

REPUBLIC OF GHANA



PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE (PIAC)

ESTABLISHED UNDER THE PETROLEUM REVENUE MANAGEMENT ACT,
2011
(ACT 815)

REPORT ON MANAGEMENT OF PETROLEUM REVENUES FOR YEAR 2014

ANNUAL REPORT

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LIST OF ACRONYMS AND ABBREVIATIONS

ABFA	Annual Budget Funding Amount
Bbls	Barrels
Bcf	Billion Cubic Feet
BOG	Bank of Ghana
BOPD	Barrels of Oil Per Day
BR	Benchmark Revenue
CAPI	Carried and Participating Interest
CDB	China Development Bank
CIT	Corporate Income Tax
COLA	Crude Oil Lifting Agreement
DSA	Debt Service Account
DSRA	Debt Service Reserve Account
FPSO	Floating Production Storage and Offloading
GHF	Ghana Heritage Fund
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Corporation
GOG	Government of Ghana
GPF	Ghana Petroleum Fund
GRA	Ghana Revenue Authority
GSA	Gas Sales Agreement
GSF	Ghana Stabilisation Fund
IAC	Investment Advisory Committee
JFFDP	Joint Full Field Development Plan
KNUST	Kwame Nkrumah University of Science and Technology
MMBO	Million Barrels of Oil
MOF	Ministry/Minister of Finance
MTA	Mahogany Teak Akasa
MW	Megawatts
o/w	Of which
OCTP	Offshore Cape Three Points
PA	Petroleum Agreement
PHF	Petroleum Holding Fund

PIAC	Public Interest and Accountability Committee
POD	Plan of Development
PRMA	Petroleum Revenue Management Act
ROW	Right of Way
SDWT	South Deep Water Tano
SGN	Sankofa-Gye Nyame
SME	Small Medium Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
SR	Surface Rental
Tcf	Trillion Cubic Feet
TEN	Tweneboa-Enyenra-Ntomme
UDWK	Ultra Deep Water Keta
WCTP	West Cape Three Point
WCGIDP	Western Corridor Gas Infrastructure Development Project

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FOREWORD

It has been three years now since the Public Interest and Accountability Committee (PIAC) was established and entrusted with the onerous responsibility of monitoring the management of Ghana's newfound petroleum resources. Although the journey so far has been arduous but PIAC is delighted it has braved all odds to deliver on its mandate to whatever extent possible. While acknowledging that a lot more could have been done but for the several inhibiting factors (we do not intend talking about), the Committee feels proud that it has never reneged on its foremost mandate of keeping Ghanaians constantly informed of how the managers of the country's petroleum revenues have been faring as well as providing platforms for the citizens' feedback to be collected and shared with duty bearers.

Amidst very testing circumstances, the Committee has managed to publish a total of 6 reports – 3 Annual and 3 Semi-Annual Reports- covering the period 2011 to June 2014. It is the enthusiasm with which the good people of Ghana have been receiving our reports that has kept urging the Committee on and the Committee wishes to thank the entire citizenry for their support and encouragement.

After some initial apprehension from some stakeholders whose functions and duties PIAC has been overseeing, the place of the Committee in the governance of Ghana's hydrocarbon resource has now been well recognised and accepted by all stakeholders leading to a more cordial relationship between PIAC and these stakeholder institutions. The Committee is very grateful to these institutions for their support and cooperation, without which our work would have been very difficult if not impossible.

The third year of our existence also happens to coincide with the end of the tenure of the following founding members of the Committee: Mrs. Angela Peasah, Naa Ayiekailey Nanobeng, Hajj Kpakpo Addo, Mr. Douglas Boateng and Mr. Ishmael Edjekumhene. The Committee wishes to express its profound gratitude to its former 'comrades' for their selfless dedication and commitment to the work of the Committee. PIAC wishes you all the very best in your future endeavours and hopes that it will be able to continue to count on your support as and when necessary.

In keeping with the format and content of our reports, the 2014 edition covers a broad range of issues associated with petroleum revenue management such as information on production; liftings; total revenues accruing; allocation and utilisation of these revenues by government and the management of the funds set aside in the Ghana Petroleum Funds (Ghana Stabilisation Fund and the Ghana Heritage Fund). The report also contains an examination of a few other issues and makes observations pertinent to the performance of various institutions charged with responsibilities in the Petroleum Revenue Management Act (PRMA). It is the expectation of the Committee that the good people of Ghana will find time to read the report and give feedback during the public forums to be held following the launch of the report or send us their feedback via email to the following address secretariat@piacghana.org or 0302 242 006 just in case we are unable to meet with you for one reason or the other.

For the umpteenth time, the Committee wishes to acknowledge the immense contribution of the Africa Regional Office of the Natural Resource Governance Institute (formerly Revenue Watch Institute), for their continuous support to PIAC.

PIAC is also very grateful to the UK Department for International Development (DfID) for the multi-year funding support, which we believe is so timely and would enable us produce our reports on schedule from hence.

The PIAC also wishes to acknowledge the support of the GIZ Good Financial Governance Programme for funding the printing of our reports and holding of our public events.

Finally, the Committee wishes to express its appreciation to the Minister and Ministry of Finance and other state institutions for their cooperation and assistance.

EXECUTIVE SUMMARY

The Public Interest and Accountability Committee (PIAC) is established under Section 51 of the Petroleum Revenue Management Act, 2011 (Act 815) to, among other things, provide extra layer of citizen oversight regarding the management of petroleum revenues.

As part of its mandate, PIAC is required to prepare and publish two reports – semi and annual reports – each year detailing how much petroleum revenue has been collected during the period under review and how the amount so collected has been utilised. The report is also expected to capture the performance of the Ghana Petroleum Funds (GPFs) and the feedback received from the citizenry during the PIAC's public consultations.

This report is the fourth in the PIAC annual report series. The report has been prepared using a combination of desk research methods and interviews. Below are the key findings made and recommendations proffered for action by relevant stakeholder institutions.

KEY FINDINGS

1. The Western Corridor Gas Infrastructure Development Project (WCGIDP) was completed and commissioned during the period under review;
2. An amount of US\$131.05 million was disbursed to the WCGIDP in 2014 bringing to US\$729.99 million the total disbursement to the project since 2012. Eighty-five per cent (85%) of the amount (US\$620.49 million) has been financed with the China Development Bank (CDB) loan with the remaining 15% (US\$109.50 million) being matching-funds provided by the GoG.
3. An amount of US\$17.94 million was released to Ghana National Gas Company (GNGC) in 2014 as additional capitalisation bringing to US\$40.94 million total disbursement to the company since its establishment.
4. Payment of compensation to farmers whose crops were destroyed during the execution of the WCGIDP has been completed following the payment of compensation package totalling

GH ¢ 8.7 million cedis to 2,378 farmers in 58 communities. Payment of land compensation is yet to start.

PRODUCTION, LIFTING AND MARKETING

5. The average achieved price of US\$103.504 per barrel and actual average daily production of 101,922 bopd realised in 2014 exceeded their projected targets by approximately 11% and 10% respectively compared to benchmark price of US\$93.34 per barrel and benchmark output of 93,029 bopd used by the Government of Ghana in determining the Benchmark Revenue (BR) for 2014. The Committee notes with commendation the 10% deviation of the forecast from the actual price, which is the closest since the beginning of Petroleum Revenue Management.
6. For the first time since oil production commenced in late 2010, 1,906 mmscf of natural gas (representing 3.42% of total gas production in 2014) was exported to the Atuabo Gas Processing Plant to be used for the commissioning of the plant and for processing into derivatives such as Liquefied Petroleum Gas (LPG) and Condensates.
7. Four hundred million standard cubic feet (400 mmscf) out of the 1,906 mmscf supplied to the Atuabo Gas Processing Plant in 2014 was supplied free of charge by the Jubilee Partners for the commissioning of the plant while the remaining 1,506 mmscf was billed and an invoice of US\$4,630,642.86 raised and presented for payment in January 2015. No payment was received for the gas supplied in 2014.
8. There are discrepancies in the crude oil production figures from the Saltpond field. Whereas figures obtained from the Saltpond Offshore Producing Company Limited (SOPCL) point to a marginal increase in the year-to-year production of crude oil, figures published by the Ministry of Finance (MoF) and Ghana National Petroleum Corporation (GNPC) indicate that production had in fact declined in 2014. Similarly, the lifting figures from the SOPCL and MoF/GNPC sources differed with SOPCL reporting increment in lifting while MoF/GNPC indicating otherwise.

9. The Ghana Group lifted 7,681,120 barrels of oil representing 20.77% of total production in 2014 compared to the GoG share of 18.64% in the unitized Jubilee field.

PETROLEUM RECEIPTS

10. As a result of slightly higher actual volume and average prices of oil achieved, from the Jubilee field, actual petroleum receipts (US\$978. million) exceeded projected revenues (US\$777 million) by over US\$200 million (27%).
11. The steady decline of crude oil prices during the second half of 2014 did not have any serious impact on expected petroleum revenues for the year 2014 as the Benchmark Revenue was exceeded.
12. An amount of US\$0.802 million, being a 2011 undistributed surface rental paid into GOG account prior to the establishment of the PHF was transferred to the PHF.
13. A surface rental bill of US\$67,438.36 issued to Oranto/Stone Energy in February 21, 2013 still remains outstanding at end of 2014. It is unclear why this invoice has not been honoured, especially considering the fact that Oranto paid surface rental during the period under review.
14. As at the end of year 2014, nearly US\$ 3 billion (US\$ 2.811 billion) has accrued to the State as petroleum revenues since first oil in 2010.

ALLOCATION AND UTILIZATION OF PETROLEUM RECEIPTS

15. The 2014 petroleum revenue of US\$978.02 million was distributed as follows:
- a. US\$180.71 million (18.48%) went to the GNPC in respect of its Equity Financing and share of Carried and Participating Interest (CAPI);
 - b. US\$409.07 million (51.31%) of the net revenue to the GoG went to the Annual Budget Funding Amount (ABFA);

- c. US\$388.23 million (48.69%) was transferred to the Ghana Petroleum Funds (GPFs) with 70% of it (US\$ 271.76 million) going into the GSF and 30% (US\$116.47 million) going to the GHF;
- 16. The allocation to the ABFA in 2014 was distributed to only three priority areas in the following proportions:
 - a. Expenditure and Amortisation of Loans – GH¢163.08 million (29.68%);
 - b. Roads and Other Infrastructure – GH¢215.69 million (39.26%)
 - c. Agriculture Modernisation – GH¢170.62 million (31.06%)
- 17. No allocation was made to the 'Capacity Building' priority area in 2014 because planned expenditure was contingent upon the CDB-related Small and Medium Enterprise (SME) Projects Incubation Facility which did not take off;
- 18. Whereas the cedi equivalent of the US\$17.76 (GH¢44.78 million) used to connect the FPSO to the Atuabo Gas Processing Plant was captured as part of GH¢163.08 million spent on the Expenditure and Amortisation of Loans priority area in 2014, the US\$17.94 disbursed to GNGC in January 2014 was not. The disbursement to the GNGC was rather paid from the US\$50 million advance released the MoF by the GNPC.
- 19. Approximately 60% (GH¢128.22 million) of the total allocation to the 'Roads and Other Infrastructure' priority area was spent constructing, rehabilitating, upgrading and resurfacing a total of sixty-four (64) roads and road related ancillary works. Forty-two (42) of the roads and highway-related projects were new projects while 22 of them were road networks that had benefited from ABFA support between 2011 and 2013.
- 20. The share of ABFA allocated to road projects represented less than 17% of the Roads and Highways sector budget in 2014. Thus, as observed in the 2013 PIAC Annual Report, the ABFA continues to be used largely as partial funding for the 'beneficiary road' projects.
- 21. The remaining 41% (GH¢87.47 million) of the allocation of the ABFA to the 'Roads and Other Infrastructure Priority Area' was spent on infrastructure in the energy and education sectors with approximately 86% of the investments going to the energy sector.

