHARGES	(36,732.52)
OVERHEADS	(112,677.69)
SUB-TOTAL:	(17,323,725.20)
NET MARGIN	(19,505,387.95)
JOHL BALANCE AS AT JAN 01 2023	57,527,723.50

OTHER CASH CALLS	
EXPLORCO - SPRINGFIELD, ENI BLK 4 etc.	(2,112,902.28)
SUB-TOTAL:	(2,112,902.28)
RE-PAYMENT OF AMOUNT ADVANCED BY MOF ³	(30,000,000.00)
JV OPERATIONAL & ADMIN. CHARGES (OCT 2021 - DEC 2022)	(4,670,348.10)
NET AMOUNT	1,239,334.09

Source: PIAC Construct based on GNPC's Data, 2023

¹Revenue receipts from sale of Crude (US\$70,456,718.93) and Gas (US\$1,534,842.65)

²JV Operations and Admin Expenses: This represents the Master Service Level Agreement between JOHL and GNPC

³Payment of amount advanced by MoF: This represents the final payment of the MoF advance.

Observations

1. The ECG-BG Related Charges of approximately US\$5 million to GNPC have been in the books of the Corporation since 2015. Therefore, the Committee urges ECG to settle this and any other outstanding debts owed GNPC by other State-Owned Enterprises (SOEs) as soon as practicable.
2. The fact that GNPC recovered an amount of US\$68,153,216.63 from BOST indebtedness, which dates as far back as 2015, is commendable.

Finding

1. Development and Production costs continue to be significantly high in the TEN Field while production remains low by more than three (3) million barrels, as compared to SGN even though there is no drilling in both Fields.

CHAPTER 10

OPERATIONS OF GHANA NATIONAL GAS LIMITED COMPANY

Ghana discovered crude oil in commercial quantities in 2007. The first petroleum project, which was offshore in an area known as the Jubilee Field, started commercial crude oil production in 2010. The area held 368 million tonnes of oil in reserves and a commercial amount of associated gas 60km offshore, between the Deepwater Tano and West Cape Three Points. To pre-empt flaring, the Government of Ghana (GoG) developed a strategic plan to make use of the associated gas in the discovered wells.

Against this backdrop, the government inaugurated a National Gas Development Taskforce in February 2011 to review and make appropriate recommendations for the speedy realisation of a national gas commercialisation infrastructure system. In April 2011, the Taskforce submitted its report which recommended the evacuation and processing of associated gas from the Jubilee Field.

In line with the recommendations, the government approved the establishment of an indigenous company to undertake the project. This led to the formation of the Ghana National Gas Limited Company (GNGLC), which gave true meaning to the government's emphasis on 'local content' in the oil and gas industry.

GNGLC was incorporated as a limited liability company in July 2011, but started official operations in November 2014 with the responsibility to build, own, and operate the infrastructure required for the gathering, processing, transporting, and marketing of natural gas resources in the country. GNGLC converts the raw gas it receives from upstream producers through its 5.8km collection pipeline into lean gas, condensates, and liquefied petroleum gas using its Gas Processing Plant, which is sited at Atuabo. Additionally, the Company owns and maintains a 111km transmission pipeline that runs from Atuabo to Aboadze, as well as related laterals and metering facilities in Takoradi and Esiama, with which it distributes Lean Gas to downstream customers for industrial use and power production.

GNGLC currently supplies gas to the Volta River Authority (VRA) and other commercial entities. The bulk of the country's indigenous gas presently is used for power generation with about 13 percent used for non-power activities. Ghana's gas resource therefore plays a significant role in providing the nation with competitively priced and reliable fuel for power supply to support the socio-economic development of the country.

Despite its positive contributions, the country's gas industry is weighed down by financial issues that arise mainly from the high stock of receivables. This is attributable to the long lead time or in some cases,

non-payment for services by some state-backed utilities. The government introduced the Cash Waterfall Mechanism to address the legacy debt in 2017.

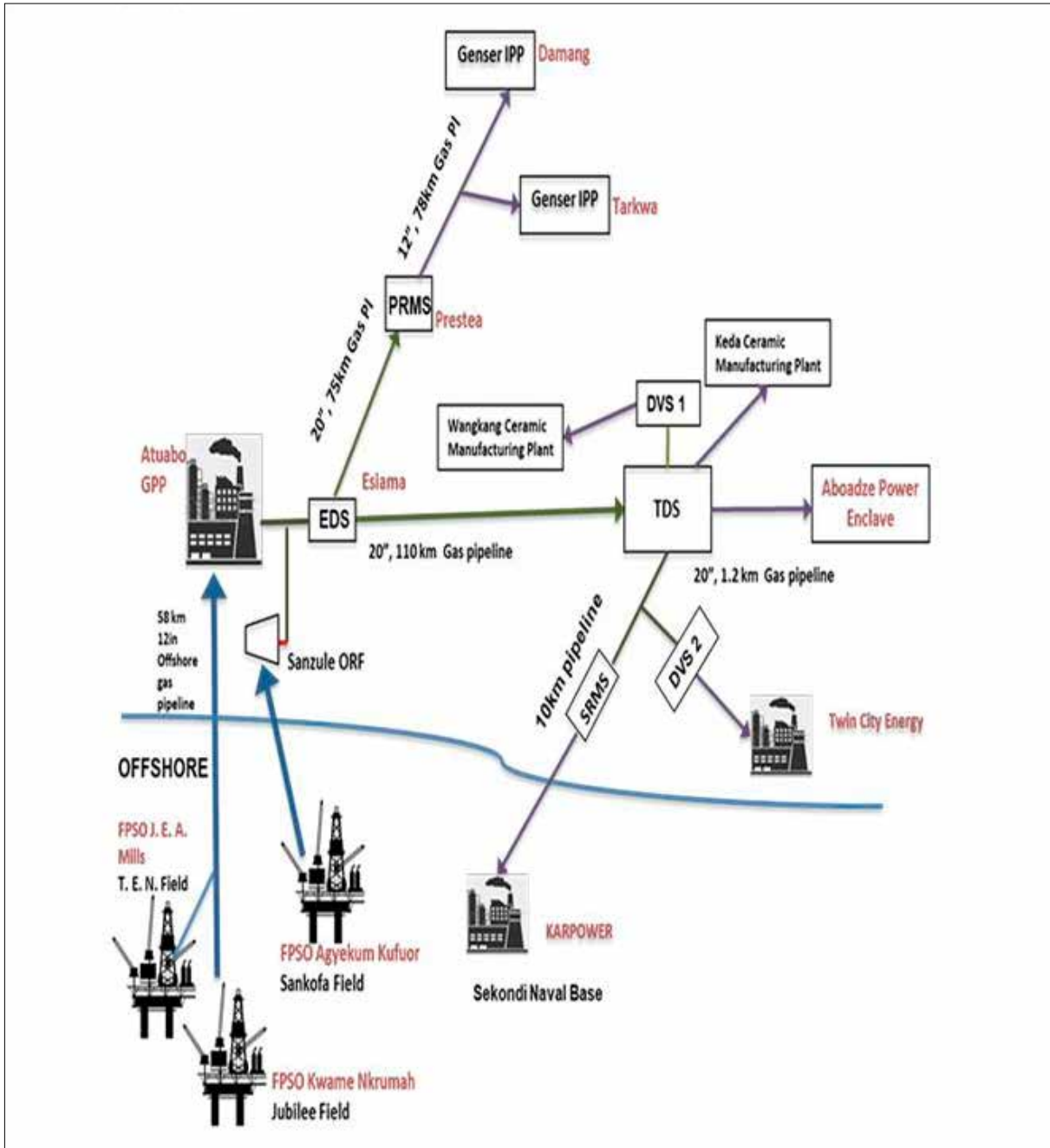


Figure 20: Overview of GNLGC’s Gas Infrastructure
 Source: GNLGC, 2023

10.1 Volumes and Cost of Raw Gas Received from GNPC

The total volume of raw gas received from the Jubilee and TEN Fields by GNLGC from the Ghana National Petroleum Corporation (GNPC) was 35,690.20 MMSCF in 2023, as compared to 39,663 MMSCF in 2022 (See Figure 21). This translates into a reduction of 10 percent on a year-on-year basis. Thus, the average volume of gas received from GNPC declined from 3,305 MMSCF per month in 2022 to 2,974 MMSCF per month in 2023. The downturn was largely due to upstream supply constraints.

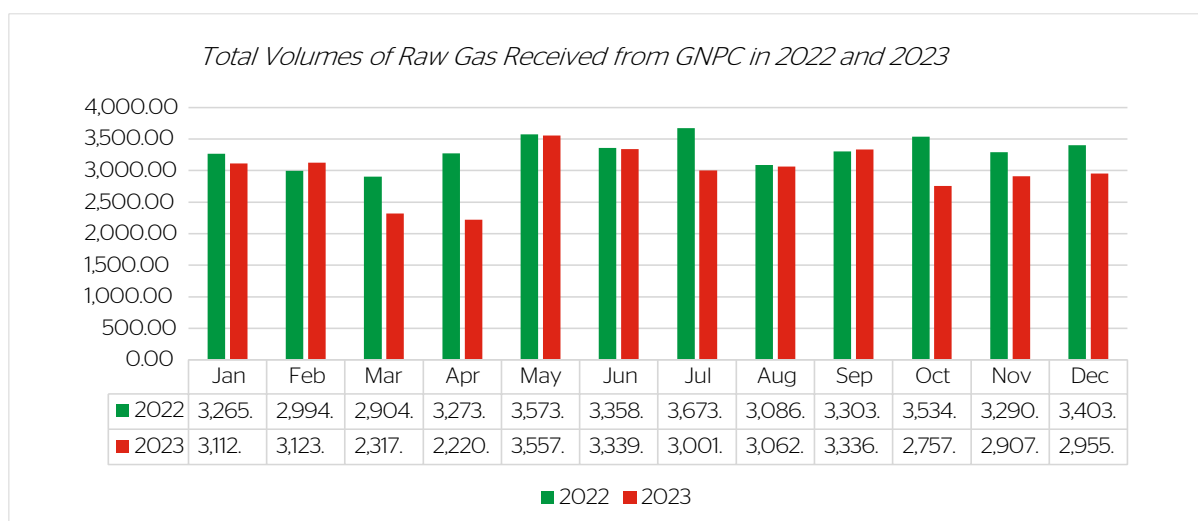


Figure 21: Total Volumes of Raw Gas Received from GNPC in 2022 and 2023

Source: PIAC's Construct, based on GNGLC Data, 2023.

10.2 Processed Volumes

10.2.1 Raw Gas and Derivatives

The raw gas received by GNGLC is processed into Lean Gas, Liquefied Petroleum Gas (LPG), and Condensates. The total volume of Lean Gas, LPG, and Condensates processed from the Jubilee Field was 32,977.56 MMSCF, 99,150.93 MT, and 35,203.73 MT respectively in 2023 (see Table 49). In 2022, the corresponding outturns were 37,142.58 MMSCF, 116,463 MT, and 31,667 MT. This implies that the Lean Gas and LPG volumes declined by 11.2 percent and 14.9 percent respectively, while the volume of condensates increased by 11.2 percent between the two periods.

Table 49: Volume of Raw Gas and Processed Derivatives (January to December 2023)

Month	Jubilee/TEN Raw Gas Received from Upstream	Lean Gas Produced from Jubilee	LPG Produced	Condensate
	MMSCF	MMSCF	MT	MT
Jan-23	3,112.55	2,832.20	7,633.91	2,369.40
Feb-23	3,123.51	2,817.63	9,018.78	2,320.20
Mar-23	2,317.40	2,089.52	6,701.46	1,759.28
Apr-23	2,220.02	1,982.95	6,452.04	2,016.04
May-23	3,557.31	3,304.03	10,300.78	3,045.96
Jun-23	3,339.73	3,134.13	9,771.58	3,244.67
Jul-23	3,001.12	2,735.68	7,834.68	3,272.92
Aug-23	3,062.09	2,894.48	7,572.52	3,154.23
Sep-23	3,336.31	3,132.97	9,121.32	3,740.82
Oct-23	2,757.75	2,600.29	7,277.52	3,128.27
Nov-23	2,907.40	2,703.85	8,630.50	3,691.54

Dec-23	2,955.01	2,749.83	8,835.84	3,460.40
Total	35,690.20	32,977.56	99,150.93	35,203.73

Source: GNGLC, 2023.

10.3 Summary of Receipts and Outstanding Receivables of Processed Derivatives

The GNGLC received US\$271,493,365.62 as payments from the sale of LPG, Lean Gas, and Stabilised Condensates¹³ produced in 2023. The reported revenue also includes payment for invoices issued in 2022. As at December 2023, the Company's cumulative outstanding receivables, including legacy debts preceding the introduction of the Energy Sector Recovery Programme (ESRP), amounted to US\$ 954,554,675.49 as depicted in Table 50.

Table 50: Summary of Receipts and Outstanding Receivables (January to December 2023)

Company	Product Sold	Volumes MT/MMBtu	Amount Invoiced US\$	Payment Received US\$	Payment Outstanding US\$
Opening Balance		887,787,317.53			
Everstone Ltd	Stabilised Condensates	-	-	48,435.91	(48,435.91)
Maranatha Oil Services Ltd	Stabilised Condensates	7,353.80	3,625,515.67	2,003,466.89	1,622,048.78
Eagle Petroleum Ltd	Stabilised Condensates	-	-	29,758.91	(29,758.91)
Vihama Energy Ltd	Stabilised Condensates	3,603.97	1,855,423.25	1,286,352.11	569,071.14
Globex Energy Ltd	Stabilised Condensates	-	-	398,742.53	(398,742.53)
Tema Oil Refinery Ltd	Stabilised Condensates	3,048.00	2,505,860.96	-	2,505,860.96
Sage Distribution Ltd (Sage Petroleum)	LPG	95,605.53	43,277,473.96	52,173,395.26	(8,895,921.30)
VRA	Lean Gas	21,049,068.50	145,249,181.19	118,247,726.96	27,001,454.23
WangKang Gh. Ceramic Ltd	Lean Gas	3,185,968.80	16,381,566.88	17,245,021.95	(863,455.07)
Keda Gh. Ceramic Ltd (Twyford)	Lean Gas	5,075,825.55	28,381,673.72	25,922,052.41	2,459,621.31
Genser Energy	Lean Gas	7,418,609.72	9,974,731.28	-	9,974,731.28
Jintao	Lean Gas	28,473.75	142,922.79	85,272.76	57,650.03
Sentuo Ceramics Ltd	Lean Gas	1,257,598.23	1,755,112.94	1,755,112.94	0.00

13 Stabilised Condensates and Condensates are used interchangeably.

Sentuo Oil Refinery Ltd	Lean Gas	190,082.42	1,464,027.09	-	1,464,027.09
Marcopolo	Lean Gas	61,959.31	295,118.18	295,118.18	(0.00)
OCTP Transportation Service	Lean Gas	78,140,081.88	74,219,268.75	49,348,304.88	24,870,963.87
GNPC Lean Gas	Lean Gas	1,548,941.56	6,438,836.06	-	6,438,836.06
Condensate Export	Condensate	6,558.76	2,694,010.86	2,654,603.93	39,406.93
TOTAL			338,260,723.58	271,493,365.62	954,554,675.49

Source: GNGLC Data, 2023

10.4 Cost of Processed Derivatives

In 2023, the total volume of processed derivatives of Lean Gas, LPG, and Condensates that were dispatched to clients amounted to 117,956,609.71 MMBtu, 95,605.53 MT, and 12,806.65 MT respectively. The nominal invoice value of the derivative products was US\$334,023,650.90, which was a 6.8 percent decline relative to the invoice value of US\$358,304,405.18 reported in 2022.

10.4.1 Lean Gas

The total volume of lean gas sold by GNGLC was 117,956,609.71 MMBtu in 2023 relative to 118,799,496.14 MMBtu in 2022. This is equivalent to a downturn of 0.7 percent. On the other hand, the monetary value of the lean gas sales increased by 9.4 percent to US\$284,302,438.91 in 2023 from US\$259,968,833.64 in 2022. This increase is as a result of the 2023 increase in tariff from the first quarter prices to the fourth quarter as compared to that of the tariff applied in 2022 (see Table 51). Additionally, in 2022, GNGLC invoiced industrial Customers at a Discounted Industrial Development Tariff (DIDT) of US\$4.2/MMBtu from January to December.

Table 51: Quarterly Tariff Trends (2022 and 2023)

Quarterly Tariff	2022	2023
Period	US\$/MMBtu	US\$/MMBtu
January	6.0791	5.9060
February - May	6.0791	6.0952
June - August	6.0791	6.5165
September - November	5.9060	8.1221
December	5.9060	7.6426

Source: GNGLC and PURC, 2023.

As shown in Table 51, the respective tariff from January to June 2023 was applied, and from July to December 2023, Industrial customers were billed at a DIDT of US\$4.20/MMBtu.