22. The contribution of the ABFA to the energy sector budget for 2014 represents 0.89% of the total budgetary allocation to the sector while the share of the ABFA spending in the educational sector represents 0.02% of the allocation to the educational sector.
23. An expenditure of GH¢3.87 million related to the WCGIDP was charged to the 'Road and Other Infrastructure' priority areas rather than the 'Expenditure and Amortisation of Loans' category even though a significant proportion of the allocations to the latter was unutilised during the period under review.
24. Fifty-five per cent (55%) or GH¢666.06 million of the 2014 ABFA allocation was not utilised as a result of the non-disbursement of the CDB loan for existing projects as well as the capping of the CDB facility during the latter part of 2014.
25. The ABFA allocation to the 'Agriculture Modernisation' priority area in 2014 represents over 1,100% more than the allocation in the preceding year and nearly twice the cumulative allocation to that priority area since 2011.
26. Approximately 70% (GH¢118.38 million) of the total allocation to the agriculture modernisation priority area in 2014 went to finance the construction of 4 sea defence walls in as many fishing communities with less than 4% (GH¢5.15 million) going into the rehabilitation of irrigation infrastructure.
27. The GNPC utilised US\$135.20 (representing approximately 75%) of its total allocation in 2014 leaving a balance of US\$45.52 million which when added to its accumulated balance of US\$141.70 million translates to an end of year total cash at hand of US\$187.22 million.
28. At the request of the MoF, the GNPC gave an amount of US\$50 million to the Ministry of Finance as advance. The said advance was expected to be used to fund components of the WCGIDP. The quantum of GNPC's utilised funds would have been more than 50% of the allocated funds in 2014 and the accumulated funds in excess of US\$230 million but for the advance payment made to the MoF.

PERFORMANCE OF GHANA PETROLEUM FUNDS

29. The GPFs yielded a net return on investments of US\$5.85 million in 2014 with the GHF contributing 74% of the total investment income (US\$4.32 million) representing a year-to-date return of 7.73% and the GSF accounting for the remaining US\$1.53 million (representing 26% and a year-to-date return of 1.61%). PIAC observes that the stronger performance of the GHF than the GSF is due to the capping of the GSF.
30. A total of US\$305.68 million, deemed excess over the capped amount of US\$250 million, was withdrawn from the GSF and transferred to the Contingency Fund and the Debt Servicing Account, leaving an outstanding balance of US\$286.64 million in the GSF.
31. The outstanding balance on the GSF at the end of 2014 was approximately 13% higher than the set cap of US\$250 million.

UTILISATION OF WITHDRAWALS FROM GHANA STABILISATION FUNDS

32. Approximately 94% of the withdrawals from the GSF (US\$288.25 million) was transferred to the Debt Service Account (DSA) with the remaining 6% (US\$17.43) going into the Contingency Fund. Approximately 62% (US\$179.81 million) of the amount lodged in the DSA was used to retire domestic marketable instruments leaving a year-ending balance of US\$108.44 million.
33. The unutilised balance of US\$108.44 million in the Debt Service Account at the end of December would have earned 0.18% returns on investment (US\$195,197 in absolute terms) if it had been left in the GSF.

RECOMMENDATIONS

1. The GNGC must ensure that invoices submitted by GNPC in relation to gas supplies are honoured in a timely manner.
2. The SOPCL and the MoF/GNPC must resolve the discrepancies in the production and lifting figures from the Saltpond field so as to help determine the actual royalties that ought to have been paid as well as establishing the true performance/state of affairs at the Saltpond field.
3. There is also the urgent need for a critical appraisal of the viability of the continuous operation of the Saltpond field against the backdrop of low crude oil price. With crude oil price projected to hover around US\$52 in 2015, the business case for operating the Saltpond field in 2015 has been further weakened considering that fact the oilfield produced a barrel of crude oil at a costs US\$31.22 in 2014.
4. Oranto/Stone Energy should be compelled by GRA as a matter of urgency to pay the outstanding surface rental invoice in addition to penalty for default as specified in Section 3 (4) of the PRMA.
5. There is an urgent need for the ABFA to be better-targeted and well-focused so as to help maximize its effectiveness and impact in the socio-economic development of Ghana. PIAC is therefore calling for a national dialogue/debate on how best the nation could derive the most benefits from its hydrocarbon resources. The proposed dialogue should preferably take place before the next budget and its outcomes used to inform ABFA allocation in the 2016 Budget.
6. In order to forestall arbitrariness as well as deepen accountability and responsiveness in the management of petroleum revenues, Parliament should make it mandatory that the Reconciliation Report submitted by the Minister of Finance during the first of quarter of every year should include a report detailing the outcomes/impacts of ABFA spending in the preceding year, the list of the projects to be supported by the ABFA in the current year and the justification for selecting of the projects.

7. The MOF, BOG and IAC must work together to establish some guidelines for interest to be earned on any unutilised funds be it on the balances of ABFA or those set aside for specific purposes. This will help to forestall the recurrence of the situation experienced in 2014 whereby US\$222.93 million (GH ¢ 666.06 million) remained in the Consolidated Fund through the year.
8. Section 23(4) should be amended to allow any excess funds over the cap to remain in the GSF until such a time that debt repayments are to be made before being transferred into the DSA.
9. The GNPC must also publish the returns earned on the unutilised cash-in-hand of US\$187.22 million, which it said was invested in anticipation of pipeline projects.
10. In order to facilitate easy reconciliation and authentication of payments and disbursements of the ABFA to various priority areas, the exchange rate(s) used to convert the amounts into cedis should be published by MoF in the Annual and Reconciliation Reports on the Petroleum Funds.

SECTION 1

1. BACKGROUND

1.1 INTRODUCTION

The Public Interest and Accountability Committee (PIAC), is a citizen-based public oversight committee created under Section 51 of the Petroleum Revenue Management Act, 2011 (Act 815) to, among other things, ensure that the collections and management of petroleum revenues in Ghana is consistent with the provisions of Act 815. Section 56 (a) of Act 815 enjoins PIAC to publish two reports – a Semi-annual and an Annual Report – every year. These reports are intended to provide independent assessment of the management and use of petroleum revenues in a given year. Consequently, the Committee has, since its inauguration in 2011, published six reports which are the 2011, 2012 and 2013 Annual Reports and the 2012, 2013 and 2014 Semi-Annual Reports. This report – the 2014 Annual Report – is the fourth in the series of annual reports and seventh overall.

1.2 SCOPE

The report covers the period January – December 2014 and it, inter alia, analyses crude oil production and liftings; verifies the accuracy of petroleum revenues declared by state institutions; assesses allocations of petroleum revenues to support annual budget and transferred into the Ghana Petroleum Funds as stipulated by the Act; discusses how petroleum receipts were allocated and utilised and analyses the performance of the petroleum funds during the period under review.

1.3 METHODOLOGY

In putting together the report, the committee combined two research methods – desk study and key informant interviews. The main sources of the information gathered were the key stakeholder institutions such as the Ministry of Finance (MOF), the Ghana National Petroleum Corporation (GNPC), the Bank of Ghana (BOG), the Ghana National Gas Company (GNGC) and the Ghana Revenue Authority (GRA). The data collected were reviewed and analysed and where inconsistency or discrepancies were discovered, follow-up interviews conducted with

designated officials at the relevant institution(s).The final draft of the report was sent to stakeholder institutions for validation before publication.

1.4 OUTLINE OF THE REPORT

The rest of the report is organized into the following 7 sections:

- Section 2 reviews the implementation status of recommendations made in previous reports of the Committee;
- Section 3 provides an update on happenings in the upstream petroleum sector during the year under review;
- Section 4 presents information on crude oil production and marketing in 2014;
- Section 5 presents and analyzes petroleum receipts from different sources;
- Section 6 discusses how the 2014 petroleum revenues were allocated and utilized;
- Section 7 analyzes the reliability or otherwise of forecasted revenues for 2015;
- Section 8 summarizes key findings and proffers recommendations.

SECTION 2

2. UPDATE FROM PREVIOUS REPORTS

As has become a regular feature of PIAC's Annual report, this section reviews the implementation status of various recommendations made by the Committee in previous reports. Table 1 re-presents selected findings and recommendations from previous reports and indicates whether or not the recommendations have been acted upon or not.

TABLE 1: STATUS OF IMPLEMENTATION OF PREVIOUS RECOMMENDATIONS

Finding	Recommendation	Responsibility	Status	Comment
1. Petroleum Income Tax(Refer to 2011 PIAC Annual Report)				
The inclusion of corporate taxes in expected petroleum receipts in 2012 (just as in 2011) has had the effect of distorting the Benchmark Revenue determination and subsequently the distribution of actual revenues during the period under review.	The MOF must endeavour to improve the accuracy and reliability of its forecasting	Ministry of Finance	Relevant corporate taxes are now being assessed and paid. This is no longer a major issue as the companies are now in a tax paying position	Actual Corporate Income taxes exceeded the projected estimates by nearly 300%. Recommendation has been implemented.
2. Investment of the Ghana Petroleum Funds(Refer to 2012 PIAC Annual Report)				
The investment of the GPFs has not as yet yielded high returns, which is of great concern to the PIAC since a continuation of this trend is likely to slow the growth of the	The Government must release the Policy and Guidelines to assist the Fund Managers to better manage these funds as required by the PRMA, 2011	Investment Advisory Committee & Ministry of Finance	Recommendation is yet to be fully implemented	The PIAC in its 2013 Semi-Annual Report urged the MoF and the IAC to expedite action on this recommendation. The Minister acknowledged this fact

Funds, especially the GHF				(of low returns on investment) in the 2014 Budget
3. Enactment of Regulations (Refer to 2012 PIAC Annual Report)				
After three years of the coming into force of Act 815, the regulations that will help with the implementation of the law are long overdue.	The PIAC calls for expedited action to be taken to complete the drafting of the regulations for the approval of Parliament.	Ministry of Finance	The regulations are now being developed.	The process towards the development of the Regulations has been suspended pending the amendment of relevant provisions of the PRMA.
4. Legislation on funding for the PIAC (Refer to 2011 PIAC Annual Report)				
There is no provision in Act 815 for the funding of the PIAC and the Petroleum Commission.	A section of the Act must be introduced to cater for the funding of the PIAC and the Petroleum Commission to enable them carry out their respective mandates.	Ministry of Finance	Action to amend some sections of the Act is in progress.	PIAC has made proposals for amendments which are expected to be incorporated into the new Act when passed by Parliament
5. SOPCL Reporting (Refer to 2012 PIAC Semi-Annual Report)				
SOPCL has not been reporting transactions in	The quantity of crude oil lifted from the Saltpond fields and their	Saltpond Offshore Producing Co. Ltd	SOPCL submitted a copy of its Management account for 2013	There are still some discrepancies in the figure

the right format as is being done by the Jubilee partners	sales price should be provided in the public reports in the right format to facilitate monitoring of petroleum receipts	(SOPCL)	and 2014 to PIAC which provided information on liftings and sales prices, among other things.	produced by SOPCL vis-à-vis those provided by the MoF and GNPC. Further clarification is being sought.
6. Determination of Benchmark Revenues (Key Finding 5 of 2013 Annual Report)				
Actual petroleum revenue exceeded projected revenues by nearly 46%. This raises further questions about the determination of the Benchmark Revenue.	The MoF and other stakeholders should be supported and encouraged to attain higher accuracy in price forecasting. Also closer attention must be paid to the assumptions that go into the determination of the Benchmark Revenue.	MoF/GRA/BOG	The Minister of Finance in the 2015 Budget Statement acknowledged the fact that the strict application of the formula for determining the benchmark price is problematic but felt 'helpless' to do anything about it since that would be tantamount to breaching the law. He went ahead on to inform Parliament about a proposed amendment in the PRMA that would, among other things, allow the Minister for Finance to propose a review of the Petroleum Benchmark Revenue, if there are evident indicators that prices and output will change significantly in the	The proposed amendment has been tabled and is expected to be passed in 2015.

			course of the year.	
8. Allocation of ABFA (Key Finding 14 of 2013 Annual Report)				
The Capacity Building priority area appears to be a category under which certain expenditure items which may not be related to capacity building have been classified.	The government should endeavour to focus its expenditure under the capacity building priority area on interventions that will directly enhance the capacity and capabilities of Ghanaians to play a bigger role in the emerging oil and gas industry	MoF	There was no expenditure in this priority area because the only project – SME Projects Incubation Facility – earmarked for implementation in 2014 at an estimated cost of GH ₵ 59.57 million (US\$27.08 million) was not started due to the non-disbursement of the CDB component.	The decision to focus on one project in 2014 is commendable even though the project never got started.
9. Allocation of ABFA (Key Finding 15 of the 2013 -Annual Report)				
An amount of GH ₵ 72.55 million was reported to have been paid to the GNGC. However, the GNGC said they did not receive the said amount. Another GH ₵ 13.27 million could not be linked directly to any project.	The MoF should provide details of how an amount of GH ₵ 85.82 million (made up of GH ₵ 72.55 million and GH ₵ 13.27 million) allocated to the 'expenditure and amortisation of loans for oil and gas infrastructure' priority area from the 2013 ABFA was utilised	MoF	The MoF has explained that no payment was made to the GNGC in 2013 contrary to what had been reported in 2013 and that the entire GH ₵ 137.02 million allocated to the Amortisation Priority areas was disbursed as matching fund for the CDB facility. The wrong description of the projects in the	PIAC is satisfied with the explanation given but urges the MoF to ensure that information released to Committee is accurate and devoid of errors.

			initial list of the projects given to PIAC was consequently corrected in the 2014 Reconciliation Report.	
10. Ghana Petroleum Funds (Refer to 2013 Semi-Annual Report)				
There are discrepancies in the figures reported by the Bank of Ghana and the Ministry of Finance (MoF) on the Ghana Petroleum Funds.	There is the need for reconciliation by the Ministry of Finance and the Bank of Ghana to ensure that the difference in the Ghana Petroleum Funds is accounted for in the ensuing period.	MoF/BOG	The end of year figures from the reports of the two organisations is in agreement.	No further comments
11. Allocation of ABFA (See Key conclusions on the analysis of ABFA allocation in the 2013 -Annual Report)				
ABFA funds stretched thinly over a wide range of projects thereby limiting its developmental impacts on the economy.	The GOG should conduct an immediate evaluation of the effectiveness and impacts of all the projects and programmes that have been funded with revenues from the petroleum sector to help inform the citizenry and also provide the basis for spending allocations in the next priority area review period. The GOG should also prioritise and provide the necessary resources	MoF	No impact assessment has been carried out as yet. However, the MoF in 2014 Budget Statement proposed to spend the 2014 ABFA on 6 main projects. Actual utilisation of 2014 ABFA points to the contrary in that a lot more projects than the 6 were funded	Recommendation yet to be fully implemented since the ABFA utilisation is still being used to support too many projects.

	for the formulation of a non-partisan long-term National Development Plan to guide the efficient and effective utilisation of petroleum revenue			
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SECTION 3

3. DEVELOPMENTS IN THE OIL AND GAS SECTOR IN 2014

3.1 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

There were some developments in Ghana's upstream petroleum sector during the period under review that have gone a long way to enhance the country's position as an emerging oil producer in Africa. The following are brief updates on happenings in the upstream petroleum sector in 2014.

3.1.1 UPDATES ON PROVEN RESERVES

The GNPC estimates Ghana's total proven hydrocarbon reserve base for 2014 at 1,300 million barrels of oil equivalent (MMboe); comprising 867 million barrels of oil and 2.3 trillion cubic feet (TCF) of natural gas (equivalent of 433 MMBOE) as shown in Table 2.

TABLE 2: GHANA'S HYDROCARBON RESERVES POTENTIAL IN 2014

FIELD	OIL	ASSOCIATED GAS	NON-ASSOCIATED GAS	GAS TOTAL	TOTAL RESERVES
	MMBO	BCF	BCF	MMBOE	MMBOE
Jubilee	460	568	-	108	568
TEN	245	294	59	67	312
SGN	162	287	1,071	258	420
TOTAL	867	1,149	1,130	433	1,300

Source: GNPC, 2015

Jubilee Field

A total of twenty-three (23) wells comprising 12 production wells, 8 water injection wells and 3 gas injection wells have been drilled and hooked up to the Floating Production Storage and Offloading (FPSO) as at the end of December 2014. Out of 23 wells, 18 (10 production wells, 6 water injection wells and 2 gas injection wells) were in operation at the end of the reporting period while the remaining 5 wells (2 producers, 2 water injectors and 1 gas injector) are shut-in for various technical reasons. As shown in Table 2, the Jubilee field holds recoverable reserves of 460 million

barrels of oil (MMBO) and 568 billion cubic feet (bcf) of gas as at 31st December, 2014 (GNPC, 2015).

Tweneboa-Enyenra-Ntomme (TEN) Fields

Development activities are progressing in the Tweneboa-Enyenra-Ntomme (TEN) Fields and it is expected that first oil will be realised in the third quarter of 2016 with first gas exports arriving twelve months after first oil; that is third quarter of 2017. Oil and gas production levels on the TEN fields are expected to peak at 76,000 bopd by 2018 and 50mmscf/d by third quarter 2018 respectively. As at end of the period under review, the overall project progress was 46.1% against a target of 47.7%. All ten (10) development wells have been drilled and suspended, six (6) of which are expected to be completed in 2015. Development planning activities have commenced for the gas export tie-in to Jubilee with the goal of completing the installation within the TEN first oil installation window. This is expected to facilitate the optimum monetization of the gas resources in TEN using the Jubilee infrastructure (GNPC, 2015).

Sankofa-Gye-Nyame (SGN)

The Minister for Petroleum approved the Plan of Development (PoD) for the Sankofa-Gye Nyame (SGN) Fields of the Offshore Cape Three Points (OCTP) Block, on behalf of the Government of Ghana, on December 30, 2014. The conclusion of the PoD paved the way for development activities to commence. Parliament reviewed and ratified the necessary commercial contracts in December 2014, with GNPC holding a 20% total interest in the field. Technical appraisal work indicates combined petroleum reserves of 131.3 million barrels of crude oil, 1.07 trillion cubic feet of gas and 30 million barrels of oil equivalent of condensate. It is expected that first oil from SGN will be in the third quarter of 2017 and production of first gas exports in the first quarter of 2018. Crude oil production is expected to peak in 2021 at 43,800 bopd and gas estimated at 171 mmscf/d.

The Ghana negotiation team led by the GNPC has reached an agreement with the project partners on the broad principles of the Gas Sales Agreement (GSA), Security Package Agreements, and other related agreements culminating in the signing of the Term Sheets of these agreements in December 2014. Being a non-associated gas field, with a domestic market that is not developed, the risk perception of the investors was very high from the inception of negotiations. This notwithstanding, the negotiation team ensured that the security package is commensurate with the level of risk of the project, and managed to secure a deal that would

guarantee supply of sufficient gas to generate at least 700MW of electricity for close to two decades (GNPC, 2015).

Other Fields

a. Appraisal activity of the West Cape Three Points (WCTP) Block by Kosmos Energy Ghana, undertaken to ascertain the commercial viability of the Mahogany, Teak and Akasa (MTA) discoveries was concluded on 31st December, 2014. It is expected that Kosmos will declare the commerciality or otherwise of the MTA discoveries in 2015 following the appraisal.

b. Exploration activity has intensified on the inland Voltaian basin to enhance prospectivity of the basin and also to establish a petroleum system. Further geophysical studies, which are expected to lead to the mapping out of six (6) slim-hole wells, will be conducted in 2015.

Petroleum Agreements

The following eight (8) new petroleum agreements were ratified by the Parliament of Ghana during year:

1. Expanded Shallow Water Tano Block with CAMAC;
2. Offshore Central Tano Block with Amni International;
3. Offshore Cape Three Points South PA with UB Resources Limited;
4. South West Tano Block with Heritage/Blue Star;
5. Ultra Deepwater East Keta Blocks with Heritage/Blue Star;
6. Shallow Water Cape Three Points PA with Sahara Energy Fields;
7. South-West Cape Three Points PA with A-Z Petroleum Products; and
8. South West Saltpond PA with Britannia-U.

GNPC – Exploration and Production Company (Explorco), a subsidiary of GNPC, which has been purposely incorporated to focus on exploration and production of hydrocarbons, holds commercial stakes in various licenses in some of the blocks in Ghana's offshore basins. To ensure rapid transfer of operating capabilities to GNPC and capture commercial leadership of the upstream sector in Ghana, Explorco is strategically partnering with a select number of international oil companies (6 in total at the moment) to jointly operate a number of license areas as shown in Table 3.

TABLE 3: GNPC-EXPLORCO'S EQUITY PARTICIPATION IN GHANA'S CONTRACT AREAS

SRN	Block	Operator	Explorco % Participating Interest
1	Deep Water Tano/Cape Three Points	HESS (Farm-in)	10%
2	Expanded Shallow Water Tano Block Offshore	Camac	22.50%
3	South Deep Water Tano	AGM	24.00%
4	Blue Star/Heritage - Keta	Heritage - Keta	11.60%
5	Blue Star/Heritage - Tano	Heritage-Tano	8.80%
7	Deepwater Cape Three Point West	A-Z Petroleum	4.35%

Source: GNPC, 2015

3.2 STATUS OF WESTERN CORRIDOR GAS INFRASTRUCTURE DEVELOPMENT PROJECT (WCGIDP)

As reported in the 2014 Semi-Annual Report of PIAC, the entire WCGIDP was nearing completion with the Onshore and Offshore pipelines 99% complete and the Gas Processing Plant being 98% complete. The two components of the project were completed during the fourth quarter of 2014. The Jubilee Partners' Offshore facilities were interconnected to the WCGIDP offshore (pipeline end terminal) on November 8th 2014. Commissioning of gas infrastructure commenced on November 10, 2014 following the receipt of first wet gas at the Atuabo Gas Processing Plant. The commissioning process, which progressed steadily until it was stalled in December due to technical difficulties, was expected to be completed in January 2015. The official completion of the commissioning process of the entire project, which involved checking, inspecting and testing of the integrated systems and facilities of the project for functionality, reliability and safety, was also expected to be completed by the end of the first quarter of 2015 (Ministry of Finance, 2015 and GNGC, 2015).