As in previous years, the sale of Lean Gas was the largest source of GNGLC's revenue in 2023. The revenue from the sale constituted 84 percent of the company's revenues in 2023, which was an improvement

over the previous year's (2022) outturn of 72.6 percent. The largest client of GNGLC in terms of invoice value of gas sold was the Volta River Authority (VRA), which accounted for 51.1 percent of realisable gross revenue from Lean Gas (see Figure 22). In nominal terms, this is equivalent to US\$145,249,181.

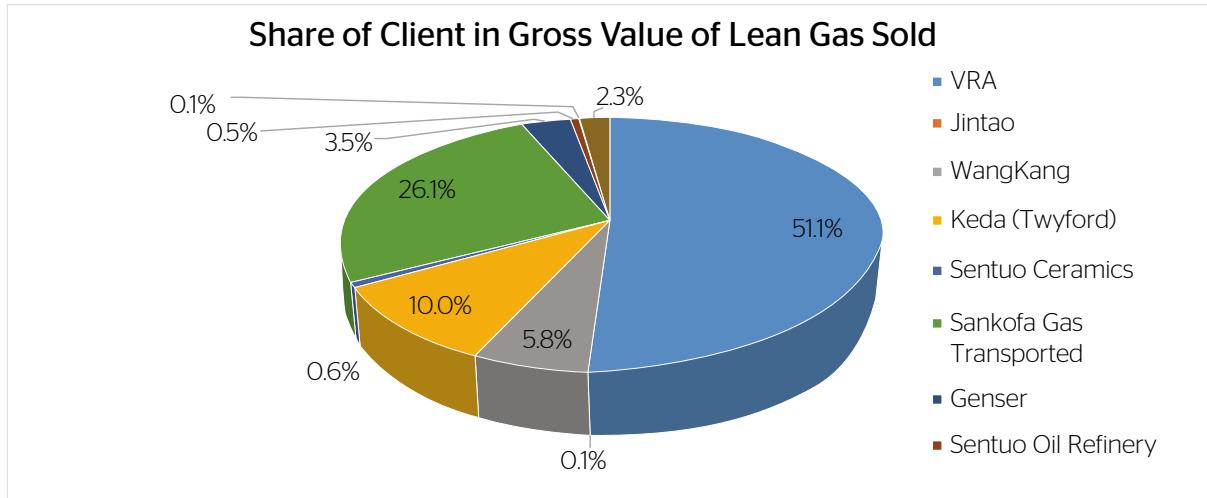


Figure 22: Share of Client in Gross Value of Lean Gas Sold in 2023
 Source: PIAC's Construct, based on GNGLC Data, 2023.

However, the largest client of GNGLC in terms of volume was ENI in respect of gas transportation service charges. Its share in the total volume of gas sold was 66.2 percent in 2023, which translates into a nominal value of 78,140,081.88 MMBtu (see Figure 23). In 2023, GNGLC onboarded two new clients; Marco Polo Sanitary Ware Limited and Sentuo Oil Refinery.

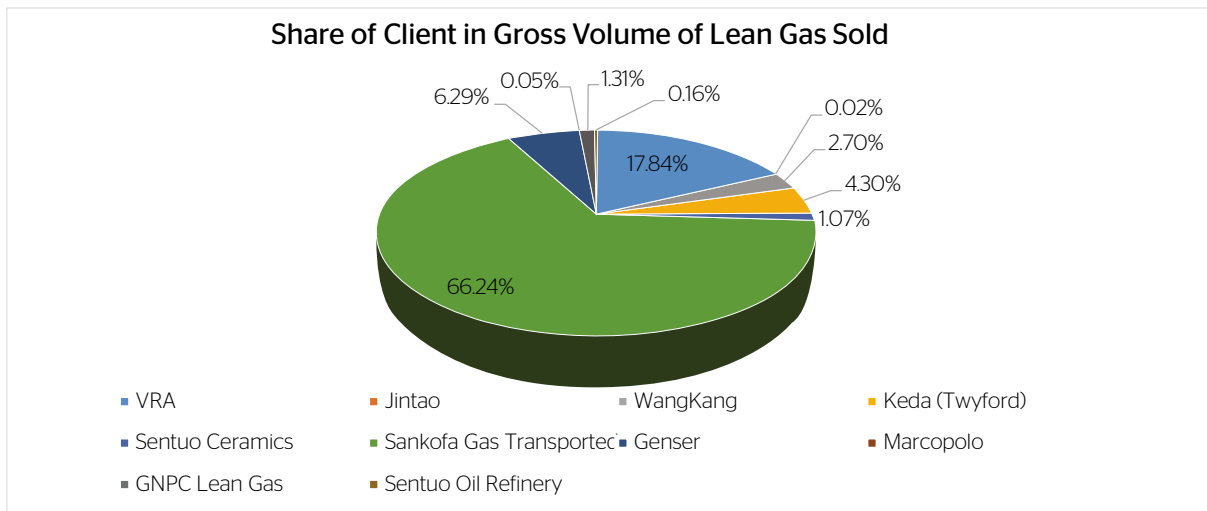


Figure 23: Share of Client in Gross Volume of Lean Gas Sold in 2023
 Source: PIAC's Construct, based on GNGLC Data, 2023.

Ordinarily, the largest client in terms of volume purchased should be the same as that of the largest client with respect to value. However, this was not the case due to the differential prices at which lean gas was sold to the various clients. The non-uniformity in the tariff applied by GNGLC is due to the type of services provided to the various customers. As presented in Table 52, the tariff for gas transportation was generally the lowest. This was followed by the gas price of Genser and Sentuo Ceramics. The difference in tariff reflects the service provided to the various clients.

Table 52: Summary of Lean Gas Product Statement (January to December 2023)

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
Jan-23	VRA	1,760,052.9742	5.9060	10,394,872.87	10,097,119.8287	22,213,605.04	22,213,605.04
	Jintao	2,201.7309	5.9060	13,003.42			
	WangKang	300,215.3057	5.9060	1,773,071.60			
	Keda (Twyford)	426,189.0222	5.9060	2,517,072.37			
	Sentuo Ceramics	107,183.2810	1.5755	168,867.26			
	Sankofa Gas Transported (by ENI)	6,611,746.5723	0.9271	6,129,750.25			
Feb-23	Genser	889,530.9425	1.3681	1,216,967.28	9,672,546.7714	23,237,739.90	23,237,739.90
	VRA	1,958,385.5204	6.0952	11,936,751.42			
	Jintao	1,524.3849	6.0952	9,291.43			
	WangKang	217,422.5701	6.0952	1,325,234.05			
	Keda (Twyford)	397,730.9010	6.0952	2,424,249.39			
	Sentuo Ceramics	129,295.0340	1.6404	212,095.57			
Mar-23	Sankofa Gas Transported	6,213,617.5753	1.0049	6,244,064.30	9,806,237.5006	19,714,617.4	19,714,617.36
	Genser	754,570.7856	1.4393	1,086,053.73			
	VRA	1,321,304.9207	6.0952	8,053,617.75			
	Jintao	1,284.7117	6.0952	7,830.58			
	WangKang	168,010.9173	6.0952	1,024,060.14			
	Keda (Twyford)	368,603.5481	6.0952	2,246,712.35			
Sentuo Ceramics	111,326.9780	1.6404	182,620.77				

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
	Sankofa Gas Transported	7,085,995.5899	1.0049	7,120,716.97			
	Genser	749,710.8349	1.4393	1,079,058.80			
	VRA	1,020,869.8172	6.0952	6,222,405.71			
	Jintao	1,734,017.2	6.0952	10,569.18			
	WangKang	212,061.6998	6.0952	1,292,558.47			
	Keda (Twyford)	246,704.6570	6.0952	1,503,714.23			
Apr-23	Sentuo Ceramics	96,414.0500	1.6404	158,157.61	9,396,184.8962	17,408,759.0	17,408,758.97
	Sankofa Gas Transported	6,998,347.8875	1.0049	7,032,639.79			
	Genser	818,246.0197	1.4393	1,177,701.50			
	Marcopolo	1,806.7477	6.0952	11,012.49			
	VRA	2,137,635.1086	6.0952	13,029,313.51			
	Jintao	2,720.8443	6.0952	16,584.09			
	WangKang	327,502.6565	6.0952	1,996,194.19			
	Keda (Twyford)	444,441.2596	6.0952	2,708,958.37			
May-23	Sentuo Ceramics	141,428.6000	1.6404	231,999.48	11,041,264.657	26,419,331.4	26,419,331.43
	Sankofa Gas Transported	7,117,386.5774	1.0049	7,152,261.77			
	Genser	863,359.5841	1.4393	1,242,633.45			
	Marcopolo	6,790.0267	6.0952	41,386.57			

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
	VRA	1,776,656,1160	6.5165	11,577,579,58			
	Jintao	2,508,1968	6.5165	16,344,166			
	WangKang	317,313,0083	6.5165	2,067,770,22			
	Keda (Twyford)	437,131,2580	6.5165	2,848,565,84			
Jun-23	Sentuo Ceramics	137,781,1600	1.6404	226,016,21	10,428,583,4088	24,156,086,5	24,156,086,47
	Sankofa Gas Transported	6,791,543,5174	0.9190	6,241,428,49			
	Genser	957,622,3196	1.1759	1,126,068,09			
	Marcopolo	8,027,8327	6.5165	52,313,37			
	VRA	1,533,725,1151	6.5165	9,994,519,71			
	Jintao	1,587,7768	4.2000	6,668,66			
	WangKang	322,598,1085	4.2000	1,354,912,06			
		94,5919	6.5165	616,41			
	Keda (Twyford)	341,000,0000	4.2000	1,432,200,00			
Jul-23	Sentuo Ceramics	105,715,6925	6.5165	688,896,31	10,377,124,6163	21,171,495,7633	21,171,495,7633
	Sentuo Ceramics	150,142,8500	1.1352	170,437,69			
	Sankofa Gas Transported	7,069,382,3105	0.9190	6,496,762,34			
	Genser	845,079,7714	1.1759	993,729,30			
	Marcopolo	7,798,3996	4.2000	32,753,28			

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
	VRA	1,538,357,1618	6.5165	10,024,704.45			
	Jintao	2,858,0327	4.2000	12,003.74			
	WangKang	308,839,2303	4.2000	1,297,124.77			
	Keda (Twyford)	341,000,0000	4.2000	1,432,200.00			
Aug-23	Sentuo Ceramics	108,027,7889	6.5165	703,963.09	10,049,776.0586	20,830,520.4	20,830,520.43
	Sankofa Gas Transported	6,768,460,5382	0.9190	6,220,215.23			
	Genser	858,958,3163	1.1759	1,010,049.08			
	Marcopolo	7,078,6903	4.2000	29,730.50			
	VRA	2,204,875,9828	8.1221	17,908,223.22			
	Jintao	3,150,8191	4.2000	13,233.44			
	WangKang	158,157,6567	4.2000	664,262.16			
	Keda (Twyford)	302,221,4749	4.2000	1,269,330.19			
Sep-23	Sentuo Ceramics	38,422,5434	8.1221	312,071.74	6,111,371.1943	26,822,131.1	26,822,131.14
	Sankofa Gas Transported	32,597,4000	1.1365	37,046.95			
	GNPC Lean Gas	1,833,681,0811	0.9190	1,685,152.91			
	Genser	849,846,0997	4.5777	3,890,340.49			
	Marcopolo	681,531,1441	1.5296	1,042,470.04			
	Marcopolo	6,886,9925	4.2000	28,925.37			

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
	VRA	1,825,978.7931	8.1221	14,830,782.36			
	Jintao	3,163.0972	4.2000	13,285.01			
	WangKang	245,921.1148	4.2000	1,032,868.68			
	Keda (Twyford)	341,000.0000	4.2000	1,432,200.00			
Oct-23	Sentuo Ceramics	179,480.5634	8.1221	1,457,759.08	9,994,626.1063	26,425,001.7	26,425,001.69
	Sankofa Gas Transported	6,979,006.7703	0.9190	6,413,707.22			
	GNPC Lean Gas	294,620.4349	3.6587	1,077,927.79			
	Marcopolo	7,798.7827	4.2000	32,754.89			
	VRA	1,930,993.2228	8.1221	15,683,720.06			
	Jintao	2,667.9425	4.2000	11,205.36			
	WangKang	298,289.3964	4.2000	1,252,815.46			
	Keda (Twyford)	329,919.9884	4.2000	1,385,663.95			
Nov-23	Sentuo Ceramics	177,218.8013	8.1221	1,439,388.83	10,133,712.7803	27,513,170.9	27,513,170.87
	Sentuo Oil Refinery	117,576.0300	1.1365	133,625.16			
	Sankofa Gas Transported	23,572.8700	8.1221	191,461.21			
	Sankofa Gas Transported	6,981,563.7594	0.9190	6,416,057.09			
	GNPC Lean Gas	263,793.6074	3.6587	965,141.67			
	Marcopolo	8,117.1621	4.2000	34,092.08			

Date	Company	Volume (MMBtu)	Price US\$/MMBtu	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)	Net Revenue (US\$)
	VRA	2,040,233,7626	76426	15,592,690.55			
	Jintao	3,072,1946	4,2000	12,903.22			
	WangKang	309,542,5422	4,2000	1,300,078.68			
	Keda (Twyford)	341,000,0000	4,2000	1,432,200.00			
		150,018,0560	76426	1,146,528.00			
Dec-23	Sentuo Ceramics			0.00	10,848,061,8900	28,361,054.4	21,054.45
	Sentuo Oil Refinery	166,509,5499	76426	1,272,565.89			
	Sankofa Gas Transported	7,689,349,6971	0.9190	7,066,512.37			
	GNPC Lean Gas	140,681,4138	3.5927	505,426.12			
	Marcopolo	7,654,6738	4,2000	32,149.63			
TOTAL							284,273,513.52

Source: GNGLC Data, 2023

10.4.2 Liquefied Petroleum Gas

The total volume of Liquefied Petroleum Gas (LPG) sold by GNGLC declined from 113,300.51MT in 2022 to 95,605.53MT in 2023. This represents a reduction of 15.6 percent. Figure 24 summarises the monthly sales of LPG in 2022 and 2023.

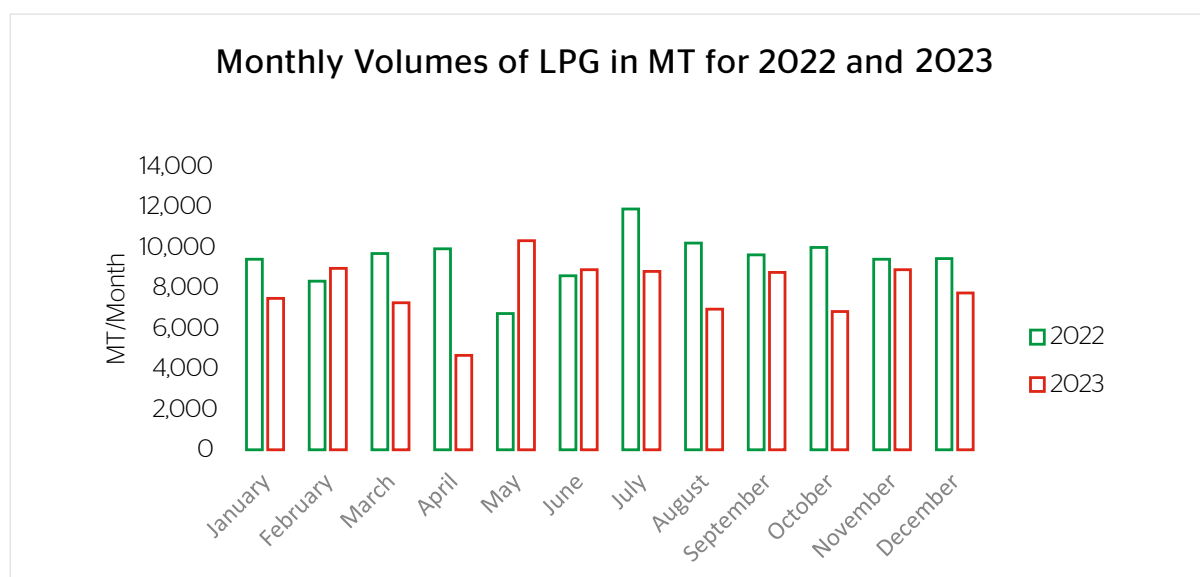


Figure 24: Monthly Volumes of LPG in MT for 2022 and 2023

Source: PIAC's Construct based on GNGLC Data, 2023.

In terms of revenue, the net proceeds from the sale of LPG amounted to US\$43,277,473.96 in 2023. Relative to the revenue outturn of US\$75,056,054.95 recorded in 2022, this represents a decline of 42.3 percent. The downturn in net revenue was largely attributable to the relatively low volumes of LPG sold in 2023 as shown in Table 53.