Total natural gas exported from the Jubilee field to the Atuabo Gas Processing facility in late 2014 was 1,906.39 mmscf (382.77 mmscf in November and 1,523.62 mmscf in December). By December 1, 2014, GNGC was supplying approximately 32-35 mmscf/d of lean gas to VRA's Aboadze Thermal Plant, which was used to generate between 130 and 140 MW of electricity at the Aboadze Thermal Plant. Gas supply from GNGC to VRA had increased to between 50 and 53 mmscf/d by mid-December, 2014 with the potential of generating between 150 and 200 MW of electricity from the thermal power plant. During the commissioning process 3,000 tons of LPG and

500 tons of condensate were reported to have been produced from the Atuabo Plant, out of which 2,100 tons and 300 tons respectively was delivered to the market by the end of 2014.



FIGURE 1: OVERVIEW OF WATER FIRE TANKS



FIGURE 2: LPG TANKS

A total amount of US\$131.05 million was disbursed to the WCGIDP in 2014, bringing to US\$729.99 million the total disbursement since the inception of the project as shown in Table 4. Fifteen percent (15%) of this total amount (US\$109.50 million) has been disbursed by GOG, in line with the CDB loan agreement.

TABLE 4: TOTAL DISBURSEMENTS TO WCGIDP FROM 2012-2014

Year	CDB – 85% (US\$)	GOG – 15% (US\$)	TOTAL DISBURSEMENT (US\$)
2012	192,695,000	34,005,000	226,700,000
2013	316,408,644	55,836,819	372,245,463
2014	111,390,378	19,657,126	131,047,504
TOTAL	620,494,022	109,498,945	729,992,967

Source: PIAC Construct based on Ministry of Finance& GNGC, 2014 and 2015

Total disbursement requests as at December 2014 stood at US\$789.12 million, which means an outstanding amount of US\$59.12 (due to SINOPEC) remained unpaid at the end of the period under review.

3.3 GHANA NATIONAL GAS COMPANY LIMITED

According to the Ministry of Finance (2015) and confirmed by the Ghana National Gas Company (GNGC), a total of US \$40,943,862.18 had been disbursed by the Government of Ghana to the GNGC since 2011 for the initial capitalisation of GNGC out of which US\$ 17,935,611.16 was received in January 2014. The total capitalisation received so far by GNGC (US\$ 40.94 million) has been expended on items such as crop compensation; rental of office space and residential accommodation for construction staff onsite; environmental and social impact assessments; construction support logistics; procurement of project equipment and general administrative expenses. Ninety percent (90%) of farmers whose crops were affected by the WCGIDP had been compensated for the damage to their crops by the end of 2014. Compensation to groups and individuals in communities along the 111-kilometer Right of Way (ROW) from Atuabo to Aboadze whose landed properties were affected during the construction of the pipeline remains outstanding and is expected to be paid during the first half of 2015.

An additional amount of GH ₵ 44,782,840 million (US\$14,760,503.50) was released by the MoF to GNGC in 2014 for direct payment to sub-contractors in relation to construction tie-in works to the FPSO Kwame Nkrumah and free span correction of the 14km offshore pipeline while another GH ₵ 3,846,840 million was paid to Meridian Logistics and Supplies for the supply of equipment and manpower for handling of MEG for GPP (GNGC, 2015)

In the 2015 Budget Statement in November 2014, government announced that the Ghana National Gas Company had been made a subsidiary of GNPC. This, according to the government, is in line with its vision of optimizing gas production, processing and utilization in the country by electing the national oil company the aggregator of gas in Ghana. In a move described by the GNPC as a “major game-changer”, the National Oil Company has been mandated to assume the role of gas aggregator in Ghana and, has been engaged in gas sales negotiations with Partners and Independent Power Producers to optimize benefits to be derived by Ghana in gas utilization, including obtaining the best price for gas on the domestic market (GNPC, 2015).

Findings/Highlights

1. The WCGIDP was completed and commissioned during the period under review;
2. An amount of US\$131.05 million was disbursed to the WCGIDP in 2014 bringing to US\$729.99 million the total disbursement to the project since 2012. Eighty-five per cent (85%) of the amount (US\$620.49 million) has been financed with the CDB loan with the remaining fifteen per cent (15%) (US\$109.50 million) being matching-funds provided by the GoG.
3. An amount of US\$17.94 million was released to GNGC in 2014 as additional capitalisation bringing to US\$40.94 million total disbursement to the company since its establishment.
4. Payment of compensation to farmers whose crops were destroyed during the execution of the WCGIDP has been completed following the payment of compensation package totalling GH ¢ 8.7 million cedis to 2,378 farmers in 58 communities. Payment of land compensation is yet to start.

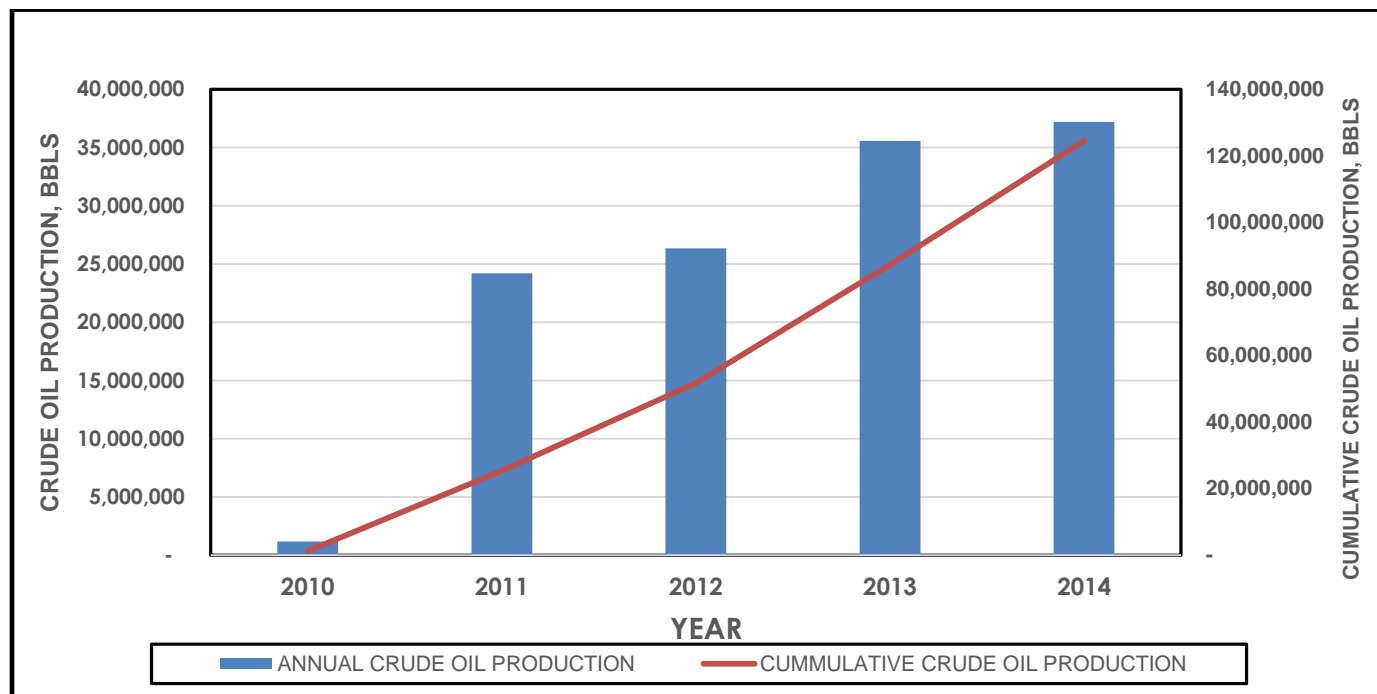
SECTION 4

4. CRUDE OIL PRODUCTION, PRICING AND LIFTING

4.1 JUBILEE CRUDE OIL PRODUCTION

A total of 37,201,691 barrels of crude oil (an average of 101,976 bopd) was produced from the Jubilee Field in 2014 compared to total production of 35,587,558 barrels (an average of 99,685 bopd) pumped out in 2013. This represents an increase of 4.5% over the previous year's production and brings total production to 124,517,510 barrels since production began in 2010. Figure 3 shows crude oil production pattern from 2010-2014.

FIGURE 3: JUBILEE CRUDE OIL PRODUCTION, 2010-2014



The breakdown of monthly production of crude oil from the Jubilee Field during the period under review is shown in Table 5. Table 5 indicates that daily average crude oil production in 2014 ranged between 96,355.65 bopd and 108,201.96 bopd with the highest and lowest daily average crude oil production being recorded in February and December 2014 respectively. With the exception of 3 months (March - 96,939.52, September - 99,372.20 and December - 96,355.65), daily average production outputs were higher than the 100,000 bopd mark. The GNPC has

explained that the drops in production were caused by planned shut-downs of the FPSO that occurred during the periods under review for regular maintenance works.

TABLE 5: JUBILEE CRUDE OIL PRODUCTION: JANUARY-DECEMBER, 2014

MONTH	DAILY AVERAGE PRODUCTION (BBLs)	PRODUCTION DAYS	MONTHLY PRODUCTION	
			(OIL/ BBLs)	GAS/ MMSCF
January	101,672.39	31	3,151,844	4,617.32
February	108,201.96	28	3,029,655	4,281.47
March	96,939.52	31	3,005,125	4,342.04
April	104,851.87	30	3,145,556	4,552.56
May	105,076.77	31	3,257,380	4,801.58
June	103,011.20	30	3,090,336	4,670.65
July	101,025.35	31	3,131,786	4,769.34
August	104,036.84	31	3,225,142	4,919.70
September	99,372.20	22	2,981,166	4,511.12
October	101,503.68	31	3,146,614	4,864.69
November	101,668.73	30	3,050,062	4,755.21
December	96,355.65	31	2,987,025	4,672.46
TOTAL	101,922.44	365	37,201,691	55,758.04

Source: GNPC, 2015

Table 5 further shows that a total of 55,758 million standard cubic feet (mmscf) of associated gas was produced in 2014 from the Jubilee Field.

4.1.1 JUBILEE FIELD COST OF PRODUCTION

The total cost of production for the Jubilee field in 2014 was US\$430,991,334; which translates to an average production cost of US\$11.59 per barrel compared to the 2013 total and average production cost of US\$345,474,395 and US\$9.71 per barrel respectively. The 2014 production cost of US\$430.99 million represents a year-to-year increase of 24.8% over that of 2013 while average production cost increased by 19.4% from US\$9.71 per barrel to US\$11.59 per barrel over the same period as shown in Table 6.

TABLE 6: JUBILEE TOTAL AND AVERAGE PRODUCTION COSTS: 2013-2014

Cost Description	Year		% Change
	2013	2014	
Total Cost of Production (A)	345,474,395	430,991,334	24.8%
Total Production (B)	35,587,558	37,201,691	4.5%
Average Production Cost (A÷B)	9.71	11.59	19.4%

PIAC Construct based on Data from GNPC, 2014 and 2015

4.2 SALTPOND FIELD CRUDE PRODUCTION

According to the Saltpond Offshore Production Company Limited (SOPCL), 79,602 barrels of oil was produced from the Saltpond Field in 2014 compared to 2013 production of 76,995 barrels representing a 3.4% increase in production as shown in Table 7. However, production figures published by the Ministry of Finance and the GNPC (MoF, 2015 and GNPC, 2015) indicate that production from the Saltpond Field in 2014 was approximately 20% higher (95,093 barrels) and that there was a 9.5% year-to-year decline in production when compared to 2013 production output of 105,040 barrels.