Table 53: Summary of LPG Product Statement (January to December 2023)

Date	Volume (MT)	Price (US\$)/ MT	Value (US\$)	Volume/ Month (MT)	Gross Revenue (US\$)	Discount ¹⁴ (US\$)	Net Revenue (US\$)
Jan-23	3,835.52	488.33	1,872,981.04	7,479.144	3,695,521.01	149,582.88	3,545,938.13
	3,643.62	500.20	1,822,539.97				
Feb-23	4,707.45	556.95	2,621,836.57	8,958.790	5,234,090.34	179,175.80	5,054,914.54
	4,251.338	614.45	2,612,253.77				
Mar-23	3,847.60	647.73	2,492,186.71	7,258.275	4,628,548.39	145,165.50	4,483,382.88
	3,410.68	626.38	2,136,361.68				
Apr-23	852.33	475.10	404,939.99	4,660.767	2,234,705.47	93,215.34	2,141,490.13
	3,808.44	480.45	1,829,765.48				
May-23	5,614.26	467.77	2,626,195.87	10,335.947	4,622,290.58	206,718.94	4,415,571.64
	4,721.69	422.75	1,996,094.70				

¹⁴ The provision of discount for the LPG off-taker is to ensure that indigenous LPG from Atuabo is competitive. Ghana Gas' LPG competes with imported LPG product as the downstream market is deregulated.

Date	Volume (MT)	Price (US\$)/ MT	Value (US\$)	Volume/ Month (MT)	Gross Revenue (US\$)	Discount ¹⁴ (US\$)	Net Revenue (US\$)
Jun-23	5,024.37	396.50	1,992,161.56	8,900.591	3,296,941.55	178,011.82	3,118,929.73
	3,876.22	336.61	1,304,779.99				
Jul-23	4,577.97	286.02	1,309,403.34	8,818.050	2,535,171.88	176,361.00	2,358,810.88
	4,240.08	289.09	1,225,768.54				
Aug-23	3,183.04	393.75	1,253,322.00	6,943.650	3,105,500.65	138,873.00	2,966,627.65
	3,760.61	492.52	1,852,178.65				
Sep-23	4,205.64	502.05	2,111,441.56	8,769.020	4,477,554.09	175,380.40	4,302,173.69
	4,563.38	518.50	2,366,112.53				
Oct-23	2,506.47	532.43	1,334,521.67	6,836.386	3,393,989.71	136,727.72	3,257,261.99
	4,329.92	475.64	2,059,468.04				
Nov-23	4,539.89	466.61	2,118,373.48	8,897.610	4,136,593.16	177,952.20	3,958,640.96
	4,357.72	463.14	2,018,219.68				
Dec-23	3,959.38	471.23	1,865,760.73	7,747.300	3,828,677.74	154,946.00	3,673,731.74
	3,787.92	518.21	1,962,917.01				
TOTAL				95,605.53	45,189,584.56	1,912,110.60	43,277,473.96

Source: GNGLC Data, 2023.

10.4.3 Condensates

The volume of Condensates sold by GNGLC fell sharply from 30,471.95MT in 2022 to 12,806.65MT in 2023. This translates to a year-on-year decline of 137.94 percent. This was as a result of no sale of condensates from October to December 2023. However, the product was in storage at the Tema Oil Refinery (TOR). As can be inferred from Figure 25, GNGLC sold Condensates in nine (9) out of 12 months in 2023 relative to 12 months of sale in 2022.

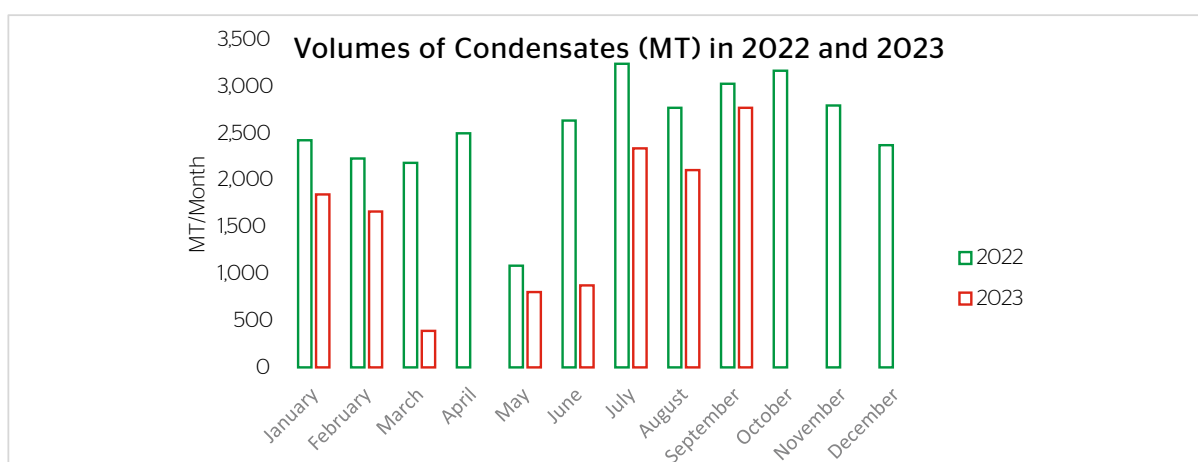


Figure 25: Volumes of Condensates (MT) in 2022 and 2023

Source: PIAC's Construct based on GNGLC Data, December 2023

The revenue realised from the sale of Condensates in 2023 was US\$6,472,663.42 as compared to US\$23,279,516.59 in 2022, representing a decrease of 72.2 percent. The marked reduction in revenue was primarily a function of the downturn in the volume of Condensates sold in 2023, relative to the preceding year. Table 54 provides a summary of the Condensates product statement.

Table 54: Summary of Condensate Product Statement (January to December 2023)

Date	Company	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/ Month (MT)	Monthly Value (US\$)																																																																																																																																
	Hilson	70.45	677.9400	70,505.76																																																																																																																																		
		33.55	677.9400					Maranatha Oil	471.14	439.2100	441,726.67			534.59	439.2100	Jan-23	Firm Energy	72.91	428.7150	60,547.42	1,848.88	991,724.49	68.32	428.7150		Eagle Petroleum	88.55	676.2300	63,267.02			7.90	428.7150		Dome Energy	501.47	709.2700	355,677.63			-	535.3650	Feb-23	Vihama Energy	1,464.00	510.2050	746,940.12	1,664.68	924,568.45	120.66	889.5909		Marantha Oil	80.02	878.4091	177,628.33			126.12	848.3500	Mar-23	Marantha Oil	262.41	829.7250	324,722.04	388.53	324,722.04	139.97	505.0700	May-23	Vihama Energy	139.97	505.0700	70,693.13	803.76	342,049.24	203.16	434.0682		Marantha Oil	460.63	397.6528	271,356.10			352.05	414.3523	Jun-23	Marantha Oil	525.36	413.0417	362,868.27	877.41	362,868.27	1,000.00	409.8068	Jul-23	Marantha Oil	340.30	410.1364	549,376.20	2,340.30	1,030,516.20	1000.00	481.1400		Vihama Energy	1000.00	481.1400	481,140.00			510.00	449.2728	Aug-23	Marantha Oil	600.00	483.6459	519,316.61	2,110.00	1,075,966.61	1,000.00	556.6500	Sep-23	Marantha Oil	1,773.00	515.7375	1,420,248.11	2,773.09	1,420,248.11	1,000.09	505.8000	Total	
	Maranatha Oil	471.14	439.2100	441,726.67																																																																																																																																		
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Jan-23	Firm Energy	72.91	428.7150	60,547.42	1,848.88	991,724.49																																																																																																																																
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Source: GNGLC Data, 2023

In 2023, the largest purchaser of Condensates from GNGLC was Marantha Oil, with a share of 65 percent in terms of volume and 63 percent in terms of value of Condensates sold. This was followed by Vihama Energy, Dome Energy, Firm Energy, Hilson, and Eagle Petroleum as shown in Figure 26 and Figure 27.

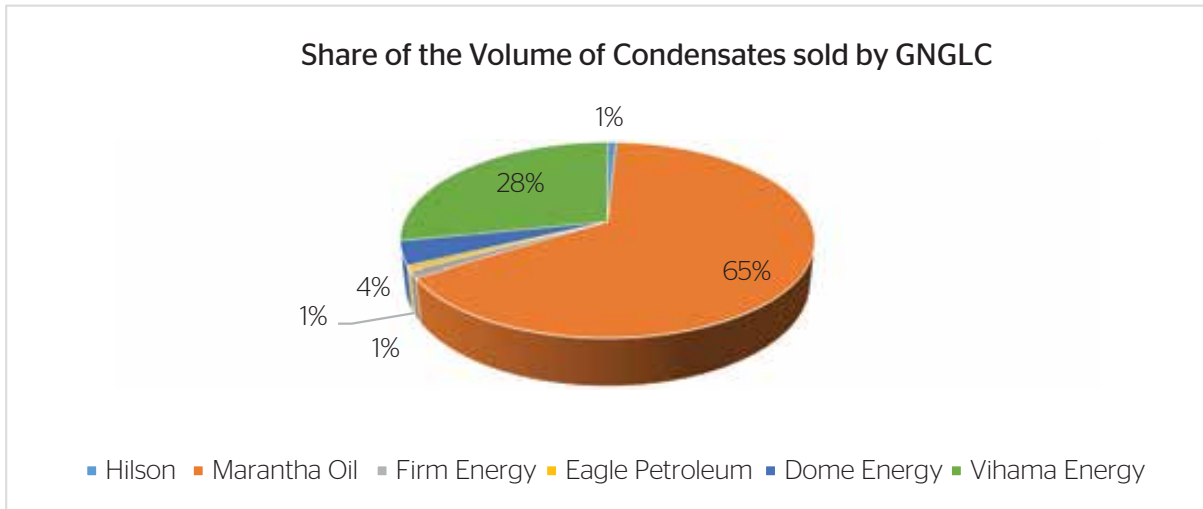


Figure 26: Share of the Volume of Condensates sold by GNGLC in 2023
 Source: PIAC’s Construct based on GNGLC Data, 2023

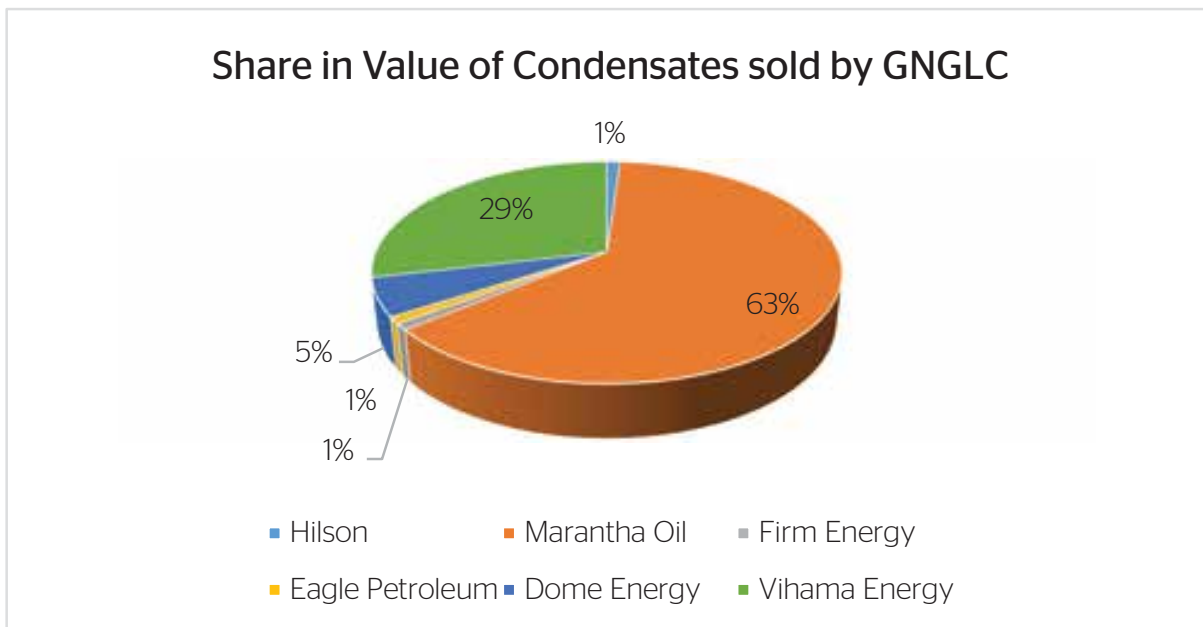


Figure 27: Share in Value of Condensates sold by GNGLC in 2023
 Source: PIAC’s Construct based on GNGLC Data, 2023

10.5 Summary of GNGLC Expenditures

A detailed breakdown of all expenditures incurred in 2023, including the cost of operating the Atuabo Gas Processing Plant, is presented in Table 55.

Table 55: Breakdown of GNGLC Expenditure (January to December 2023)

Category	Amount '000 (GH¢)
Manpower Expenses	470,282.64
Directors Fees & Other Board Expenses	3,678.34
General Admin Expenses	24,883.04
Staff Business Expense	26,317.05
Professional Services	4,151.48
Bank Service Charges	2,310.23
Corporate Social Responsibility	150,155.82
Business Support	32,002.97
Pass Through Direct Cost	2,397,438.00
Depreciation & Amortisation	194,594.88
Operational Expenses	171,258.44
Finance Cost	(867,944.00)
Forex Loss/(Gain)	558,900.00
Total Expenses	3,168,029

Source: GNGLC Data, 2023

GNGLC's total expenditure rose to GH¢3,168,029 in 2023 relative to GH¢1,984,184,000 in 2022. The 59.66 percent upturn in gross expenditure was primarily driven by an increase in Pass Through Direct Cost¹⁵ (1,027%), labour or manpower cost ¹⁶(31.6%), Depreciation and Amortisation ¹⁷(1,222%), as well as Forex Losses. The main moderating factors on cost growth were the reduction in General Administrative Expenses (75%), Finance Cost (-215%), and Professional Services (31.2%). GNGLC's big-ticket expenditures in 2023 include Pass Through Direct Cost and Manpower expenses which accounted for 75.7 percent and 14.8 percent of total expenses in the year under review. In the previous year (2022), their corresponding rates were 18 percent and 10.72 percent.

10.6 Cost of Gas Indebtedness

The cumulative indebtedness of GNGLC to Ghana National Petroleum Corporation (GNPC) for the supply of raw gas stood at US\$604,051,751.38 at the end of December 2023, which was a 7.8 percent increment on the cumulative stock of debt of US\$560,400,710.88 recorded at the end of 2022. According to GNGLC, the rise in its indebtedness to GNPC was primarily due to the inability of the Volta River Authority (VRA) to meet its debt service obligations. To address the associated systemic risk, a part of the outstanding balance has been reclassified as Energy Sector Legacy Debt. This means that the sequestered portion of

¹⁵ The significant increase in the Pass-Through Direct Cost is mainly due to the increases in the tariffs. The tariffs for the pass-through consist of Commodity cost, Backhaul Charges, and GNPC Service charge.

¹⁶ The manpower expenses are costs relating to all GNGLC's human capital costs. The increase in 2023 as compared to 2022 was due to the Company's anticipation to expand on its projects. Therefore, more people were employed in readiness for the expansion of its operations.

¹⁷ There was a reclassification of the lines that make up the depreciation amount. The 2023 report contains both the depreciation element in the operating cost and that in the administrative expenses making up the huge amount reported for the year. However, the amount reported in the previous year only considered the depreciation amount in the administrative expenses. The surge can be attributed to the reclassification and not actual increase in the line items.

the debt would be retired with inflows from the Energy Sector Levy. Despite this intervention, the growth in the stock of debt trended upwards as shown in Figure 28. This situation, if it persists, would pose a grave contagion risk to the country's energy sector.

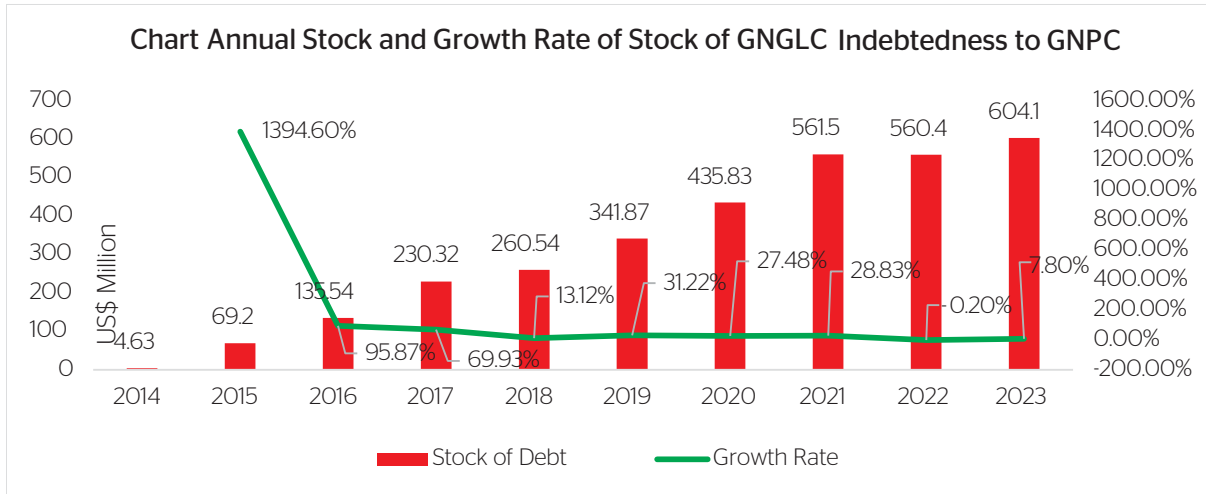


Figure 28: Annual Stock and Growth Rate of Stock of GNGLC Indebtedness to GNPC

Source: PIAC Construct, December 2023

The total volume of raw gas sales to GNGLC by GNPC in 2023 was 33,952,102.40 MMBTU, which was 16 percent lower than the outturn of 40,709,503.30 MMBTU recorded in 2022. The nominal invoice value for the stock of gas received by GNGLC from GNPC in 2023 was US\$188,927,311.50 and GNGLC received a credit note of US\$144,135,467.73 in 2023. With a stock of outstanding debt of US\$559,259,907.60 as at 31st December 2022, this brought GNGLC's indebtedness to GNPC to US\$604,051,751.38. Figure 29 illustrates GNGLC's indebtedness to GNPC for 2023.

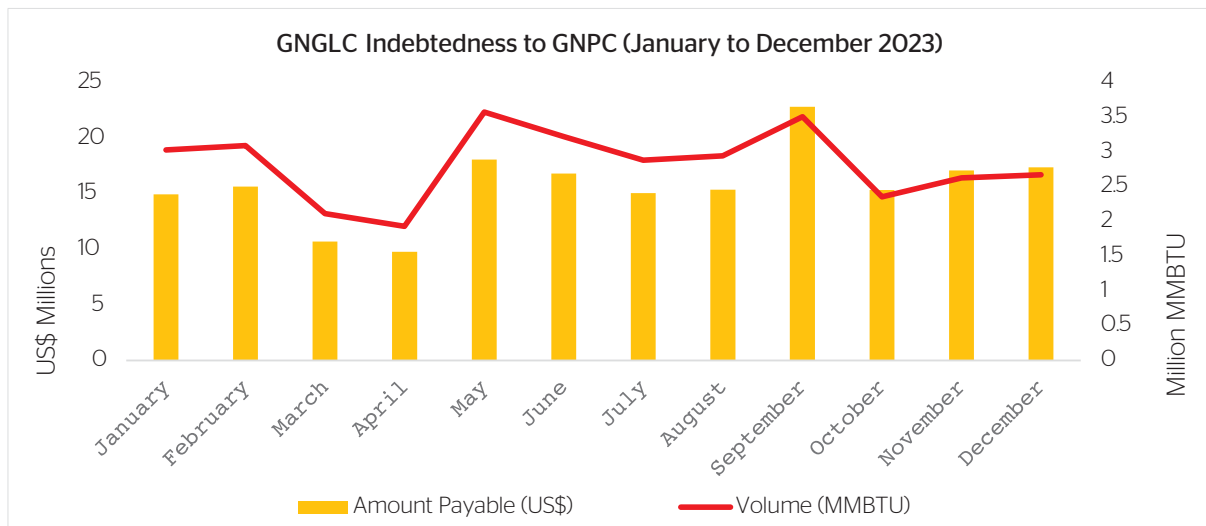


Figure 29: GNGLC Indebtedness to GNPC (January to December 2023)

Source: PIAC's Construct based on GNGLC Data, 2023.

10.7 Revenue from Cash Waterfall Mechanism and Natural Gas Clearinghouse

The Cash Waterfall Mechanism (CWM) and Natural Gas Clearinghouse (NGCH) set out the principles, methodology, and processes for determining and disbursing tariff revenue collected by the Electricity Company of Ghana (ECG) to various beneficiaries along the Electricity Value Chain. Accordingly, GNGLC,

GNPC, and other stakeholders in the value chain are paid directly by CWM, a percentage of the invoice amount submitted for each month. Its implementation commenced in April 2020.

In 2023, the CWM made payments to the tune of GH¢244.99 million (US\$37.01 million) to GNGLC. These amounts were for GNGLC's invoices due from the sale of Lean Gas for the period October 2022 to October 2023. As shown in Table 56, GNGLC's receipts from the CWM was lower than the expected inflow by 36.37 percent (GH¢140.07 million). Table 56 shows payments and credit notes received from CWM by GNGLC for gas invoices during the period.

Table 56: Cash Waterfall Mechanism Model (January to December 2023)

CWM Allocation vs. Actual Payment			
Invoice Month	Model Month	Model Allocation (GH¢)	Actual Receipts (GH¢)
22-Nov	23-Jan	59,763,011.41	59,763,011.41
22-Dec	23-Feb	54,320,381.02	54,320,381.02
23-Jan	23-Mar	0	20,000,000.00
23-Feb	23-Apr	0	-
23-Mar	23-May	0	910,995.72
23-Apr	23-Jun	0	
23-May	23-Jul	0	
23-Jun	23-Aug	46,267,008.62	50,000,000.00
23-Jul	23-Sep	53,402,626.43	-
23-Aug	23-Oct	78,200,527.51	-
23-Sep	23-Nov	44,813,173.56	20,000,000.00
23-Oct	23-Dec	48,298,737.96	40,000,000.00
Total		385,065,466.50	244,994,388.15
Unpaid allocation			140,071,078.35

Source: GNGLC, 2023.

MONTH	Amount '000 (USD)
January	7,597,451.11
February	4,379,068.23
March	3,517,857.53
April	1,826,767.63
May	910,995.72
June	-
July	9,085,045.11
August	4,539,800.43
September	-

MONTH	Amount '000 (USD)
October	-
November	-
December	5,152,665.68
Total Expenses	37,009,651.44

Source: GNGLC Data, 2023

Observation

1. 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.

CHAPTER 11

PETROLEUM REVENUE OUTLOOK

11.1 Global Economic Growth

Global growth proved resilient in 2023, with inflation declining more quickly than anticipated. Outcomes diverged across countries, with strong growth in the United States and many emerging-market economies offset by a slowdown in most European countries. According to the World Bank's 2024 World Economic Outlook (WEO) report, this led to interest rates skyrocketing, which in turn raised the cost of borrowing.

Global growth is projected to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. The 2024 forecast is 0.2 percentage points higher than the October 2023 World Economic Outlook (WEO) due to stronger resilience in the United States, several large emerging market and developing economies, and fiscal support in China. However, the forecast for 2024 to 2025 is below the historical average of 3.8 percent (2000-2019) due to high central bank policy rates to combat inflation, reduced fiscal support amidst high debt levels impacting economic activity, and sluggish underlying productivity growth. Inflation is decreasing faster than anticipated in most regions, driven mainly by resolving supply-side challenges and tighter monetary policies. Global headline inflation is projected to drop to 5.8 percent in 2024 and 4.4 percent in 2025.

As was the case in 2023, advanced economies would continue to witness slower growth, with weaker manufacturing and unique circumstances in respective economies counterbalancing better performance in services. The growth projection for emerging markets and developing economies is largely constant for 2023 and 2024, notwithstanding significant regional variations.

According to the Organisation for Economic Co-operation and Development (OECD) Economic Outlook, Interim Report February 2024: Strengthening the Foundations for Growth, in the United States, the rundown of excess household savings and strong government spending are projected to moderate in 2024, but lower inflation will strengthen real wage growth and allow policy interest rates to be eased. Annual GDP growth is projected to ease gently towards trend, at 2.1 percent in 2024 and 1.7 percent in 2025. Europe is also feeling the demand-reducing effects of policy tightening. Growth in the euro area is expected to remain soft through the first half of 2024 before steadily recovering as real incomes strengthen: average annual growth rates are projected to be 0.6 percent in 2024 and 1.3 percent in 2025, after 0.5 percent in 2023. The United Kingdom has a similar profile, with growth picking up from 0.3 percent in 2023 to 0.7 percent in 2024 and 1.2 percent in 2025. Japan's output is forecasted to remain below potential, with growth slowing down from an estimated 1.9 percent in 2023 to 0.9 percent in 2024 and 0.8 percent in 2025. This deceleration is attributed to the diminishing impact of one-off factors that

supported activity in 2023, such as a weakened Yen, pent-up demand, and a resurgence in business investment following earlier project delays.

In emerging and developing Asia, growth is anticipated to decrease from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and further to 4.8 percent in 2025. This will translate to a 0.4 percentage point improvement for 2024 compared to the October 2023 WEO projections, driven mainly by China’s economy. China’s growth is forecasted to be 4.6 percent in 2024 and 4.1 percent in 2025, with a 0.4 percentage point upward revision for 2024 from the October 2023 WEO. This revision is due to the positive impact of stronger-than-expected growth in 2023 and increased government investments in disaster preparedness. India’s growth is expected to remain robust at 6.5 percent in both 2024 and 2025, with a 0.2 percentage point upgrade for both years compared to October, reflecting the resilience of domestic demand.

11.2 Crude Oil Trends

Global oil prices temporarily surged following the outbreak of the conflict between Israel and Gaza, as speculation arose from the potential impact of the turmoil on energy production in the Middle East. Though neither Israel nor Gaza are significant oil producers, the potential risk to oil supply is evident. The allegiance of Iran towards the Hamas-backed Gaza regime, and the conflict spilling beyond into Lebanon and Syria, may have a rippling effect on other Middle Eastern oil producers such as Saudi Arabia and Qatar.

The invasion of Ukraine by Russia, which started in February 2022, lingers on. The consequences of this war were the strict sanctions placed on Russia and the explosion of three (3) out of four (4) pipes of the Nord 1 & 2 pipelines (which supply gas to Europe) being sabotaged. The gas supply gap caused by this explosion has led to the European Union (EU) exploring alternate sources of gas for its needs. As of now, the EU has reduced its reliance on Russian gas as part of their energy supply.

The Energy Information Administration (EIA) in its Short-Term Energy Outlook (STEO) for 2024, forecast the West Texas Intermediate (WTI) spot price to average US\$77.99/bbl in 2024 and drop to an average of US\$74.98/bbl in 2025. For Brent, spot prices are forecast to average US\$82.49/bbl in 2024 and witness a drop to an average of US\$79.48/bbl in 2025. For natural gas, the Henry Hub spot price is expected to average US\$2.66/BTu in 2024 and rise to US\$2.95/BTu in 2025. An illustration of the Short-Term Energy Outlook is shown in Figure 30.

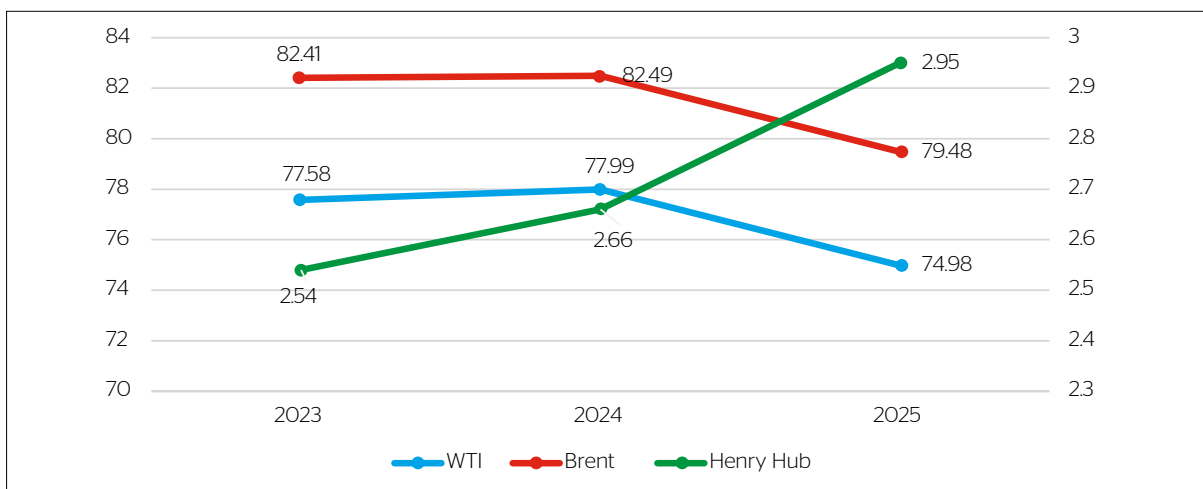


Figure 30: Average Annual BRENT and WTI Crude Prices from 2023 to 2025 Data
 Source: US Energy Information Administration (EIA), 2024.

11.2.1 Global Oil Demand

The forecast for global oil demand growth (see Figure 31) in 2024 is maintained at 2.2 million barrels per day (mb/d). The United States outlook has been slightly raised due to a more favourable economic forecast, which is anticipated to boost oil consumption. This increase compensates for a minor decrease in the expected demand within the Organisation for Economic Co-operation and Development (OECD) Europe.

For OECD countries, oil demand is projected to rise by about 0.3 mb/d, with the main impetus coming from the Americas, and modest contributions from Europe and Asia Pacific. Non-OECD regions are projected to see a substantial increase in oil demand, estimated at 2 mb/d, with China leading and significant support from the Middle East, Other Asia, India, and Latin America. The first quarter of 2024 is expected to witness a 2.0 mb/d increase in oil demand compared to the previous year. The global oil demand for 2024 is projected to hit 104.4 mb/d, fueled by heightened air travel, greater road transport, and vigorous industrial, construction, and agricultural activities, especially in non-OECD nations. Additionally, non-OECD countries, especially China and the Middle East, are likely to boost oil demand due to capacity expansions and strong petrochemical margins. Nonetheless, this outlook is subject to uncertainties such as global economic conditions.

Looking ahead to 2025, the global oil demand is forecasted to continue its strong growth, with an increase of 1.8 mb/d. The OECD's demand is expected to grow modestly by 0.1 mb/d, while non-OECD countries are projected to see a more significant rise in demand by 1.7 mb/d.

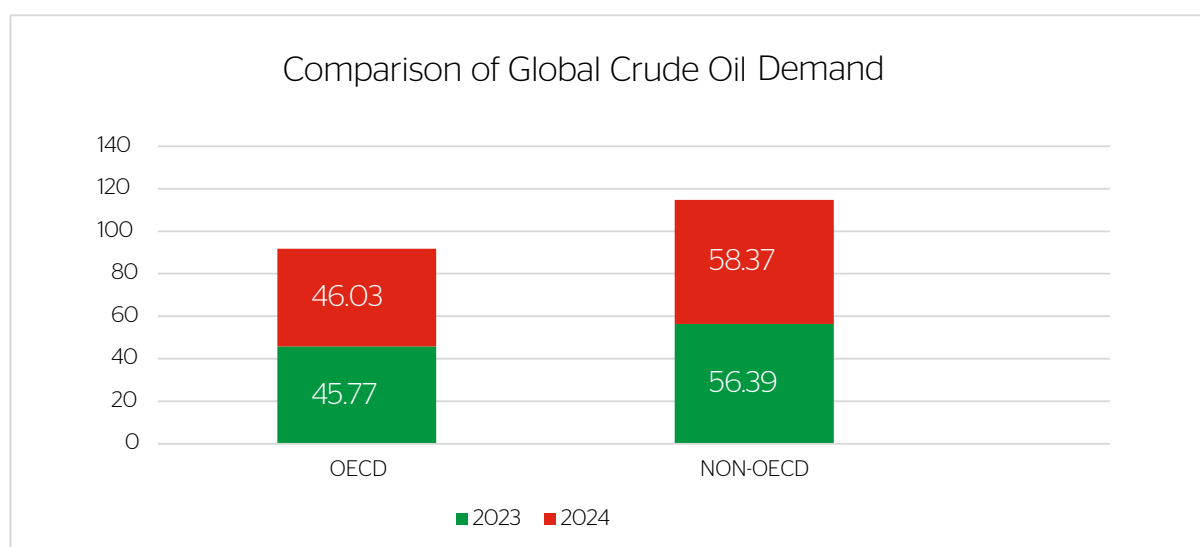


Figure 31: Comparison of Global Crude Oil Demand (2023 and 2024)

Source: OPEC Monthly Oil Market Report, February 2024.