TABLE 7: CRUDE OIL PRODUCTION FROM THE SALTPOND FIELD: 2013-2014

Year/Period	2013	2014
1 st Quarter	20,558	15,118
2 nd Quarter	21,566	22,325
3 rd Quarter	18,648	23,285
4 th Quarter	16,223	18,874
TOTAL PRODUCTION	76,995	79,602

Source: SOPCL, 2014 and 2015

Findings/Highlight(s):

1. The actual average daily production was 101,922 bopd which is approximately 10% higher than the projected benchmark output figure of 93,029 bopd used by the Government of Ghana to determine the Benchmark Revenue (BR) for 2014.

2. A total of 55,758.04 million standard cubic feet (mmscf) of natural gas was produced from the Jubilee field in 2014 out of which 1,906.37 mmscf (representing 3.42%) was exported to the Atuabo Gas Processing Plant for processing into derivatives such as LPG and Condensates. The rest was used to meet the energy needs of the FPSO, re-injected or flared.
3. There are discrepancies in the crude oil production figures from the Saltpond field. Whereas figures obtained from the SOPCL point to a marginal increase in the year-to-year production of crude oil, figures published by the Ministry of Finance and GNPC indicate something to the contrary; that production had in fact declined in 2014;

4.3 CRUDE OIL LIFTINGS

4.3.1 JUBILEE FIELD

There were 38 liftings of crude oil cargoes from the Jubilee field in 2014 totalling **36,988,315** barrels of oil. Details of the liftings are as shown in Appendix 1 of the Annexure. In accordance with the Jubilee field Crude Oil Lifting Agreement (COLA), the GNPC lifted eight (8) parcels of crude oil on behalf of the State (Ghana Group) totalling 7,681,120 barrels of oil (representing 20.77 of total liftings) as shown in Table 8. This brings to 23,335,792 the quantity of barrels of oil lifted by the Ghana Group from 2011 to 2014. It is important to point out that although liftings were carried out on the 8th and 28th December, 2014 (912,346 barrels and 995,165 barrels) respectively, proceeds from those sales would not be due until the first quarter of 2015 and therefore would not form part of the 2014 receipts.

TABLE 8: CRUDE OIL LIFTING BY GHANA GROUP, 2014

PERIOD	LIFTING INFORMATION		
	NUMBER	DATE	VOLUME (barrels)
1ST QUARTER	17 th	29-Jan-14	947,220
	18 th	25-Mar-14	947,276
2ND QUARTER	19 th	13-May-14	947,574
3RD QUARTER	20 th	17-Jul-14	987,415
	21 st	02-Sep-14	995,230
4TH QUARTER	22 nd	10-Oct-14	948,894
	23 rd	08-Dec-14	912,346
	24 th	28-Dec-14	995,165
TOTAL			7,681,120

Source: MOF/GNPC, 2015

4.3.2 LIFTINGS BY JUBILEE PARTNERS

Total liftings by the rest of the Jubilee partners in 2014 amounted to 29,307,195 million barrels representing 79.23% of total liftings during the period under review as shown in Table 9.

TABLE 9: CRUDE OIL LIFTINGS BY JUBILEE PARTNERS IN 2014

Name of Company	Total Liftings (barrels of oil)	Percentage of Total Liftings
Tullow Ghana Limited	12,811,608	34.64
Anadarko & Petro SA	7,767,150	21.00
Kosmos	8,728,437	23.60
TOTAL	29,307,195	79.24

Source: GNPC, 2015

The total lifting of 36,988,315 means that there are 213,376 barrels of crude oil out of the 2014 output that were not lifted, which when added to the 2013 closing stock of 386,440 barrels carried

over will translate to a 2014 closing stock of 599,816 barrels to be carried over to 2015 as analysed in Table 10.

TABLE 10: ANALYSIS OF THE PRODUCTION AND LIFTING OF CRUDE OIL FROM 2010-2014

Year	Annual Production (mmbls)	Cumulative production (mmbls)	Total Availability (mmbls)	Total Liftings (mmbls)	Stock carried forward (mmbls)
2010	1,181,088	1,181,088	1,181,088	0	1,181,088
2011	24,195,895	25,376,983	25,376,983	24,450,155	926,828
2012	26,351,278	51,728,261	27,278,106	26,430,934	847,172
2013	35,587,558	87,315,819	36,434,730	36,048,290	386,440
2014	37,201,691	124,517,510	37,588,131	36,988,315	599,816

Source: PIAC's Construct, 2015

4.3.3 SALTPOND FIELD

A gross total of 89,307 (88,201 net) barrels of oil was lifted from the Saltpond Field in 2014 compared to 73,548 in 2013, representing a year-to-year increase of 20.1%. The total liftings include the closing stock of 11,858 barrels carried over from 2013 as shown in Table 11. Table 11 also indicates a 2014 closing stock of 2,153 to be brought forward to 2015.

TABLE 11: CRUDE OIL LIFTING BY SOPCL IN 2014

Period	Units	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Balance b/f	(bbls)	11,858	4,210	13,766	37,051	
Production	(bbls)	15,118	22,325	23,285	18,874	79,602
Available Stock for Lifting	(bbls)	26,976	26,535	37,051	55,925	91,460
Lifting (Gross)	(Bbls)	(22,766)	(12,769)	-	(53,772)	(89,307)
Balance c/f	(bbls)	4,210	13,766	37,051	2,153	2,153

Source: SOPCL, 2015

Finding(s)/Highlights:

1. The total volume of crude oil lifted by the Ghana Group in 2014 from the Jubilee field was 7,681,120 barrels of oil representing 20.77% of total production for the period under review. This was slightly higher than the GoG share of 18.64% (made up of 5% royalties and 13.64% carried/participating interest).
2. There was 20% increase in the volume of oil lifted from the Saltpond Oil field in 2014 compared to 2013.

4.4 CRUDE OIL PRICING FOR JUBILEE AND SALTPOND

The average achieved Jubilee crude oil price¹ for 2014 was US\$103.504 per barrel against a projected price of US\$93.34 per barrel. The achieved price compares favourably with the average Dated Brent price of US\$102.708 per barrel during the period that the Ghana Group's liftings took place as shown in Table 12.

TABLE 12: COMPARISON BETWEEN ACHIEVED JUBILEE CRUDE PRICE AND DATED BRENT IN 2014

PERIOD		QTR 1		QTR 2		QTR 3	QTR 4		
LIFTING INFORMATION	NUMBER	16 th	17 th	18 th	19 th	20 th	21 st	22 nd	AVERAGE PRICE
	DATE	20-Dec-13	29-Jan-14	25-Mar-14	13-May-14	17-Jul-14	02-Sep-14	10-Oct-14	
	DATED BRENT PRICE (USD)		107.57	107.41	109.68	106.98	97.34	87.27	
	ACHIEVED SELLING PRICE (US\$)	110.965	108.975	107.591	109.25	105.769	98.057	83.807	

Source: Ministry of Finance, 2015 and US EIA, 2015

¹ Achieved price means the price at which the Ghana Group liftings were sold.

The average gross selling price obtainable for the sale of crude oil from the Saltpond field in 2014 was US\$91.915 per barrel, as shown in Table 13. However, the Saltpond crude oil was sold at an average discount of US\$9.33 per barrel yielding a net selling price of US\$82.582 compared to US\$96.45 per barrel obtained in 2013.

TABLE 13: ACHIEVED CRUDE OIL PRICE FOR SALTPOND FIELD

Period	QTR 1	QTR 2	QTR 3	QTR 4	Average Selling Price
Price (Mean Platt – US\$/Bbl)	107.125	109.780	-	58.840	91.915
Discount (US\$/Bbl)	8.00	8.00	-	12.00	9.33
Net Price (US\$/Bbl)	99.125	101.780	-	46.840	82.582

Source: SOPCL, 2015

Finding(s)/Highlight(s):

1. The average achieved price of US\$103.504 per barrel was slightly higher than the average Dated Brent price of US\$102.702 per barrel during the period that the GNPC liftings took place. However, the average realized price was approximately 11% higher than the forecast price used in estimating the Benchmark Revenue;
2. Achieved crude oil prices dropped sharply between the 20th and 22nd liftings in keeping with global crude oil trends;
3. Net selling price for Saltpond crude dropped by 14% between 2013 and 2014.

SECTION 5

5. PETROLEUM RECEIPTS AND UTILISATION IN 2014

5.1 OVERVIEW OF PETROLEUM RECEIPTS

An amount of **US\$590.22 million (GH ¢ 1,737.94 million)** was realised from the sale of six (out of eight²) cargoes of crude oil lifted from the Jubilee field (totalling 5,773,609 barrels) on the international market by the Ghana Group in 2014 as indicated in Table 14. An additional amount of US\$101.78 million was also realised from the sale of the 16th lifting carried out in December 2013 but paid in January 2014 bringing to **US\$691.99 million (GH ¢ 1,982.10 million)** the total revenue that accrued from the sale of crude oil from the Jubilee field during the period under review. The 2014 proceeds from the sale of Ghana's share of the Jubilee crude oil represent approximately 10% increase over the 2013 proceeds of US\$628.58 million.

TABLE 14: DETAILS OF THE RECEIPTS FROM THE SALE OF JUBILEE CRUDE OIL IN 2014

PERIOD	DATE OF LIFTING	VOLUME OF LIFTING	SELLING PRICE	VALUE OF LIFT	
	dd/mm/yy	Barrels	US\$	US\$	GH ¢
1st Quarter	20- Dec-13	917,189	110.965	101,775,877.39	244,155,241.06
	29-Jan-14	947,220	108.975	103,223,299.50	259,585,953.58
2nd Quarter	25-Mar-14	947,276	107.591	101,918,372.12	283,526,719.40
	13-May-14	947,574	109.25	103,522,459.50	311,571,546.36
3rd Quarter	17-Jul-14	987,415	105.769	104,437,897.14	316,833,248.55
4th Quarter	02-Sep-14	995,230	98.057	97,589,268.11	312,041,684.78
	10-Oct-14	948,894	83.807	79,523,959.46	254,381,241.52
TOTAL		6,690,798		691,991,133.22³	1,982,095,635.25

Source: Adapted from Ministry of Finance, 2015

² Although the 23rd and 24th liftings by the Ghana Group involving 912,346 and 995,165 barrels of oil respectively were undertaken in December, 2014 the proceeds from the sale were not received in 2014 and therefore would be accounted for as part of 2015 proceeds.

³ It is important to point out that the GRA figure of 691,991,103.17 is slightly lower than that of the MoF by US\$30,000

Total amount realized from the sale of Ghana's share of Jubilee crude oil consists of royalties (of 5% of total production) and the carried and participating interest (CAPI)(of 13.64%) as shown in Table 15.

TABLE 15: BREAKDOWN OF JUBILEE PETROLEUM REVENUES FOR 2014

REVENUE TYPE	SHARE OF REVENUE	NO. OF BARRELS	VALUE US\$
Royalty	5%	1,862,718	192,660,751.35
Carried Interest	10%	3,539,432	366,055,427.55
Participating Interest	3.64%	1,288,648	133,274,924.28
Total		6,690,798	691,991,103.18

Source: GRA and MoF, 2015

In addition to the revenues from the direct sale of the Jubilee crude oil, the GoG also received US\$284.55 million (GH¢785.67million) in Corporate Income Tax (CIT), US\$907,050.59 (GH¢ 2.70 million) in Surface Rentals (SR), US\$151,986 (GH¢ 439,893) as royalties from the Saltpond field and a total of US\$ 421,331 (GH¢ 1.22 million) as returns on investment and price differential from 2013 as shown in Table 16. The relative contribution of the various sources of revenues to total petroleum receipts in 2014 is as shown in Figure 4.

TABLE 16: SOURCE OF 2014 PETROLEUM RECEIPTS (US\$ AND GH ¢)

Item	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	TOTAL
	Receipts (US\$)	Receipts (US\$)	Receipts (US\$)	Receipts (US\$)	Receipts (US\$)
Jubilee Royalties	85,450,493.45	28,822,220.42	56,247,422.21	22,140,674.59	192,660,810.67
Carried and Participating Interest	221,467,055.56	74,700,239.08	145,779,743.04	57,383,284.87	499,330,322.55
Surface Rental	91,071.99	581,978.60	60,000.00	174,000.00	907,050.59 ⁴
Corporate Income Tax	151,114,956.00	-	112,778,217.31	20,653,018.00	284,546,191.31
Royalties from SOPCL	-	151,986.14	-	-	151,986.14
PHF Interest	104,262.33	-	14,074.42	5,745.97	124,082.72
2013 Price Differential	-	-	297,248.72	-	297,248.72
TOTAL	458,227,839.33	104,256,424.24	315,176,705.7	100,356,723.43	978,017,692.7

Item	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	TOTAL
	(GH ¢)	(GH ¢)	(GH ¢)	(GH ¢)	(GH ¢)
Jubilee Royalties	219,187,309.25	86,746,236.80	175,088,304.81	70,823,589.88	551,845,440.74
Carried and Participating Interest	568,080,604.79	224,825,309.56	453,786,628.52	183,557,651.64	1,430,250,194.51
Surface Rental	240,280.20	1,723,253.94	181,986.00	556,051.80	2,701,571.94
Corporate Income Tax	377,874,972.25	-	341,798,673.80	65,996,719.02	785,670,365.07
Royalties from SOPCL	-	439,893.49	-	-	439,893.49
PHF Interest	267,800.32	-	44,368.11	18,380.21	330,548.64
2013 Price Differential	-	-	892,192.03	-	892,192.03
TOTAL	1,165,650,966.81	313,734,693.79	971,792,153.27	320,952,392.55	2,772,130,206.42

Source: Ministry of Finance, 2015

Table 16 indicates that total petroleum receipts from all revenue sources in 2014 amounted to US\$978.02⁵ million (GH ¢ 2,772.13 million) compared with a budget estimate of US\$777.0 million (US ¢ 1,709.40 million) and the 2013 actual receipts of US\$846.77 million (GH¢1,645.59 million) representing an increase of 16% in revenue in dollar terms (68.5% in cedi terms) from the

⁴ Surface Rental excludes an amount of US\$0.869 (GHC2.79 million) which was received after the 22nd Lifting.

⁵ The 2014 revenues excludes an undistributed Surface Rental receipt of US\$ 0.869 million (GH ¢ 2.79 million), of which US\$ 0.802 million (GH ¢ 2.57 million) was attributable to a 2011 receipt recovered from a Government account in 2014. This amount was excluded because it was received after the distribution of the proceeds of the 22nd lifting had been effected.

petroleum sector. This brings to **US\$2.811** billion the total revenue that has been received by the GoG from the petroleum sector since commercial production of oil commenced in November 2010.

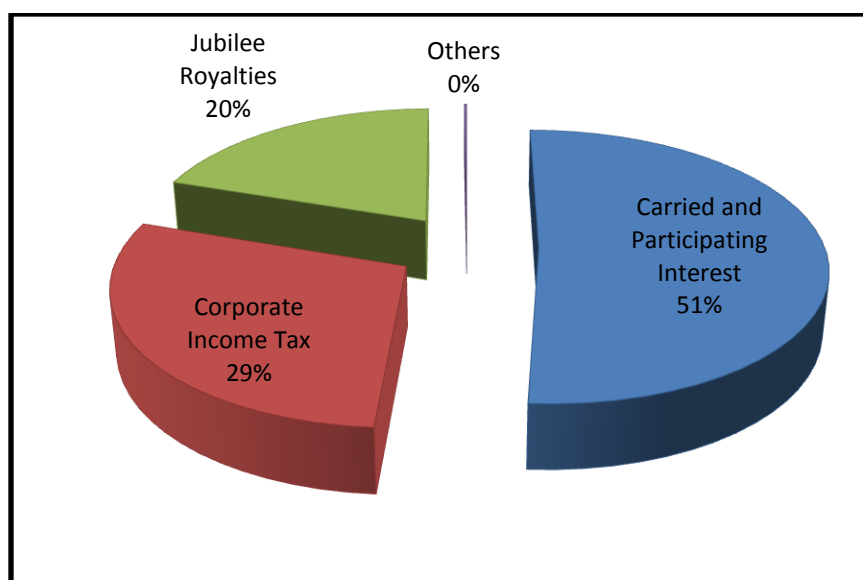


FIGURE 4: CONTRIBUTION OF SOURCES TO TOTAL PETROLEUM REVENUE

5.2 ANALYSIS OF PETROLEUM REVENUES

5.2.1 CARRIED AND PARTICIPATING INTEREST (CAPI)

As indicated in Table 16, a total amount of US\$499.33 million was realised as proceeds from Carried and Participating Interest (CAPI) in 2014 compared to US\$453.57 million received in 2013. Although the 2014 receipts from CAPI represents a 10.1% year-to-year increase in revenues from this source, it at the same time highlights the steady decline of the contribution of CAPI to total petroleum receipts from 72% in 2011 and 2012 to approximately 54% in 2013 to then 51% during the period under review as a result of increasing contribution from CIT.

5.2.2 CORPORATE INCOME TAX

An amount of US\$284.55 million (representing approximately 29% of total revenues) was paid in CIT by the Jubilee Partners in 2014 compared to US\$216.99 million paid in 2013, which translates to a year-to-year increase of 31.1% increase in CIT revenues. Table 17 gives the details of the CIT payments by the Jubilee Partners.

TABLE 17: PAYMENT OF CORPORATE INCOME TAX BY JUBILEE PARTNERS IN 2014

VALUE DATE	ORDERING INSTITUTION	AMOUNT PAID (US\$)	NARRATION
24-Jan-14	Kosmos GH	15,431,379.00	Q4 2013
30-Jan-14	Anardarko	48,624,836.00	Q4 2013
30-Jan-14	Tullow GH	41,048,728.00	Q4 2013
23-Apr-14	Kosmos GH	13,135,763.00	Q1 2014
28-Apr-14	Tullow GH	15,532,675.00	Q1 2014
29-Apr-14	Anardarko	17,341,575.00	Q1 2014
27-Jun-14	Tullow GH	10,471,629.83	2013 Add. Tax
08-Jul-14	Anadarko	43,843	2013 Add. Tax
29-Jul-14	Tullow GH	27,282,219.48	2014 - Q2
28-Jul-14	Kosmos	56,619,898.00	2014 - Q2
28-Jul-14	Anadarko	18,360,627.00	2014 - Q2
30-Oct-14	Tullow GH	20,653,018.05	2014 - Q3
TOTAL		284,546,191.36	

Source: GRA and BOG, 2015

As shown in Table 17 and is to be expected, Tullow Ghana (with the largest shareholding in the Unitized Jubilee field) paid the highest CIT of US\$114.99 million representing 40.41% of total CIT received in 2014, followed by Kosmos (US\$85.19 million representing 29.94%) and Anadarko (US\$84.37, representing 29.65%). Approximately 41% (US\$115.62 million) of the total CIT paid by the Jubilee Partners was in respect of taxes assessed for the 4th Quarter of 2013 but paid in the first quarter of 2014 as well as additional taxes paid by Tullow Ghana and Anadarko in relation to their operations in 2013.

5.2.3 ROYALTIES

A total of US\$192.66 million was received in royalties in 2014 as against US\$175.41 million that accrued in 2013, representing a year-to-year increase of 9.8%. Virtually the entire amount (99.92%) received as royalties in 2014 came from the Jubilee field with the Saltpond field contributing 0.08%. Royalties from the Saltpond field actually declined by nearly 43%; from US\$217,214 in 2013 to US\$151,986 during the period under review.

5.2.4 SURFACE RENTALS

A total of US\$907,050.59 was paid into the Petroleum Holding Fund (PHF) as Surface Rentals in 2014 by the upstream petroleum companies compared to US\$798,332 in 2013, representing a year-to-year increase of approximately 14% as shown in Table 18.

TABLE 18: PAYMENT OF SURFACE RENTALS BY PETROLEUM COMPANIES

VALUE DATE	ORDERING INSTITUTION	AMOUNT PAID (US\$)
19-Feb-14	Kosmos Energy	17,864.45
31-Mar-14	Oranto	73,207.54
05-May-14	Cola Natural Resources Gh Ltd.	78,230.00
05-Jun-14	Lukoil Overseas	154,398.60
13-Jun-14	Eni Ghana EP	198,600.00
23-Jun-14	Hess GH Exploration Ltd	150,750.00
17-Jul-14	Azonto Petroleum Ltd	60,000.00
21-Oct-14	AGM Petroleum	174,000.00
19-Dec-14	AMNI International Petroleum Dev't Co. Ltd	13,974.00
24-Dec-14	Tullow Ghana	52,491.80
2011 Surface Rental reverse from account at BoG to PHF in December 2014		802,251.47
TOTAL		1,775,767.86

Source: GRA and BOG, 2015

Table 18 indicates that a total of US\$1.78 million was actually paid and received as Surface Rental in 2014. However, only 51.1% (US\$0.907 million) was captured as part of the total petroleum receipts during the period under review in view of the fact that payments made by AMNI International Petroleum Development Company Limited and Tullow Ghana (totalling US\$66,465.80) and an amount of US\$0.802 million being a reversal of 2011 undistributed surface rental paid into GOG account prior to the establishment of the PHF were received after the proceeds from the 22nd lifting had been distributed. It is expected that the remaining US\$0.869 million will be included in the petroleum receipts to be distributed during the first quarter of 2015.

5.3 PETROLEUM RECEIPTS VERSUS BUDGET PROJECTIONS

Table 19 shows a comparison of government budgetary projections for 2014 against the outturns.

TABLE 19: 2014 BUDGET PROJECTIONS VERSUS OUTTURNS

Period	US\$			GH¢		
	Budget	Actual	Variance	Budget	Actual	Variance
Royalties	158,817,954	192,812,797	33,994,843	349,399,499	552,285,334	202,885,835
<i>o/w Jubilee</i>	158,466,427	192,660,811	34,194,383	348,626,140	551,845,441	203,219,301
<i>o/w Saltpond</i>	351,527	151,986	(199,541)	773,359	439,893	(333,466)
Carried and Participating Interest	410,706,733	499,330,323	88,623,589	903,554,813	1,430,250,195	526,695,381
Corporate Income Tax	187,238,898	284,546,191	97,307,293	411,925,576	785,670,365	373,744,789
Surface Rental*	796,117	1,775,768	976,651	1,751,457	5,488,902	3,737,445
PHF Interest	-	124,083	124,083	-	330,549	330,549
2013 Price Differential	-	297,249	297,249	-	892,192	892,192
Gas Receipt	19,440,000	-	(19,440,000)	42,768,000	-	(42,768,000)

Source: MoF, 2015

From Table 19, all the major components of petroleum revenue exceeded their forecasts in 2014, with the exception of Saltpond Royalties, which fell short of its target by approximately 57% and gas receipt for which no payment was received. The higher-than-projected revenue outturns resulted in actual petroleum revenues exceeding expected revenues by US\$201.89 million (GH¢1,065.52 million) representing a deviation of approximately 27%. A 27% positive deviation between budgeted and actual revenue is remarkable considering the fact that petroleum prices took a tumble during the last quarters of 2014 (with achieved prices dropping by nearly 21% between the 20th and 22nd liftings) coupled with the fact that actual revenues did not include proceeds for the 23rd and 24th liftings.