11.2.2 Global Oil Supply

In 2024, it is expected that non-OPEC liquids production will rise by 1.2 million barrels per day (mb/d), to reach an average of 70.5 mb/d, inclusive of a 50 thousand barrels per day (tb/d) boost from processing gains. The OECD is predicted to see a 0.9 mb/d increase in liquids supply, averaging 33.6 mb/d (see Figure 32), while the non-OECD supply is set to grow by 0.3 mb/d, reaching 34.4 mb/d. The expansion in non-OPEC liquids is expected to be driven mainly by developments in the US shale oil, Canadian oil sands, and offshore projects in Latin America and the North Sea. The US, Canada, Guyana, Brazil, and Norway are anticipated to be significant contributors to this growth, while Russia and Mexico may experience declines.

For 2025, non-OPEC liquids production is projected to expand further by 1.3 mb/d, averaging 71.8 mb/d, with processing gains accounting for 60 tb/d. The OECD's liquids supply is set to rise by 0.8 mb/d, and the non-OECD supply by 0.4 mb/d. Key drivers of this increase are expected to be the US, Brazil, Canada, Norway, Kazakhstan, and Guyana, while Mexico and Angola may face substantial drops in production.

OPEC NGLs and unconventional liquids production are forecasted to grow by approximately 60 tb/d in 2024, averaging 5.5 mb/d, with a further increase of 110 tb/d expected in 2025, reaching an average of 5.6 mb/d.

In January 2024, the combined Non-OPEC liquids production, including OPEC NGLs, is estimated to fall by 0.2 mb/d from December 2023 to an average of 75.5 mb/d, a year-on-year rise of 1.6 mb/d. Preliminary data indicates that the global oil supply for January 2024 will drop by 0.6 mb/d month-on-month, to average 101.8 mb/d, and exhibit a 0.2 mb/d increase compared to the same period in 2023.

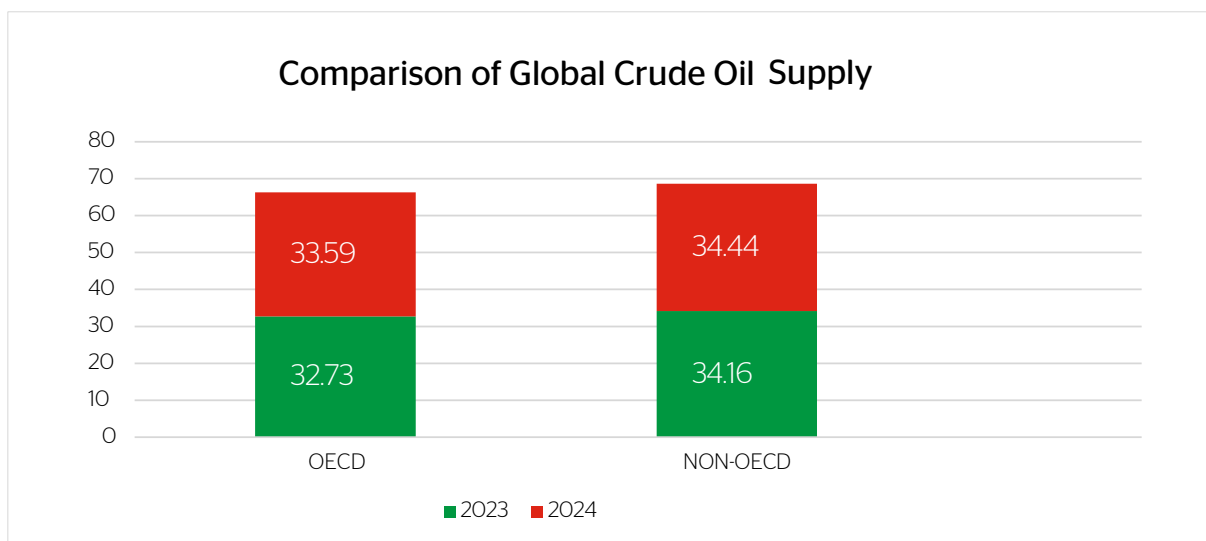


Figure 32: Comparison of Global Crude Oil Supply (2023 & 2024)

Source: OPEC Monthly Oil Market Report, February 2024.

11.3 Ghana's Projections

With regards to production, Ghana's projected 2024 Benchmark crude oil output is 51.15 million barrels (139,754 barrels of crude oil per day), based on a three-year moving average of each producing field's actual and projected outputs in line with the PRMA. Similarly, the Benchmark gas output has been estimated at 116.46 trillion Btu for 2024.

With regards to the benchmark price for 2024, US\$75.44 per barrel of oil was used, up from the price of US\$74.00 per barrel for 2023 in the 2023 Mid-Year Fiscal Policy Review. The benchmark gas price¹⁸ for 2024 is projected at US\$6.84 per MMBtu, estimated as a seven-year moving average in line with the PRMA.

The projected Petroleum Benchmark Revenue for 2024 is estimated at US\$1,072.35 million. This is made up of Royalties (US\$213.08 million), Carried and Participating Interest (US\$552.47 million), Corporate Income Taxes (US\$306.04 million) and Surface Rentals (US\$0.76 million). The medium-term total petroleum

¹⁸ The benchmark gas prices are based on Gas prices using a blend of the US CPI/PPI index and the Henry Hub Spot Price Index to capture inflationary trends and movement in global gas prices on the well-head price of gas, in line with the specific contracts.

receipts are projected at US\$1,011.14 million, US\$1,145.60 million, and US\$1,114.77 million for 2025, 2026 and 2027, respectively, according to the Government's 2024 Budget Statement.

The breakdown of the projected 2024 petroleum receipts and distribution are presented in Table 57 & Table 58.

Table 57: Projected 2024 Petroleum Revenue Receipts (US\$M)

S/N	ITEMS	2024 Budget (US\$M)
	Total Petroleum Receipts	1,072.35
1	Royalties	213.08
	<i>o/w Crude Oil</i>	213.08
	<i>o/w Gas</i>	0
2	Carried and Participating Interest	552.47
	<i>o/w Crude Oil</i>	552.47
	<i>o/w Gas</i>	0
3	Corporate Income Tax	306.04
4	Surface Rentals	0.76

Source: 2024 Budget Statement

Table 58: Projected Petroleum Revenue Distribution (US\$M)

S/N	ITEMS	2024 Budget (US\$M)
	Revenue Distribution	1,072.35
1	Transfer to National Oil Company (NOC)	250.41
	<i>o/w Equity Financing</i>	120.96
	<i>o/w 30% Net CAPI</i>	129.45
2	Benchmark Revenue (BR)	821.94
	<i>o/w ABFA</i>	575.36
	<i>o/w Ghana Petroleum Funds</i>	246.58
	<i>o/w Ghana Stabilisation Fund</i>	172.61
	<i>o/w Ghana Heritage Fund</i>	73.97

Source: 2024 Budget Statement

CHAPTER 12

PIAC ACTIVITY REPORT

12.1 Background

In line with its mandate, the Committee undertakes programmes and activities throughout the year. This chapter provides an overview of PIAC's programmes and activities undertaken from January to December 2023, and feedback received from citizens in public engagements.

12.2 Activities

12.2.1 Courtesy Call by Parliamentary Delegation from Zanzibar

A delegation of six Members of Parliament of Zanzibar paid a courtesy call on the Committee on 23rd February, 2023. The delegation was received by a PIAC Team, comprising the then Chairperson, Vice Chairperson and some members of the Committee, with its Secretariat Staff in attendance. The Zanzibar delegation, led by Mr. Akilagpa Sawyerr and Mr. Erick Asuman of the Ministry of Finance, stated that the delegation was on a study visit to Ghana with the aim of learning from Ghana's experiences and to acquire knowledge with regards to the management of its petroleum revenues.

The PIAC team gave a background of the Committee, why it was set up, its membership and mandate under the PRMA.

The delegation was grateful to the Committee and indicated that it would collaborate with PIAC in the process to establish an organisation like the Committee for its extractive industry.



[Left] Members of PIAC and the Zanzibar Parliamentary Delegate in a group photograph.

[Right] The Zanzibarian delegation presenting a souvenir to members of PIAC during the courtesy call.

12.2.2 Meeting with the District Assemblies Common Fund

As part of strengthening its stakeholder relations, PIAC led by the then Chairperson, Professor Kwame Adom-Frimpong, paid a courtesy call on the Administrator of the District Assemblies Common Fund (DACF), Mrs Irene Naa Torshie Addo Lartey, on Thursday, 16th February, 2023.

Prof Adom-Frimpong noted that since the Supreme Court ruled on the matter of Kpodo and Another vrs Attorney General, that a minimum of five (5) percent of the Annual Budget Funding Amount (ABFA) be allocated and disbursed to the DACF, PIAC was obligated to report on this allocation. The visit was to develop and strengthen the relationship between the two institutions with regards to petroleum revenue management. The Administrator of the DACF, Mrs Irene Naa Torshie Addo Lartey mentioned the need for more clarity on the treatment of petroleum funds allocated to the DACF. She however indicated that going forward, the Fund would separate receipts from petroleum funds, and use them on specific projects to enhance accountability.



[Left] Members of PIAC and the DACF in a group photograph

[Right] The PIAC Chair presenting copies of the Committee's recent reports to the Administrator of the DACF, Madam Irene Naa Torshie Addo.

12.2.3 2023 Global EITI Conference in Senegal

The Extractive Industries Transparency Initiative (EITI) held its 9th edition of the EITI Global Conference in Dakar, Senegal, from Monday 12th to Thursday 15th June, 2023. Some members of the GHEITI Multi-Stakeholder Group (MSG) and a team from PIAC were sponsored by GIZ to attend the Conference. The PIAC Team comprised Mr. Nasir Alfa Mohammed, the Vice Chairperson of PIAC at the time, and Mr. David Sefa Adjei - Economic Policy Analyst of the PIAC Secretariat. The Conference was attended by over 1,000 delegates from 93 countries. Participants included government officials and key stakeholders. The Conference also marked the 20th Anniversary of EITI implementation since the commencement of the initiative in 2003. The theme for the Conference was "Transparency in Transition".

The Conference provided an opportunity for EITI-implementing countries to share their experiences, and for stakeholders to make commitments on strengthening transparency and EITI implementation in their respective countries.



Excerpts of the EITI Conference

12.2.4 Meeting with the Council of State

As part of efforts to build strategic alliances, the Committee engaged the Council of State on 1st June, 2023. The Committee presented highlights of its 2022 Annual Report on the management and use of petroleum revenues, which focused on an analysis of production and sale of oil and gas produced, sources of petroleum revenue and its distribution. The Council of State pledged its support to enhance the work of PIAC.



[Left] The PIAC Team and representatives of the Council of State in a group photograph.

[Right] The then Vice Chair of the Committee, Mr Nasir Alfa Mohammed, making a presentation on PIAC to the Council of State.

12.2.5 Constituent Meeting with Muslim Groups

Members of PIAC were given the opportunity to present highlights of the 2022 Annual Report on the management and use of petroleum revenues at the National Consultative Assembly meeting of the Ahmadiyya Muslim Mission in Ghana, held on Saturday, 24th June, 2023. The team was led by Mr Nasir Alfa Mohammed, the then Vice Chairperson of PIAC. The presentation, made by Mr Mark O.A. Agyemang, PIAC Technical Manager, also focused on the role of PIAC within the petroleum revenue management space. The Mission commended PIAC for the insightful presentation and emphasised the importance of PIAC to make a difference and ensure that production of oil becomes beneficial to all citizens.



[Left] The Technical Manager, Mark O.A. Agyemang, delivering a presentation on PIAC's 2022 Annual Report to the Mission on behalf of the Committee.

[Right] A section of PIAC Members and Secretariat Staff present at the engagement.

12.2.6 Launch of 2022 PIAC Annual Report

PIAC is mandated to publish two statutory Reports (Semi-annual and Annual) each year. In that regard, the Committee launched the 2022 Annual Report on 20th April, 2023, at the Fiesta Royale Hotel in Accra. The event was chaired by Mr Kwame Jantuah, a past member of PIAC, and was streamed live on PIAC's Facebook page. The launch was attended by stakeholders, including reporting institutions and the media. The highlights presented by the then PIAC Chairperson, Prof. Kwame Adom-Frimpong, included crude oil and gas production for the year 2022, revenues accrued, distribution and utilisation of the petroleum revenues, and findings and recommendations.



[Left] The then Chairperson of PIAC making a presentation on highlights of the Report.

[Right] Members of PIAC and Prof. Akilagpa Sawyerr jointly launching the PIAC 2022 Annual Report.

12.2.7 Engagement with Editors and Morning Show Hosts

The activity took place in Elmina, in the Central Region from Friday 16th to Sunday 18th June, 2023. It was supported by the State Secretariat for Economic Affairs (SECO) of Switzerland through the Governance for Inclusive Development programme (GovID) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The engagement, chaired by Mr. Eric Defor, Chairperson of the Public Affairs and Communication Sub-Committee of PIAC, sought to leverage the capacities of Editors, Morning Show Hosts and Producers on various media platforms, as key stakeholders in assisting PIAC in its advocacy. Presentations on the Overview of Ghana's Gas Sector, PIAC's 2022 Annual Report, and Petroleum Value Chain in an era of Energy Transition were made. Each session was followed by an open forum.



Participants in a group photograph after the engagement

12.2.8 Engagement with Journalists

As part of its engagement with stakeholders, the Committee holds regular meetings with the media, comprising members of the Institute of Financial and Economic Journalists (IFEJ) and key media partners who report on PIAC activities. The activity took place in Tegbi in the Volta Region, from Friday, 19th to Sunday, 21st May, 2023. It was supported by SECO through the GovID of GIZ. The engagement focused on providing a platform for members of IFEJ, PIAC's Media Partners and selected members of the Parliamentary Press Corps to digest PIAC's 2022 Annual Report and get updated on developments in the petroleum sector.



The PIAC Team and Journalists in a group photograph after the engagement.

12.2.9 Regional Engagements

In line with its second mandate of providing space and platform for public debate on the management and use of petroleum revenues, PIAC held two regional fora concurrently in the Bono and Upper West Regions from Monday 24th to Friday, 28th April, 2023 to engage with the citizenry. Each forum had about 100 participants from different sections of the public.

In both Regions, the PIAC Team held town hall meetings and radio discussions. Some of the key issues raised in these meetings were the reporting mechanisms for ABFA allocated to the District Assembly Common Fund (DACF), payment of judgement debt with ABFA and granting prosecutorial powers to PIAC. The Committee also embarked on the monitoring of the implementation of the Government's Free SHS programme in selected senior high schools.



Some scenes from the Committee's Regional Engagements

12.2.10 Engagements with Tertiary Educational Institutions

During the year, the Committee engaged two (2) tertiary institutions in the Bono and Upper West regions. These engagements were held to facilitate interaction between industry and academia on current developments in the upstream petroleum industry. The institutions engaged were:

- University of Energy and Natural Resources (UENR); and
- Dr. Hilla Limann Technical University (DHLTU)

Participants were taken through a brief history of PIAC, followed by an overview of the country's performance in the management of revenue from petroleum production since 2011.



Some scenes from the Committee's Tertiary Engagements

12.2.11 2023 Summer School for Extractive Industries Stakeholders in Ghana

Some Members and Staff of the Public Interest and Accountability Committee (PIAC) participated in a week-long summer school for key stakeholders in the extractive industry in Ghana from 16th to 23rd July, 2023.

The summer school was organised by the Accountability and Resource Governance Component of the Governance for Inclusive Development (GovID) Project of the Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ) together with SECO and the Natural Resource Governance Institute (NRGI), and was on the Theme: "Effective Resource Governance As We Transition". Other participants were drawn from the Ghana Extractives Industries Transparency Initiative (GHEITI), Ghana Audit Service (GAS), Centre for Extractives and Development Africa (CEDA), and other key stakeholders in Ghana's extractives industry. Topics treated included how to maximise the benefits of oil, gas, and mining in Ghana, environmental and social impact of the Extractives industry, formulation and management of mining contracts and agreements, as well as Ghana's preparedness for the energy transition.



*[Left] Cross-section of participants during a presentation
[Right] A group photograph of participants after the event*

12.2.12 Courtesy Call by Parliamentary Delegation from Namibia

A delegation from the Upper House of Parliament from the Republic of Namibia paid a courtesy call on the Committee on 27th July, 2023, as part of a working visit to Ghana. The delegation comprised Members of the Parliamentary Committee on Agriculture, Environment and Natural Resources, and was led by the Vice-Chairperson of the Committee, Mr Elder Filipe.

The delegation was received by the Chairperson of PIAC, Professor Kwame Adom-Frimpong and other Members of PIAC. The leader of the delegation stated that Namibia had discovered hydrocarbons which needed to be exploited for the benefit of its citizens, and as such it was important to learn from other countries who have a wealth of experience to share. Briefing the delegation, Professor Kwame Adom-Frimpong provided an overview of PIAC and its role within the petroleum revenue management space. He expressed the Committee's willingness to provide technical support that their Namibian counterparts will require in their attempt to promote transparency and accountability with their petroleum resources.