The MoF has attributed the deviation between its budgetary estimates and the actual receipts to “marginal increase in crude oil production and increased corporate income tax” (MoF, 2015). The PIAC however does not subscribe to the reasons being adduced by the MoF because a variance of approximately 9,000 bopd between projected daily average production and the actual projection cannot be described as ‘marginal’. Secondly, the CIT of US\$284.55 million should not or could not have been unexpected given that the actual amount realised in 2013 was US\$216.99 million with every indication pointing to an upward increase in the ensuing years as production is expected to increase towards peak production of 120,000 bopd.

The Committee is concerned that the problem of over or under estimation of the Benchmark Revenue, which has characterized the determination of the Benchmark Revenue since the exercised begun in 2011 is becoming a perennial one. While acknowledging that the MoF is constrained by the formula specified by the PRMA to be used in determining the benchmark revenue, PIAC finds it unacceptable that the use of the said formula has consistently produced forecasts that are far from the actuals and calls for the immediate review of the formula.

Finding(s)/Highlights:

1. Actual petroleum receipts (US\$978.02 million) exceeded projected revenues (US\$777 million) by over US\$200 million (27%) on the back of better-than forecasted crude oil price and production volumes;
2. With the exception of royalties from Saltpond Field (and gas proceeds that were not realised at all), actual receipts from all other revenue sources exceeded their projected values.
3. The steady decline of crude oil prices during the second half of 2014 did not have any adverse effect on the expected revenues from the petroleum sector.
4. An amount of US\$0.802 million being a 2011 undistributed surface rental paid into GOG account prior to the establishment of the PHF was transferred to the PHF.
5. As reported in the 2013 Semi-Annual and Annual Reports as well as the 2014 Semi-Annual report, a surface rental bill dated February 21, 2013 for US\$67,438.36 in the name of Oranto/Stone Energy still remains outstanding at end of 2014. It is unclear why this invoice

has not been honoured, especially considering the fact that Oranto paid surface rental during the period under review.

6. A total volume of 55,758.04 mmscf of gas was produced on the Jubilee field; 1,906 mmscf (3.4%) was evacuated from the Jubilee Field to the Atuabo Gas Processing Plant for commissioning and processing into LPG and condensates.
7. Four hundred million standard cubic feet (400 mmscf) out of the 1,906 mmscf supplied to the Atuabo Gas Processing Plant in 2014 was supplied free of charge by the Jubilee Partners for the commissioning of the plant while the remaining 1,506 mmscf was billed and an invoice of US\$4,630,642.86 raised and presented for payment in January 2015.
8. The total revenue that has accrued to the Government of Ghana (GOG) since first oil in 2010 is US\$ 2.811 billion as at the end of 2014.

SECTION 6

6. ALLOCATION AND UTILISATION OF 2014 PETROLEUM REVENUE

6.1 INTRODUCTION

The allocation of petroleum revenue is based on the relevant provisions of the PRMA. In 2011, the Parliament of Ghana approved an allocation of 40% of the Carried and Participating Interest (CAPI), net of Equity Financing Costs (EFC), for GNPC. The GNPC's share (of the CAPI, net of EFC) was reduced to 30% for the period 2014-2016 in November 2013 following a proposal made by the Minister of Finance to Parliament as part of the 2014 Budget Statement in line with Section 7(3b) of the PRMA.

Government revenue is made of the remaining 60% (or 70%) of CAPI, Corporate Income Tax, Royalties and Surface Rental. Since 2011, 70% out of Government's share of petroleum revenue for each financial year has been earmarked as the Annual Budget Funding Amount (ABFA) with the remaining 30% being transferred into the Ghana Petroleum Funds (GPFs) in accordance with Sections 18 and 23 of the PRMA. The 30% of the government share that goes into the GPFs is further distributed to the Ghana Heritage Fund (GHF) and the Ghana Stabilization Fund (GSF) in the ratio of 30:70 respectively. In November 2013, the MOF in the 2014 Budget Statement made a proposal to Parliament to the effect that the status quo as far as the distribution of the government share of the petroleum should be maintained for the period 2014-2016. The proposal was duly approved by the legislature.

6.1.1 DISTRIBUTION OF PETROLEUM REVENUE IN 2014

In accordance with the provisions of the PRMA and subsequent Parliamentary approval, the 2014 petroleum receipts were distributed as shown in Table 20.

TABLE 20: ALLOCATION OF 2014 PETROLEUM REVENUE

Allocations	Amount (Million US\$)	Amount (Million GH¢)
Transfer to GNPC	180,712,503.87	528,857,041.73
<i>o/w Equity Financing</i>	44,162,009.67	127,478,945.65
<i>o/w CAPI</i>	136,550,493.87	401,378,096.07
Net Receipt to GoG	797,305,285.16	2,338,648,175.58
o/w ABFA	409,072,777.80	1,215,458,167.42
o/w Transfers to GPFs	388,232,507.43	1,123,190,008.16
<i>o/w GHF</i>	116,469,752.21	336,957,002.46
<i>o/w GSF</i>	271,762,755.16	786,233,005.72
TOTAL	978,017,788.70	2,867,505,217.33

Source: PIAC's Construct based on Ministry of Finance Reconciliation Report, 2015

Table 20 indicates that US\$180.71 million (GH¢528.86 million) of the total petroleum receipts went to GNPC of which US\$44.16 million (GH¢127.49 million) was in respect of its Equity Financing Costs while US\$136.55 million (GH¢401.39 million) was for its share of the net CAPI. The net amount received by the GoG for the year 2014 therefore was US\$797.31 million (GH¢2,338.65 million) of which the ABFA received US\$409.07 million (GH¢1,215 million) while the GPFs received US\$388.23 million (GH¢1,123.19 million). Of the amount transferred to the GPFs, the Ghana Stabilisation Fund (GSF) received US\$271.76 million (GH¢786.23 million) while the Ghana Heritage Fund (GHF) received US\$116.47 million (GH¢336.96 million). Figure 5 shows the allocation of the 2014 petroleum receipts in percentage terms.

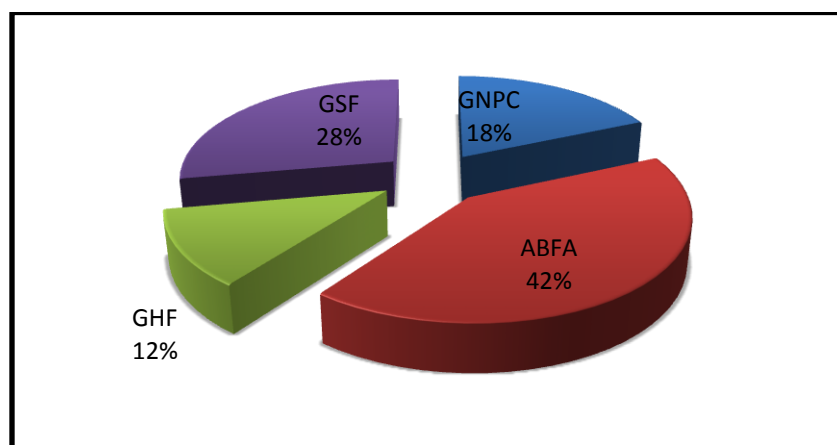


FIGURE 5: PERCENTAGE ALLOCATION OF 2014 PETROLEUM RECEIPTS

According to the Bank of Ghana, there was a balance of US\$1.069 million on the PHF as at December 31, 2014, comprising undistributed petroleum receipts amounting to US\$868,717.27 and a mandatory balance of US\$200,000.00 (BOG, 2015)

6.1.2 PETROLEUM REVENUE ALLOCATION FROM 2011-2014

As stated in Section 5.1, the accumulated petroleum receipts as at the end of 2014 is **US\$2.811** billion. Out of this amount, a total of US\$1,135.78 has been transferred to the ABFA; the GNPC has received a total amount of US\$841.95 representing 30%; while US\$589.19 (21%) and US\$243.42 (9%) have been transferred into the GSF and GHF respectively, as shown in Figure 6 below.

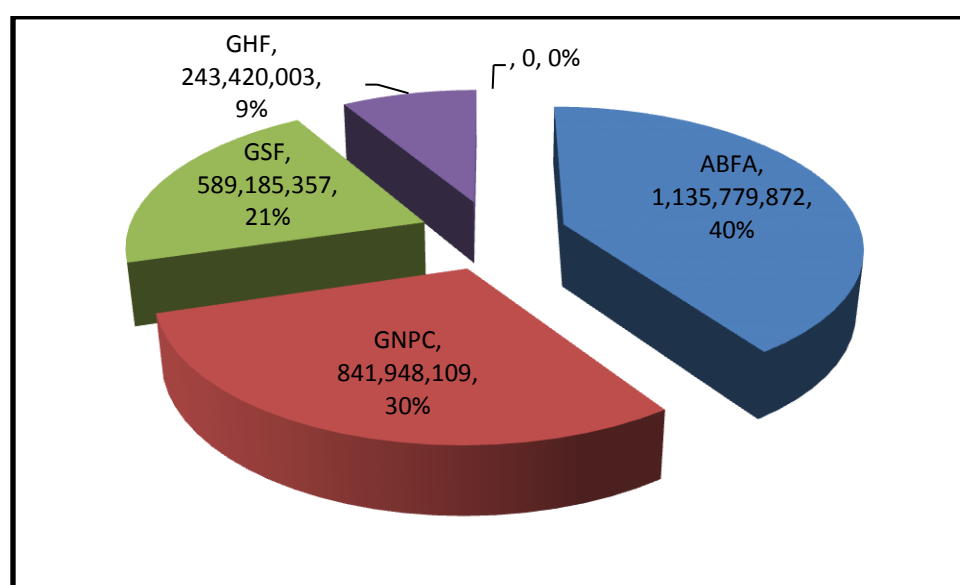


FIGURE 6: DISTRIBUTION OF PETROLEUM RECEIPTS FROM 2011-2014

Finding(s)/Highlights:

1. The share of petroleum receipts allocated to the ABFA in 2014 of US\$409.07 million (GH¢1,215 million) represents 51.31% of the net amount of US\$797.31 million (GH¢2,338.65 million) received by the GoG during the period under review. This is lower than the 70% proposed by the government in November 2014 and approved by the Parliament of Ghana because the receipts for the year was higher than expected.
2. Of the remaining US\$388.23 (48.69%) that was transferred to the GPFs, GSF received US\$271.76 million (GH¢786.23 million) representing 70% of net GoG receipts while the GHF

received US\$116.47 million (GH¢336.96 million) representing 30% of GoG net receipts in 2014.