*[Left] Cross section of the Namibian delegation and the PIAC team during the meeting
[Right] A group photograph of PIAC members and the Namibian delegation*

12.2.13 Meeting with Past PIAC Members

The Committee, on Friday, 28th July, 2023, held a meeting to show appreciation to all the Past Members who had contributed to the success of the work of the Committee since its establishment. Opportunity was given to some Past Members to share their experiences, ranging from providing in-depth knowledge of the upstream petroleum sector, to the level of dedication, sacrifice and commitment during their tenures.

Plaques were presented to the Past Members at the event. Showing appreciation on behalf of the past Members, a past Chairperson, Professor Paul Kingsley Buah-Bassuah said it was indeed refreshing for the current Committee to consider appreciating the Past Members for their work.



Some scenes from the engagement

12.2.14 Launch of New Logo, Redesigned Website and Data Dashboard

PIAC unveiled its new corporate logo, a redesigned website and a data dashboard integrated on to the website at a ceremony in Accra on Wednesday, 16th August, 2023. This was done as part of efforts to upgrade some of its communication tools, namely, its corporate logo and website. The communication tools and the launch were supported by the State Secretariat for Economic Affairs (SECO) of Switzerland through the Governance for Inclusive Development programme (GovID) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The launch was graced by Dr John Kumah, a Deputy Finance Minister, who lauded PIAC on the new developments and urged them to continue to deliver on its mandate. He reiterated government's commitment to ensure that PIAC is able to deliver on its mandate in an efficient and independent manner.

A presentation on the redesigned website and data dashboard was done by the Economic Policy Analyst, Mr David Sefa Adjei. He said PIAC's corporate website is one of the key tools that it uses to engage the public with reports, statistics and activities it undertakes.

The Chairperson of the Public Affairs and Communications Sub-Committee, Mr Eric Defor, presented the reason for PIAC's new identity, after which a video demo of the logo was done. The new logo was unveiled by the Chairperson, assisted by Dr John Kumah, and the Vice Chairperson of PIAC.



Excerpts from the launch

12.2.15 Visit to Gas Processing Plant

PIAC, led by the Committee's Vice Chairperson, Mr Nasir Alfa Mohammed, visited the Atuabo Gas Processing Plant (AGPP) on 14th September, 2023, to understand the operations of the Ghana National Gas Limited Company. The team was also taken on a tour of the Anokye Mainline Compressor Station during the study tour.



Some pictures from the engagement

12.2.16 Swearing-In of New Members

Following the expiration of the tenure of nine (9) Members of the Public Interest and Accountability Committee (PIAC), eight (8) out of nine (9) new Members and one (1) continuing Member were sworn-in by the Chief Director of the Ministry of Finance, Ms Eva Mends, on behalf of the Minister for Finance on Friday, 20th October, 2023 in Accra. In an address after administering the Oaths of Office and Secrecy, Ms Eva Mends charged the new Members to support government to ensure the prudent management and use of Ghana's petroleum revenues. Ms Mends congratulated the new Members and urged them to work as a team to fulfil the mandate of PIAC. She also used the occasion to commend the outgoing members for the good work done and wished them well. On behalf of the sworn-in Members, Odeefuo Amoakwa Buadu VIII expressed gratitude to their nominating institutions and the Ministry for the opportunity to serve on the Committee.



Some scenes from the swearing-in ceremony

12.2.17 Stakeholder Engagement on the PRMA Compliance Monitoring Framework & Reporting Template

The Committee developed both a data reporting template which seeks to standardise data required of reporting institutions for PIAC, and a Compliance Monitoring Framework, which seeks to assess the level of compliance by stakeholders with responsibilities in the PRMA. The Committee held a review meeting on the two tools on Tuesday, 28th November, 2023 in Accra where relevant stakeholders were engaged. The Committee noted the feedback and decided to review the tools for further validation.



[Left] The Technical Manager, Mr Mark O.A. Agyemang, taking stakeholders through the Compliance Monitoring Framework

[Right] A participant making a submission

12.2.18 Meeting with Management of the Ghana National Gas Limited Company (GNGLC)

Following the reconstitution of the membership of the Committee, PIAC, led by its Chair, Emerita Professor Elizabeth Ardayfio-Schandorf, paid a courtesy call on the Management of GNGLC on Tuesday, 5th December 2023. GNGLC, led by its General Manager of Commercial Operations, Mr Stephen Jomo, received the Committee and indicated that the meeting, which was at the instance of PIAC to introduce its new Members to the GNGLC, was a testament to the positive working relationship that exists between the two entities. Both PIAC and GNGLC made presentations on an overview of their operations, followed by an open forum where collaborative options between the two institutions were explored.



[Left] The PIAC Chair, Emerita Professor Elizabeth Ardayfio-Schandorf, making a presentation on the overview of PIAC's work

[Right] A group photograph of the PIAC team and representatives of GNGLC

12.2.19 Consultative Engagement with the Ghana National Petroleum Corporation (GNPC)

As a build-up on previous engagements, a one-day forum was held on Monday, 18th December 2023 in Accra. Participants at the engagement included PIAC Members, PIAC Secretariat Staff, Former PIAC Members, GNPC Board, its Management and Key Staff. The PIAC Chair, Emerita Professor Elizabeth

Ardayfio-Schandorf and the GNPC General Manager, Strategy and Investments, Dr. Kwame Baah-Nuakoh, made opening remarks that set the rationale for the consultative meeting.

The GNPC presented on its Corporate Strategy and 2023 Operational Performance; Subsidiaries, Affiliates and the PHF; Operational Updates; Activities and Reporting, with PIAC presenting an overview of its operations. The presentations were followed by an open forum, which led to a roadmap for further GNPC - PIAC public engagements.



[Left] Dr. Kwame Baah-Nuakoh making a presentation on GNPC's corporate strategy

[Right] Participants in a group photograph

12.2.20 Project Inspections

The Committee carried out inspection of 12 ABFA-funded projects in four (4) Regions; Bono – three (3), Upper West – three (3), Central – three (3), and Greater Accra – three (3). The exercise was carried out under PIAC's mandate of independent assessment of the management and utilisation of petroleum revenues.

Bono Region

Construction of Concrete Drain at Sunyani Estate

Project Details

Implementing Agency	Ministry of Works and Housing
Contractor	M/S Sikadom Construction Ltd.
Consultant	Ghana Hydrological Authority
Date of Award	22 nd February, 2019.
Contract Duration	6 months
Original Contract Sum	GH¢1,499,741.45
ABFA Component	GH¢799,178.93
Percentage of ABFA	53.29%
Year of Disbursement	2020 and 2022
Date of Inspection	25 th April, 2023

The Team was informed that the construction of the drain was intended to help deal with the issue of perennial flooding in the Estate. However, community members indicated that the construction was not properly done and as a result, the area still gets flooded.



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

The project received GHC179,661.60 from the ABFA in 2020. When the PIAC Team visited the school, the three-unit classroom block had developed wide cracks, less than two years after the contractor had handed over the facility to the school. The PIAC Team was informed that it took the intervention of the Parent Teacher Association (PTA) of the school to mobilise funds to renovate the floors of the block in March 2023. Although the facility was supposed to include ancillary facilities, the PIAC Team was informed that no such facilities were constructed by the contractor. The Team was displeased with the developments. The Committee was not furnished with information on the project by the Special Development Initiatives Secretariat as at the time of the visit.



Construction of CHPS Compound at Koduakrom, Sunyani

Project Details

Implementing Agency	Ministry of Health
Contractor	Joekona Company Limited
Consultant	Ministry of Health - Infrastructure Directorate
Date of Award	28 th October 2019
Contract Duration	12 months
Original Contract Sum	GH¢1,492,173.95
ABFA Component	GH¢457,756.20
Percentage of ABFA	30.68%
Year of Disbursement	2020
Date of Inspection	25 th April, 2023

The project was about 80 percent complete at the time of the Team's visit, with construction ongoing. The Supervisor of the project briefed the team that the construction of the facility started in 2021. However, due to a delay in the payment of funds to the Contractor, work on site stalled. PIAC was satisfied with the quality of building materials and the overall progress of work on the project.



Upper West

Construction of Eggu Health Centre in the Wa West District

Project Details

Implementing Agency	Ghana Health Service (EMD)-HQ
Contractor	Real Simpleman Enterprise
Consultant	North West Consortium Ltd. - Wa
Date of Award	26 th September, 2012.
Contract Duration	24 Weeks
Original Contract Sum	GH¢659,990.23
ABFA Component	GH¢457,756.20
Percentage of ABFA	69.36%
Year of Disbursement	2018 and 2020
Date of Inspection	25 th April, 2023

This project comprises the rehabilitation of an existing structure and the construction of a new block. The old structure has been partly refurbished and re-roofed. The new block includes three (3) wards, washrooms, storerooms and other amenities.

The new structure had been built and roofed, but remained uncompleted. A mechanised borehole system was also in place but had not been completed as at the time of the team's visit. Due to the delay in the completion of the project, the community took the initiative to construct a toilet facility for the health centre.

The health centre currently serves about 24 communities within its catchment area. Initially, it was a Health Fact Centre which was upgraded to a CHPS compound and now to a health centre. The old structure has only one ward for both male and female patients, with insufficient beds available. The contractor was not on site but information provided by the Officer in charge of the facility and some community members indicated that delay in payments to the contractor was the main factor hindering the completion of the project. PIAC expresses its dissatisfaction with the progress of work.





Upgrading of Wa - Bulenga - Yaala Road

Project Details

Implementing Agency	Ministry of Roads and Highways
Contractor	Ashcal Investment Limited
Consultant	Ghana Highway Authority
Date of Award	19 th December, 2019.
Contract Duration	-
Original Contract Sum	GH¢139,272,311.56
ABFA Component	GH¢22,561,762.45
Percentage of ABFA	16.20%
Year of Disbursement	2022
Date of Inspection	25 th April, 2023

The Road under construction is a 31-kilometre (km) road starting from kilometre Six (km 6) to kilometre (km 37). The project commenced in 2019 with a revised completion date of June 2023.

About 10 km of the road had its prima seal and first seal done. In addition, a sub-base had been laid on the next six (6) kilometres of the road. The rest of the stretch had been cleared for construction to begin. Outstanding works include laying a base on the six (6) km stretch of the road and the primer and first seals. The physical progress was about 45 percent. PIAC was satisfied with work done on the Road and urges the speedy completion of the project to avert possible cost overruns caused by delays.



Construction of 2 no. Small Dams/Dugout at Yibile and Kadowli in the Wa Central Constituency

Project Details

Implementing Agency	Special Development Initiatives Secretariat
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢573,646.95
Percentage of ABFA	-
Year of Disbursement	2020 and 2021
Date of Inspection	25 th April, 2023

The Team inspected two (2) small dams/dugouts at Yibile and Kadowli in Wa Central Constituency. The small dams/dugouts were constructed in 2020, as part of Government’s 1 Village 1 Dam policy.

Members of the Yibile community indicated that they saw no need for the dam as water only accumulates in the dam during the rainy season but cannot be used in the dry season because the water dries out.

The team noted that across the embankment of the dam/dugout were farms. However, due to non-availability of canals linking the dam to the farms, the community members were unable to use the water in the dam. The PIAC Team expressed its dissatisfaction with the project and indicated that the project was not meeting its intended purpose. The second small dam/dugout was also inspected at Kadowli with the same issues identified at Yibile.

The Committee was not furnished with information on the project by the Special Development Initiatives Secretariat as at the time of the visit.



Central Region

Construction of Anomabo Fisheries College

Project Details

Implementing Agency	Ministry of Food and Agriculture (MoFA) and the Ministry of Fisheries and Aquaculture Development (MoFAD)
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢9,507,111.52
Percentage of ABFA	-
Year of Disbursement	2012 - 2022
Date of Inspection	14 th December, 2023

The Committee initially visited the project in 2020. Since its last visit, construction of a teachers' bungalow has started and a road contract has been awarded. The 4.6km road project starts within the campus and ends at the main road. The road project is currently at Phase 1 (Sub-base). The road contract, originally valued at GH¢8 million has been through three (3) variation orders and was currently valued at approximately GH¢27 million, primarily due to delay in payment.

Observations

- The hostel and the 18-unit classroom block had not been fitted with beds and study desks, respectively.
- The laboratory, classroom block and hostel facilities had developed structural defects at the time of PIAC's inspection.
- AC units that had been fitted to an uncompleted administration block and left unsecured and to the vagaries of the weather.
- A power plant, intended to provide power to the classroom block, was in the open, without shelter.



Construction of 90-Bed Hostel Block at Saltpond

Project Details

Implementing Agency	Ministry of Works and Housing
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GHC1,456,960.92
Percentage of ABFA	-
Year of Disbursement	2015
Date of Inspection	14 th December, 2023

The facility, which is the Ghana Education Staff Development Institute (GESDI), is a Ghana Education Service (GES) centre for capacity building in education-related programmes and seminars. It was commissioned in 2020 with a 90-bed capacity hostel block, four (4) washrooms, two conference halls and a 100-person capacity cafeteria.

The Committee was satisfied with the overall quality of the project.



Development of Irrigation Infrastructure at Mprumem in the Central Region

Project Details

Implementing Agency	Ministry of Food and Agriculture (MoFA)
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢45,078,889.89
Percentage of ABFA	-
Year of Disbursement	2017 - 2020
Date of Inspection	14 th December, 2023

The irrigation project, which was started in 2015, overlaps the Gomoa Central and Gomoa West districts. The project comprises a reservoir; which stores water from River Bushen for irrigation, and the developed area; which has 70 hectares of irrigable land. At the time of PIAC's visit, the project (now known as the Mprumem Irrigation Scheme) had been completed and was in use by farmers in the vicinity for vegetable farming.



Greater Accra Region

Rehabilitation of Selected Roads in Teshie Camp, Southern Command and MATS

Project Details

Implementing Agency	Ministry of Roads and Highways (MoRH)
Contractor	-
Consultant	-
Date of Award	13 th July 2020
Contract Duration	24 months
Original Contract Sum	GHC145,821,272.91
ABFA Component	GHC7,394,185.51
Percentage of ABFA	5.07%
Year of Disbursement	2022
Date of Inspection	14 th December, 2023

The PIAC team inspected the rehabilitation of selected roads in the Teshie Camp, Southern Command and MATS. The Team toured the rehabilitated roads, a car park, and a parade ground within the Southern Command in Teshie.



Rehabilitation of Teshie Link (7.5km) Project

Project Details

Implementing Agency	Department of Urban Roads
Contractor	Messrs G.S International Developers Gh. Ltd.
Consultant	St. Anne's Development Ltd.
Date of Award	18 th October 2019
Contract Duration	18 months
Original Contract Sum	GHC87,883,590
ABFA Component	GHC29,738,282.92

Percentage of ABFA	33.84%
Year of Disbursement	2019 - 2021
Date of Inspection	14 th December, 2023



The PIAC Team was informed that the Teshie Link Road is a dual carriageway that commences in the South on the Accra-Tema coastal road, through the LEKMA Hospital, and terminates on the Spintex Road. At the time of PIAC's visit, 95 percent of all drainage works had been completed, and asphaltic binder and wearing course laid on the road. The team was informed that the contractor had suspended work due to non-payment of funds. Outstanding works included the installation of traffic signals and road markings to show a controlled intersection. The absence of these had resulted in several vehicle crashes in the area.

Construction of a Flyover over the Tema Motorway from Flowerpot Roundabout Project

Project Details

Implementing Agency	Department of Urban Roads
Contractor	Messrs China Railway No. 5 Engineering Ghana Limited
Consultant	Deoke Consult Limited
Date of Award	14 th November, 2016.
Contract Duration	24 months
Revised Contract Sum	GH¢284,665,639.27
ABFA Component	GH¢141,093,766.84
Percentage of ABFA	49.56%
Year of Disbursement	2022
Date of Inspection	14 th December, 2023

The project is located at the Flowerpot Roundabout, Spintex and East Legon, and involves creating access from the Motorway to the Boundary Road roundabout and an exit into Cantonments from the Giffard Road Interchange. It consists of one mainline bridge, two ramps, four auxiliary roads, and ancillary works. During PIAC's visit, the project had attained 70 percent physical completion.



12.2.21 PIAC Financial Report



Independent Auditor's Report to Members of the Committee

Report on the Audit of the Public Interest and Accountability Committee's Financial Statements

Opinion

We have audited the financial statements of the Public Interest and Accountability Committee for the year ended 31 December 2023. These financial statements comprise; the statement of financial performance, statement of financial position, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out in this report.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Interest and Accountability Committee as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and in a manner required by the Public Financial Management Act, 2016 (Act 921) and other legislations.

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Public Interest and Accountability Committee (PIAC) in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Committee and those charged with governance for the Financial Statements

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and in a manner required by the Public Financial Management Act, 2016 (Act 921) and other legislations and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Public Interest and Accountability Committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Public Interest and Accountability Committee or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAI which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercised professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Interest and Accountability Committee's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Interest and Accountability Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Public Interest and Accountability Committee to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Agency to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Public Interest and Accountability Committee's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among others matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



RUSSELL OWUSU ASANTE
DIRECTOR OF AUDIT CGAD/MOF

for: AUDITOR-GENERAL

Date May 13, 2024

Statement of Financial Position

Table 59: PIAC 2023 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION			
AS AT 31ST DECEMBER, 2023	NOTES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	685,705.30	600,976.66
TOTAL CURRENT ASSET		685,705.30	600,976.66
NON CURRENT ASSETS			
Property, Plant & Equipment	53	2,156,004.24	2,272,054.95
TOTAL NON-CURRENT ASSET		2,156,004.24	2,272,054.95
TOTAL ASSET		2,841,709.54	2,873,031.61
LIABILITIES			
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES		-	-
NON- CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSET/(LIABILITIES)		2,841,709.54	2,873,031.61
FINANCED BY			
Accumulated Surplus		2,841,709.53	2,873,031.60
TOTAL FINANCED BY		2,841,709.53	2,873,031.60

Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR 2023	NOTES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
REVENUE			
GRANTS	19	4,986,145.00	4,971,969.95
TOTAL REVENUE		4,986,145.00	4,971,969.95
EXPENDITURE			
COMPENSATION OF EMPLOYEES	21	1,934,809.04	1,477,484.87
USE OF GOODS AND SERVICES	22	2,785,574.73	3,519,089.17
SOCIAL BENEFITS	25	54,086.35	56,868.66
SPECIALISED EXPENSES	26	70,482.15	46,323.10
CONSUMPTION OF FIXED ASSETS	53/54	172,514.80	229,792.99
TOTAL EXPENDITURE		5,017,467.07	5,329,558.79
SURPLUS/(DEFICIT) BEFORE EXCEPTIONAL ITEMS		(31,322.07)	(357,588.84)
EXCEPTIONAL ITEMS			
Gain/(Loss) On Financial Asset Through Fair Value		-	-
Gain/(loss) on disposal of Financial Assets		-	-
SURPLUS/(DEFICIT) AFTER EXCEPTIONAL ITEMS		(31,322.07)	(357,588.84)

Statement of Cashflow

STATEMENT OF CASH FLOW		
FOR THE YEAR 2023	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	(31,322.07)	(357,588.84)
Add non-cash items:		
Depreciation and Amortization	172,514.80	229,792.99
Adjusted Surplus / Deficit	141,192.73	(127,795.85)
Movement in Working Capital		
(Increase)/Decrease in Inventory	-	-
(Increase)/Decrease in Receivables	-	-
Increase/(Decrease) in Payables	-	-
Net Cash Flow from Operating Activities	141,192.73	(127,795.85)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Non-Financial Asset	(56,464.09)	(475,599.00)
Net cash flow from investing activities	(56,464.09)	(475,599.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Domestic Borrowing	-	-
Increase/(Decrease) in External Borrowing	-	-
Dividend Paid	-	-
Intercompany Account	-	-
Net cash flow from financing activities	-	-
NET CHANGES IN CASH FLOW	84,728.64	(603,394.85)
CASH AND CASH EQUIVALENT AT BEGINNING	600,976.67	1,204,371.52
CASH AND CASH EQUIVALENT AT CLOSE	685,705.31	600,976.67

Statement of Receipts and Payments

STATEMENT OF RECEIPTS AND PAYMENTS			
FOR THE YEAR 2023	NOTES	2023 CURRENT GH¢	2022 PREVIOUS GH¢
RECEIPTS			
NON-TAX RECEIPTS	29	348,300.00	-
GRANTS	30	4,637,845.00	4,971,969.95
TOTAL RECEIPTS		4,986,145.00	4,971,969.95
PAYMENTS			
COMPENSATION OF EMPLOYEES	37	1,934,809.04	1,477,484.87
USE OF GOODS AND SERVICES	38	2,785,574.73	3,519,089.17
NON-FINANCIAL ASSETS	39	56,464.08	475,599.00
SOCIAL BENEFITS	42	54,086.35	56,868.66
SPECIALISED EXPENSES	43	70,482.15	46,323.10
TOTAL PAYMENTS		4,901,416.35	5,575,364.80
NET CHANGE IN STOCK OF CASH		84,728.65	(603,394.85)
CASH AND CASH EQUIVALENT AT BEGINNING		600,976.66	600,976.66
CASH AND CASH EQUIVALENT AT END		685,705.31	(2,418.19)

Statement of Changes in Asset/Liability

STATEMENT OF CHANGES IN NET ASSETS		
FOR THE YEAR 2023	CURRENT 2023 GH¢	CURRENT 2022 GH¢
NET WORTH		
Opening Bal		
Revaluation Reserves	-	-
Foreign Currency Translation Reserves	-	-
Other Reserves	-	-
Other Surplus	-	-
Accumulated Surplus/Deficit	2,873,031.60	3,230,620.44
Add: Adjs		
Change in Acct Policy	-	-
Error	-	-
Total		
Restated Acc Surplus	2,873,031.60	3,230,620.44
Changes (Movement)		
Revaluation Reserves	-	-
Foreign Currency Translation Reserves	-	-
Other Reserves	-	-
Other Surplus	-	-
Surplus for the year	(31,322.07)	(357,588.84)
Total		
Closing Bal		
Revaluation Reserves	-	-
Foreign Currency Translation Reserves	-	-
Other Reserves	-	-
Other Surplus	-	-
Accumulated Surplus	2,841,709.53	2,873,031.60
Total	2,841,709.53	2,873,031.60

Notes of Accounts

NOTES TO THE ACCOUNTS

SCHEDULES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
2 Cash and Cash Equivalents		
Cash Balance		
Cash & Cash Equivalent	685,705.30	600,976.66
Total Cash and Cash Equivalent Balance	685,705.30	600,976.66
19 GRANT (Non-Exchange)		
Grant in Cash		
GoG Subvention - Cash	4,637,845.00	4,971,969.95
Other Grants - Cash	348,300.00	-
Total	4,986,145.00	4,971,969.95
Summary Revenue		
Exchange Transactions		
Non-Tax	-	-
Finance Income	-	-
Non-Exchange		
Grants	4,986,145.00	4,971,969.95
Non-Tax	-	-
Total	4,986,145.00	4,971,969.95
21 COMPENSATION OF EMPLOYEES (EXPENDITURE)		
Established Post	1,556,891.71	1,152,207.75
Non Established Post		61,021.00
Allowances	145,278.34	92,087.15
13% Employer SSF Contribution	232,638.99	172,168.97
Total Expenditure	1,934,809.04	1,477,484.87
22 GOODS AND SERVICES (EXPENDITURE)		
Materials and Office Consumables	232,166.77	251,889.13
Utilities	119,762.38	89,848.82

NOTES TO THE ACCOUNTS

SCHEDULES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
General Cleaning	18,120.67	14,736.00
Rentals and leases	37,994.00	114,900.18
Travel and Transport	861,571.86	1,335,014.91
Repairs and Maintenance	113,044.47	16,165.25
Training, Seminar and Conference	1,124,861.45	1,443,825.14
Consultancy Expenses	177,970.73	162,590.00
Special Services	65,615.88	4,320.00
Charges and Fees	7,280.25	28,698.36
Insurance Premium	27,186.27	57,101.38
Total Expenditure	2,785,574.73	3,519,089.17

25 SOCIAL BENEFITS (EXPENDITURE)

Social Assistance Benefits	54,086.35	56,868.66
Total Expenditure	54,086.35	56,868.66

26 SPECIALISED EXPENSES (EXPENDITURE)

Insurance and compensation	64,282.15	42,100.00
Professional fees	1,200.00	1,223.10
Donations	5,000.00	3,000.00
Total Expenditure	70,482.15	46,323.10

30 GRANT (Non-Exchange)

Grant in Cash		
GoG Subvention - Cash	4,637,845.00	4,971,969.95
Total	4,637,845.00	4,971,969.95

33 DISPOSAL OF NON-FINANCIAL ASSETS

Fixed asset	348,300.00	-
Total	348,300.00	-

37 COMPENSATION OF EMPLOYEES (PAYMENTS)

Established PosT	1,556,891.71	1,152,207.75
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NOTES TO THE ACCOUNTS

SCHEDULES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
Non Established Post		61,021.00
Allowances	145,278.34	92,087.15
13% Employer SSF Contribution	232,638.99	172,168.97
Total Payments	1,934,809.04	1,477,484.87
Superannuation	-	
Total Payments for Compensation	1,934,809.04	1,477,484.87

38 GOODS AND SERVICES (PAYMENTS)

Materials and Office Consumables	232,166.77	251,889.13
Utilities	119,762.38	89,848.82
General Cleaning	18,120.67	14,736.00
Rentals and leases	37,994.00	114,900.18
Travel and Transport	861,571.86	1,335,014.91
Repairs and Maintenance	113,044.47	16,165.25
Training, Seminar and Conference	1,124,861.45	1,443,825.14
Consultancy Expenses	177,970.73	162,590.00
Special Services	65,615.88	4,320.00
Charges and Fees	7,280.25	28,698.36
Insurance Premium	27,186.27	57,101.38
TOTAL PAYMENTS	2,785,574.73	3,519,089.17

39 PAYMENTS FOR NON-FINANCIAL ASSETS

Property Plant and Equipment	56,464.08	475,599.00
Total Payments	56,464.08	475,599.00
Legacy Assets Control	-	
Total Payments	56,464.08	

42 SOCIAL BENEFITS (PAYMENTS)

Social assistance benefits	54,086.35	56,868.66
Employer social benefits	-	
Total Payments	54,086.35	56,868.66

NOTES TO THE ACCOUNTS

SCHEDULES	CURRENT 2023 GH¢	PREVIOUS 2022 GH¢
43 SPECIALISED EXPENSES (PAYMENTS)		
Insurance and compensation	64,282.15	42,100.00
Professional fees	1,200.00	1,223.10
Donations	5,000.00	3,000.00
Total Payments	70,482.15	46,323.10

PROPERTY, PLANT AND EQUIPMENT					
	Buildings and Structures	Office Equipment Furniture and Fittings	ICT Equipment	Transport Equipment	TOTAL
Opening Bal.	2,014,650.73	63,763.30	282,506.81	812,053.07	3,172,973.91
Additions	-	-	56,464.08	-	56,464.08
Disposals/Transfers	-	-	-	-	-
Total	2,014,650.73	63,763.30	338,970.89	812,053.07	3,229,437.99
Accu Dep B/F	161,172.04	43,230.64	258,463.22	438,053.05	900,918.95
Depreciation for the year	40,293.01	11,452.66	27,269.13	93,500.00	172,514.80
Depreciation on Disposal	-	-	-	-	-
Impairment	-	-	-	-	-
Total	201,465.05	54,683.30	285,732.35	531,553.05	1,073,433.75
Net Book Value 31/12/2023(current)	1,813,185.68	9,080.00	53,238.55	280,500.02	2,156,004.24
Net Book Value 31/12/2022(previous)	1,853,478.69	20,532.66	24,043.59	374,000.02	2,272,054.95

CHAPTER 13

CONCLUSION AND RECOMMENDATIONS

The Public Interest and Accountability Committee (PIAC) plays a crucial role in ensuring transparency and accountability in the management of petroleum revenue in Ghana. Through this report, The Committee has shed light on the developments in the upstream petroleum industry, production of oil and gas, revenues accrued from its sale, petroleum revenue allocation and utilisation during the period under review.

However, there are still challenges that need to be addressed, such as the lack of enforcement mechanisms for the Committee's recommendations, the absence of a long-term national development plan to guide the spending of the ABFA and make the expected impact, and the decline in oil production in existing oil fields.

Moving forward, it is important for all stakeholders involved in the management and utilisation of petroleum revenues to work together to ensure that investment is attracted to Ghana's petroleum sedimentary basins. Also, there is the need for increased exploratory activities to be conducted by IOCs to increase the chances of making finds and increasing the producing fields and revenues.

Based on its analysis, the Committee has highlighted key findings and observations in the 2023 Annual Report that require attention. Based on the Committee's findings, the recommendations are as follows:

1. Government and the relevant regulatory bodies should take the appropriate steps to reverse production decline on existing oil fields and ensure investments in unexploited fields.
2. 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 Revenue Management (Amendment), 2015 (Act 893), and therefore must be paid into the PHF.
3. The Ghana Revenue Authority (GRA) needs to intensify its efforts to recover the Surface Rental arrears with the usual default penalties applied.
4. The Committee reiterates that, in approving Appropriation, Parliament should take into consideration Regulation 8 of L.I 2381, with regards to the cap on the GSF.
5. GRA and the Petroleum Commission should intensify audit of Development and Production costs in the TEN and other producing fields.

6. 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.
7. The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation by the amount of ABFA disbursed to the Industrialisation Priority Area.
8. While it is commendable that the Ministry of Finance disbursed five (5) percent of the ABFA to the DACF, the Committee urges the Ministry to ensure that subsequent disbursements to the DACF meet the minimum requirements of five (5) percent of the ABFA.
9. The Committee urges the Ministry of Finance to ensure that the ABFA disbursed to DACF is utilised in accordance with the provisions of the PRMA.
10. 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.
11. The Committee urges the Ministry of Finance to fully use the unutilised funds in accordance with the PRMA, and subsequently account for these funds in 2024.

APPENDIXES

Appendix 1: Update on Surface Rentals Arrears and Payments for January to December 2023

OPERATOR	CONTRACT AREA	PRIOR PERIOD OUTSTANDING BALANCES	2023 ESTIMATED AMOUNT	TOTAL PAYMENT RECEIVABLE	PAYMENT RECEIVED	OUTSTANDING BALANCES
		USD	USD	USD	USD	USD
AGM Petroleum Limited	South Deepwater Tano	0.00	26,234.25	26,234.25	26,234.25	0.00
Aker Energy Limited	Deepwater Tano/Cape Three Points	0.00	150,750.00	150,750.00	150,750.00	0.00
Eni Ghana Exploration & Production Ltd	Cape Three Points Block 4	0.00	92,980.00	92,980.00	92,980.00	0.00
GOIL Offshore	Deepwater Cape Three Points	147,400	73,700.00	221,100.00	147,400.00	73,700.00
Tullow Ghana Ltd	Deepwater Tano		59,261.23	59,261.23	59,261.23	0.00
Eco Atlantic	Deepwater Cape Three Points West Offshore	44,882.00	47,200.00	92,082.00	92,082.00	0.00
Springfield Exploration and Production Ltd	West Cape Three Points Block 2	84,086.58	67,300.00	151,386.58	67,300.00	84,086.58
Tullow Ghana Ltd	West Cape Three Points	0.00	18,464.00	18,464.00	18,464.00	0.00
Eni Ghana Exploration & Production Ltd	Offshore Cape Three Points	0.00	22,600.00	22,600.00	19,030.00	3,570.00
Amni Ghana	Central Tano		13,900.00	13,264.00	13,974.00	0.00
Medea Development	East Cape Three Points	156,540	78,250.00	234,790.00	0.00	234,790.00
Base Energy Ghana Ltd	Expanded Shallow Water Tano	800.00	75,400.00	76,200.00	75,000.00	1,200.00
OPCO	Offshore South-West Tano	75.00	8,750.00	8,825.00	8,725.00	100.00
OPCO	East Keta Offshore	537,794.80	0.00	537,794.80	0.00	537,794.80
Subtotal (Existing PAs)- A		971,578.38	734,789.48	1,706,367.86	771,126.48	935,241.38
Terminated PAs						
Sahara Energy Fields Ghana	Shallow Water Cape Three Points	75,000.00	0.00	75,000.00	0.00	75,000.00
Swiss African Oil Company Limited	Onshore/Offshore Keta Delta Block	862,500.00	0.00	862,500.00	0.00	862,500.00
Britannia-U	Southwest Saltpond	760,208.83	0.00	760,208.83	0.00	760,208.83
UB Resources Ltd	Offshore Cape Three Points South	105,415.58		105,415.58	0.00	105,415.58
Total For Terminated PAs- B		1,803,123.91	0.00	1,803,123.91	0.00	1,803,123.91
Grand Total (A+B)		2,774,066.29	734,789.48	3,508,855.77	734,118.48	2,738,365.29

Source: PC Data, 2023

Appendix 2: Jubilee Field Production, Development and Exploration Costs (January to December 2023)

Production Costs	Amount US\$' 000
Business Mgt & Assurance	46,288
Jubilee Transformation	(1,085)
O&M Contractor Cost	70,488
FPSO Insurance	8,012
Subsea	16,767
Consumables	5,732
Logistics & Materials	39,401
Facilities Projects	22,704
Oil Lifting	(927)
Engineering Operations	5,144
Prod. Syst Optimisation	400
Riser remediation	29,776
Subsurface	528
Wells	427
PCO and Financial Items	3,731
Total	247,387

Source: GNPC Data, 2023

Development Costs	Amount US\$' 000
Business Mgt & Assurance	9,697
Subsurface	1,054
Facilities Projects	3,311
OOL2 & OOSys	5,848
Subsea	211,590
Drilllex	405,867
PCO and Financial Items	(6,338)
Total	631,029

Source: GNPC Data, 2023

Exploration Costs	Amount US\$' 000
Desktop studies	464
Total	

Source: GNPC Data, 2023

Appendix 3: TEN Field Production, Development and Exploration Costs (January to December 2023)

Production Costs	Amount US\$' 000
Business Mgt & Assurance	20,761
O&M Contractor Cost	65,053
Subsea	11,456
Consumables	5,115
Logistics & Materials	29,831
Oil Lifting	367
Engineering Operations	348
Production Sys Optimisation	293
Subsurface	580
Shutdown	22,493
PCO & Fin Items	2,876
Total	159,174

Source: GNPC Data, 2023

Development Costs	Amount US\$' 000
Business Mgt & Assurance	8,128
Subsea	13,602
Drilllex	12,038
Subsurface	896
FPSO Charter	211,404
PCO & Fin Items	(2,593)
Total	243,476

Source: GNPC Data, 2023

Exploration Costs	Amount US\$' 000
Desk-top studies	173

Source: GNPC Data, 2023

Appendix 4: SGN Field Production and Development Costs (January to December 2023)

Production Costs	Amount US\$' 000
FPSO Operations and Maintenance	48,603
Operating Insurance Cost	2,973
Operating Maintenance Cost	37,211
Operating Transport Cost	41,704
Chemicals	13,035
Other Operating Cost	3,911
General Operating Cost (G&A OPEX)	43,484
Operating Maintenance Cost	14,787
Total	205,708

Source: GNPC Data, 2023

Development Costs	Amount US\$' 000
FPSO Leasing	129,100
Development FPSO	27
AG Handling Activities & TTIP	780
Development G&A	4208
PA Overhead	99
Total	134,214

Source: GNPC Data, 2023

Appendix 5: GNPC Outstanding Payments as at 31st December, 2023

GHANA NATIONAL PETROLEUM CORPORATION					
OUTSTANDING PAYMENTS - GHC					
FOR PERIOD ENDING 31ST DECEMBER 2023					
A)	VENDORS FOR CSR PROJECTS:				
	VENDOR CONTRACTOR	TOTAL CONTRACT SUM	TOTAL PAYMENTS TO DATE	TOTAL OUTSTANDING	BALANCES TO DATE
		GHC	GHC	GHC	USD
1	MYTURN LIMITED	240,262,725.01	25,231,175.08	215,031,549.93	
2	MEMPHIS METROPOLITAN LIMITED	230,383,431.93	41,537,140.52	188,846,291.41	
3	KINSPOK COMPANY LTD	279,062,906.70	95,038,235.19	184,024,671.51	
4	KPS RESOURCES LTD	97,340,903.92	20,228,972.58	77,111,931.34	
5	M/S ERDMAC COMPANY LIMITED	69,468,229.59	22,682,778.93	46,785,450.66	
6	PARK-SIDE LIMITED	35,422,324.42	5,120,665.30	30,301,659.12	
7	FRIDOUG LIMITED	43,796,088.32	15,336,474.18	28,459,614.14	
	TOTAL	995,736,609.89	225,175,441.78	770,561,168.11	
B)	OTHER PAV OUTSTANDINGS:				
	STAFF			500,973.93	
	VBP				999.99
	GAS BUSINESS				17,814,256.34
	DECOMMISSIONING				4,687,130.40
	IT				1,515,831.56
	GNPC FOUNDATION			56,113,141.65	
	NON TRADE VENDORS			28,329.79	
	HOTELS AND RESTAURANTS			1,004.70	
	TRANSPORT				108,665.79
	OTHER VENDORS			8,358,551.92	47,278.78
	STATE AGENCIES				4,153,874.50
	TOTAL			65,002,001.99	28,328,037.36
	TOTAL (A + B)			835,563,170.10	28,328,037.36
	BOG Exchange rate as at 31/12/2023	GHS to usd \$		11.87	70,392,853.42
	Sub Total (USD \$)				98,720,890.78
	OPERATING EXPENDITURE - PROVISION (US\$)				6,000,000.00
	GRAND TOTAL				104,720,890.78

Source: GNPC, 2023

Appendix 6: Schedule of Payment for SOPCL Decommissioning

Ghana National Petroleum Corporation	
Schedule of Payment in respect of the SOCL Decommissioning Project	
Details	Payment US\$
1st Tranche payment for SFD project for milestone 1A	5,500,000.00
Withholding tax on Milestone 1A payment	456,410.88
Final payment for SFD project for milestone 1A	1,300,522.16
Milestone 1B: Delivery and approval of dismantling engineering design	2,067,754.72
Withholding tax on Milestone 1B payment	138,775.48
1st tranche payment for Saltpond Decommissioning (Milestone 2A)	2,000,000.00
2nd tranche payment for Saltpond Decommissioning (Milestone 2A)	5,000,000.00
3rd tranche payment for Saltpond Decommissioning (Milestone 2A)	4,000,000.00
Withholding tax on Milestone 2A payment	912,821.77
Final tranche payment for Saltpond Decommissioning (Milestone 2A)	2,601,044.31
1st Tranche payment for milestone 3A	2,113,391.76
Withholding Tax on Milestone 3A	456,410.88
Guarantee drawdown	2,026,838.80
Tranche - Guarantee drawdown	2,018,735.42
Bank Charges	133,742.93
Transfer By Mof	13,000,000.00
Milestone 3B; 4A & 5A invoices	9,463,680.38
Milestone 2B; 4A invoices	845,772.98
Milestone 4B; 5B & 6A invoices	10,349,591.82
Withholding Tax on Milestone 4B; 5B & 6A	733,961.84
Milestone 6B & 8A: Well of Plug & Topside Removal	9,078,576.07
Withholding tax on Milestone 6B & 8A payment	595,186.36
Subtotal	74,793,218.56

Source: GNPC, 2023

Appendix 7: GNPCF CSI Expenditure in 2023

PILAR	DETAILS	CLASS	GHC	USD
Education & Training	Foreign Scholarship	Foreign Scholarship		\$ 642,332.70
	Local Scholarship	Local Scholarship	11,561,541.18	
	Construction 6 Unit Classroom at Methodist Tech and Vocational Institute	Educational Support	42,855.42	
	Construction 6 Unit Classroom at Menji	Educational Support	42,855.42	
	Construction of 6 unit classroom at Assin Bereku	Educational Support	94,243.85	
	Construction of 1No. 160 Bed Capaity Dormitory at Juaben SHS	Educational Support	381,878.38	
	Construction of science block at kwamang Presby SHS	Educational Support	73,333.33	
	Construction of Science lab at Krobo Girls SHS	Educational Support	73,333.33	
	Construction of 160Bed Dormitory at Mando Girls SHS	Educational Support	85,237.65	
	Construction of 6 unit classroom Block at Assin Bereu	Educational Support	42,855.42	
	Construction of 3Unit classroom at Anwefi Drobonsu	Educational Support	24,000.00	
	Construction of 6 Unit classroom at Afigyaman	Educational Support	42,855.42	
	Construction of 6 Unit classroom at Drobonsu SDA	Educational Support	42,855.42	
	Construction of 6 Unit classroom at Afiaman	Educational Support	42,855.42	
	Construction of 6 Unit classroom at Nana Yaw Brempong	Educational Support	42,855.42	
	Construction of 6 Unit classroom at Menji	Educational Support	42,855.42	
	Construction of 6 Unit classroom at Ayakomaso	Educational Support	42,855.42	
	Construction of 6 unit classroom at Nyong	Educational Support	46,661.98	

PILAR	DETAILS	CLASS	GHC	USD
Education & Training	Construction of 3 unit classroom at Drobonsu Meth	Educational Support	24,000.00	
	Construction of Girls dormitory at Apaah	Educational Support	85,237.65	
	Construction of Science Lab at Nsutaman Catholic SHS	Educational Support	73,333.33	
	Construction of 6 unit classroom at Bawku Community	Educational Support	46,661.98	
	Construction of 3 unit classroom at Bulenga	Educational Support	27,428.47	
	Construction of 6 unit classroom at Nsia Akoah Memorial Prim	Educational Support	42,855.42	
	Construction of 6 unit classroom at Naaga KG/Prim	Educational Support	46,661.98	
	Construction of 6 unit classroom at Yepimso & Ohia	Educational Support	63,359.21	
	Construction of 6 unit classroom at Ejura Sekyedumase	Educational Support	42,855.42	
	Construction of 6 unit classroom at Nsutaman SHS	Educational Support	56,546.31	
	Construction of 6 unit classroom at Yaa Asantewaa Girls	Educational Support	73,333.33	
	Construction of 6 unit classroom at Ningo	Educational Support	42,855.42	
	Construction of 6 unit classroom at Akroso SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Nii Boi Town SDA	Educational Support	42,855.42	
	Construction of 6 unit classroom at Tawheed SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Asuom SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Asotwe LA Middle School	Educational Support	31,679.90	
	Construction of Girls dormitory at Bekwai SDA	Educational Support	85,237.65	
	Construction of 6 unit classroom at Fodome Woe	Educational Support	42,855.42	
	Construction of 6 unit classroom at Methodist Technical	Educational Support	42,855.42	

PILAR	DETAILS	CLASS	GHC	USD
Education & Training	Construction of Dining Hall at Esiama STS	Educational Support	73,330.85	
	Construction of 6 unit classroom at Gwiraman SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Hwidiem	Educational Support	42,855.42	
	Construction of 3 Unit classroom at Aduyaakwa	Educational Support	24,000.00	
	Construction of 6 unit classroom at Chereponi	Educational Support	46,661.98	
	Construction of 6-unit classroom at Asuhyiae Arabic Prim School	Educational Support	42,855.42	
	Construction of Science Lab at Bisease SHS	Educational Support	73,333.33	
	Construction of 6 unit classroom at Nyeraa	Educational Support	42,855.42	
	Construction of 6 unit classroom at Iarabanga	Educational Support	46,661.96	
	Construction of 6 unit classroom at Damango Presby	Educational Support	46,661.98	
	Construction of 6 unit classroom at Adwoafua	Educational Support	42,855.42	
	Construction of 6 unit classroom at Karlon	Educational Support	24,000.00	
	Construction of 6 unit classroom at St Peter's Catholic School	Educational Support	42,855.42	
	Construction of 6 unit classroom at Assin Bereku	Educational Support	42,855.42	
	Construction of 6 unit classroom at Atonsu Presby	Educational Support	42,855.42	
	Construction of 6 unit classroom at Kpando Gadza	Educational Support	42,855.42	
	Construction of 6 unit classroom at Dodowa Isalmic	Educational Support	42,855.42	
	Construction of 6 unit classroom at Okere	Educational Support	56,546.31	
	Construction of 6 unit classroom at Tawheed SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Anfoega Azigbe	Educational Support	42,855.42	

PILAR	DETAILS	CLASS	GHC	USD
Education & Training	Construction of 6 unit classroom at Ankafo	Educational Support	42,855.42	
	Construction of 6 unit classroom at Nana Bretu SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Fiaso M/A JHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Kumasi High	Educational Support	56,546.31	
	Construction of 6 unit classroom at Kuntanase Presby School	Educational Support	42,855.42	
	Construction of Girls Dormitory at Queens SHS	Educational Support	85,237.65	
	Construction of 6 unit classroom at Yoggu	Educational Support	46,661.98	
	Construction of 6 unit at Assorkor Essaman	Educational Support	209,701.62	
	Construction of 6 unit classroom at Kwatape	Educational Support	61,588.36	
	Construction of 6 unit classroom at Sefwi Asafo Nursing	Educational Support	42,855.42	
	Construction of 6 unit classroom at Ejura Sekyedumase	Educational Support	42,855.42	
	Construction of 6 unit classroom at Sefwi Asafo SHS	Educational Support	42,855.42	
	Construction of 6 unit classroom at Ahamansu Isalmic SHS	Educational Support	46,661.98	
	Construction of 6 unit classroom at Assin Nyakomasi	Educational Support	42,855.42	
	Construction of Community Centre at Mpohor	Educational Support	853,873.02	
Construction of 6 Unit classroom at Atobiase	Educational Support	85,710.84		
Construction of 6 unit Classroom at Mfantekrom	Educational Support	85,710.84		
			16,505,104.48	\$ 642,332.70
Environment and Social Amenities	Construction of 24 Unit sanitary at Abuakwa State College	Sanitary Facility	94,031.28	
	Construction of 6 unit sanitary facility at Akornu	Sanitary Facility	6,576.55	

PILAR	DETAILS	CLASS	GHC	USD
Environment and Social Amenities	Construction of 24 Unit sanitary Facility at Juaben SHS	Sanitary Facility	169,801.79	
	Construction of 12 unit sanitary at kwamang Presby SHS	Sanitary Facility	50,873.45	
	Construction of 24 Unit sanitary facility for school of the deaf	Sanitary Facility	71,250.00	
	Construction of 80No Boreholes in the Northern, North East and Savannah	Water Boreholes	210,665.04	
	Construction of 5No. Boreholes at Pru East	Water Boreholes	6,534.84	
	Construction of 26 No. Handpump boreholes at Upper East Region	Water Boreholes	162,645.67	
	Construction of 26 No. Handpump boreholes at Upper West Region	Water Boreholes	162,645.67	
	Construction of 80No Boreholes at Northern, NorthEast and Savannah Region	Water Boreholes	78,999.39	
			1,014,023.68	\$ -
Economic Empowerment	Training of NVTI Artisan in various regions		3,951,285.24	
			3,951,285.24	\$ -
Sports	Construction of Astro Turf at Bekwai	Sports Development	54,660.40	
	Construction of Astro Turf at Yendi	Sports Development	79,953.25	
	Construction of Astro Turf at Bantama	Sports Development	79,953.25	
	Construction of Astro Turf at Akyemansa Ofoase	Sports Development	79,953.25	
	Construction of Astro Turf at Kwamang	Sports Development	79,953.25	
	Construction of Astro Turf at Tema	Sports Development	79,953.25	
			454,426.65	\$ -
	Grand Total		21,924,840.05	\$ 642,332.70

Below is the link to the Appendix on the 2023 ABFA Utilisation Data, detailing projects and programmes that received petroleum funding during the period under review, as reported by the Ministry of Finance.

Appendix 8: 2023 ABFA Utilisation Data

https://www.piacghana.org/ova_doc/mof-2023-abfa-utilisation-data/



Membership of the Committee

As at 1st January, 2023

**Professor Kwame Adom-Frimpong
(Chairman)**

Institute of Chartered Accountants,
Ghana



**Mr. Nasir Alfa Mohammed
(Vice Chairman)**

Ghana Bar Association - GBA



**Dr Emmanuel Yamoah
Tenkorang**

Civil Society Organisations/
Community-based Organisations



Eric Keyman Defor

Association of Ghana Industries and
Ghana Chamber of Commerce and
Industries



**Alhaj Ahmad Suleman
Anderson**

Muslim Groups



**Emerita Professor Elizabeth
Ardayfio-Schandorf**

Ghana Academy of Arts and
Sciences



**Rev. Dr. Christopher Kwame
Sokpor**

Christian Groups



Osei Kwadwo Adow

Ghana Journalists Association - GJA



M. Bashiru Abdul-Razak

Ghana Extractive Industries
Transparency Initiative - GHEITI



Mrs Clara Beeri Kasser-Tee

Independent Policy Research Think
Thanks



Odeefuo Amoakwa Boadu VIII

National House of Chiefs



Nana Yaa Ansua

Queen Mothers Association



Ms Freda Stephanie Frimpong

Trades Union Congress (TUC)



Emerita Professor Elizabeth Ardayfio-Schandorf (Chair)
Ghana Academy of Arts and Sciences

Current Membership of the Committee



Odeefuo Amoakwa Boadu VIII (Vice Chair)
National House of Chiefs



Mrs Clara Beerli Kasser-Tee
Independent Policy Research Think Thanks



Nana Yaa Ansua
Queen Mothers Association



Ms Freda Stephanie Frimpong
Trades Union Congress (TUC)



Ms Sena Dake
Institute of Chartered Accountants, Ghana



Ms Yorm Ama Abledu
Ghana Bar Association -GBA



Mr Richard Ellimah
Civil Society Organisations/
Community-based Organisations



Mr Edward Yaw Afriyie
Ass. of Ghana Industries and Ghana Chamber of Commerce and Industries



Dr Ibrahim Lartey
Muslim Groups



Mr Constatine Kudzedzi
Christian Groups



Nana Kweku Dei (Mr Ransford Tetteh)
Ghana Journalists Association - GJA



Mr Christopher Opoku
Ghana Extractive Industries Transparency Initiative - GHEITI

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