6.2 UTILIZATION OF 2014 ABFA ALLOCATION

6.2.1 INTRODUCTION

Section 21(5) of the PRMA requires the Minister of Finance to prioritise not more than four areas to benefit from the use of the ABFA, in the absence of a long term national development plan, with the view to maximising the impact of petroleum revenues. Section 21(6) further mandates initial prioritization to remain in force for a minimum of 3 years before it would be subject to review. Accordingly, Parliament in 2011 approved the use of the ABFA for the following four priority areas for the period 2011- 2013.

- Expenditure and Amortisation of Loans for Oil and Gas Infrastructure;
- Agriculture Modernisation;
- Roads and Other Infrastructure; and
- Capacity Building (including Oil and Gas).

In November 2013, the Minister of Finance proposed to Parliament that the four priority areas listed above be maintained for another 3 years (2014-2016). Parliament accepted the Minister of Finance's proposal and gave its approval for the 2014 ABFA to be used as recommended. In the 2014 Semi-Annual report, PIAC reported that although the 4 priority areas were maintained, the GOG for the first time decided to split the 2014 ABFA into two categories – China Development Bank (CDB)-related being allocated US\$279.05 million (67.94%) and non-CDB-related expenditure being allocated an amount of US\$131.68 million (32.06%) which brought the total to US\$410.74 million.

6.2.2 UTILISATION OF 2014 ABFA

From Table 20 it is observed that a total amount of US\$409.07 million (GH¢1,215 million) was disbursed to the ABFA in 2014 compared to US\$273.20 million (GH¢543.78 million) in 2013. The disbursements of the 2014 allocation to the ABFA are as shown in Table 21 and summarized as follows:

- Amortization of Loans for Oil and Gas Infrastructure; - GH¢163.08 million(US\$56.12 million)
- Road and Other Infrastructure;- GH¢215.69 million (US\$72.59 million)
- Agricultural Modernisation - GH¢170.62 million (US\$57.43 million)
- However, according to the MoF no expenditure was incurred on the Capacity Building priority area in 2014 because the planned expenditure was tied to the establishment of the CDB-related SME Projects Incubation Facility for which an amount of US\$ 27.08 million (GH¢59.57 million) had been allocated.

TABLE 21: DISBURSEMENT OF ABFA TO PRIORITY AREAS 2014

Priority Area	Budget		Actual		% of Total Spent(GH¢)
	US\$	(GH¢)	(US\$)	(GH¢)	
Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	165,882,676	364,941,887	56,122,713	163,084,572	29.68
Agriculture Modernisation	62,009,436	136,420,759	57,425,018	170,624,180	31.06
Road and Other Infrastructure	154,101,379	339,023,034	72,592,760	215,691,357	39.26
Capacity Building (including Oil and Gas)	27,072,778	59,574,431	-	-	-
Total (Spent)	409,072,778	899,960,111	186,140,491	549,400,109	100
Balance as at end-2014			222,932,287	666,058,058	

Source: Ministry of Finance, 2015

Table 21 shows that only GH ¢ 549.40 million (US\$186.14 million), representing 45% of the total amount allocated to the ABFA 2014 was utilised leaving a balance of GH ¢ 666.06 million (US\$222.93 million) outstanding. The Ministry of Finance explains that the balance arose as a result of the non-disbursement of the CDB loan for existing projects as anticipated coupled with the capping of the CDB facility during the latter part of 2014 (MoF, 2015).

6.2.3 CUMULATIVE EXPENDITURE FROM ABFA ON PRIORITY AREAS 2011-2014

Table 22 shows the total amount expended on each of the priority areas from 2011-2014. The Table and Figure 7 indicate that nearly 56% of the disbursements from the ABFA have gone into Road and Other Infrastructure with another 22.49% going into Expenditure and Amortization of Loans for Oil and Gas Infrastructure. The remaining ABFA disbursements have gone to support Agriculture Modernisation (14.42%) and Capacity Building interventions (7.1%).

TABLE 22: DISTRIBUTION OF ABFA TO PRIORITY AREAS, 2011-2014

Priority Area	2011	2012	2013	2014	TOTAL	%
	Amount (GH¢)	Amount (GH¢)	Amount (GH¢)	Amount (GH¢)		
Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	20,000,000	100,000,000	137,920,847	163,084,572	421,005,419	22.49
Agriculture Modernisation	13,147,652	72,471,824	13,604,329	170,624,180	269,848,985	14.42
Road and Other Infrastructure	227,641,768	232,403,269	372,074,147	215,691,357	1,047,810,541	55.99
Capacity Building (including Oil and Gas)	750,000	111,959,738	20,183,359	-	132,893,097	7.1
TOTAL	261,539,420	516,834,831	543,782,682	549,400,109	1,871,558,042	100

Source: Ministry of Finance, 2012-2015

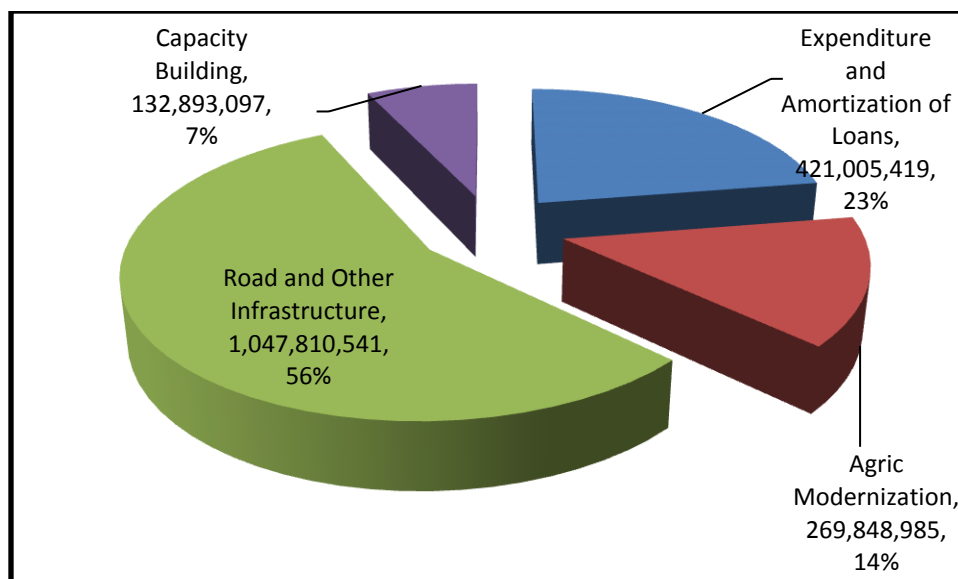


FIGURE 7: DISTRIBUTION OF ABFA BY PRIORITY AREA FROM 2011-2014

Findings/Highlights

1. An amount of GH¢666.06 million (US\$222.93 million) representing 55% of the 2014 ABFA was not spent at the end of the period under review as a result of the non-disbursement of the CDB loan for existing projects as well as the capping of the CDB facility during the latter part of 2014.
2. There was no evidence that the unutilised amount was invested.
3. No expenditure was incurred on the 'Capacity Building' priority area in 2014 in view of the fact that the planned expenditure was tied to the establishment of the CDB-related SME Projects Incubation Facility for which an amount of US\$ 27.08 million (GH¢59.57 million) had been allocated.

6.3 DETAILED ANALYSIS OF 2014 ABFA-FUNDED PROJECTS/PROGRAMMES

6.3.1 EXPENDITURE AND AMORTISATION OF LOANS FOR OIL AND GAS INFRASTRUCTURE

Approximately 30% of the 2014 ABFA (GH¢163.08 million) was spent either as direct expenditure on oil and gas infrastructure or in repaying loans contracted for same. Table 23 provides a breakdown of how the allocated amount was spent in 2014.

TABLE 23: BREAKDOWN OF EXPENDITURE AND AMORTIZATION OF LOANS FOR OIL AND GAS INFRASTRUCTURE IN 2014

PROJECT DESCRIPTION	GOODS AND SERVICES	CAPEX	TOTAL
	Amount (GH ¢)	Amount (GH ¢)	
CDB Facility Matching Fund	-	56,385,632	56,385,632
CDB Facility Interest Payment	-	52,598,647	52,598,647
Debt Service Reserve Payment	5,471,062	-	5,471,062
Free Span Correction of the 14km Offshore Pipeline	-	19,088,663	19,088,663
Cost of Tie-in Works to FPSO		25,693,729	25,693,729
MEG Handling Charges	3,846,840	-	3,846,840
TOTAL	9,317,902	153,766,670	163,084,573

Source: Ministry of Finance, 2015

Table 23 shows that GH¢56.39 million (34.57%) of the allocation to the “expenditure and amortisation of loan priority areas” was paid as matching fund for the CDB facility, GH¢52.60 million (32.25%) was paid as interest on the CDB facility and a total of GH¢44.78 million (27.45%) was expended connecting the WCGIDP to the FPSO.

Findings

1. The US\$17.94 million disbursed to GNGC in January 2014 was not part of the GH¢163.08 million spent on the expenditure and amortisation of loans priority area in 2014. According the MoF, the amount was paid out of US\$50 million advance given to the MoF by GNPC.

6.3.2 ROAD AND OTHER ROAD-RELATED INFRASTRUCTURE

During the period under review (2014), GH¢215.69 million (representing approximately 39%) of the ABFA went to support projects under the “Road and Other Infrastructure” priority area against GH¢372.07 million in 2013. This brings the total expenditure in this category since 2011 to GH¢1,047.81 million representing approximately 56% of all ABFA disbursements.

Of the GH¢215.69 million spent on road and other infrastructure in 2014, GH¢128.22 million (representing 59.45%) was spent constructing, rehabilitating, upgrading and resurfacing a total of sixty-four (64) roads and road related ancillary works (such as repairs to bridges, other structures and drainage works). Forty-two (42) of the roads and highway-related projects that were supported in 2014 were new projects while 22 of them had benefited from ABFA support during the preceding years (2011-2013). The full list of the projects is attached in Appendix 2.

Findings/Highlights

1. The share of ABFA allocated to road projects represented 16.45% of the Roads and Highways sector budget in 2014, slightly lower than the 17.9% budgeted for in the 2014 budget. Thus, as observed in the 2013 PIAC Annual Report, the ABFA continues to be used largely as partial funding for the ‘beneficiary road’ projects.
2. Forty-two new roads and road related ancillary projects were supported by the ABFA bringing to 160 the number of projects that have been funded with the ABFA since 2011. Twenty-two (22) projects that had received funding at least once between 2011 and 2013 were also supported.
3. The highest ABFA amount spent on any single road project in 2014 was GH¢12.11 million on the 23.3 kilometre Odumasi-Oterkpolu Road with lowest being GH¢13,862 spent on the rehabilitation of the 15 kilometre Mampong-Boanim-Jamasi Road.
4. Obogu-Ofoase-Gyadem and Wa-Han Roads are the only two roads out of the 160 that have received ABFA funding since the creation of the ABFA funding mechanism in 2011. Approximately, a total of GH¢20 million and GH¢4.36 million respectively have been spent on the two projects.

6.3.3 OTHER INFRASTRUCTURE PROJECTS

An amount of GH¢87.47 million (40.55%) of 2014 ABFA allocations to the “Road and Other Infrastructure” priority area was spent on infrastructural projects in the energy (GH¢75.44 million) and education (GH¢12.03 million) sectors.

An amount of GH¢42.60 million (representing about 56%) spent on energy infrastructure went into electrification projects mainly in the 3 northern regions as well as the district capitals of the new districts created in late 2012; approximately 38% (GH¢28.99 million) was spent on the Aboadze Coastal Protection works to protect the Aboadze Power Plant while the remaining GH¢3.85 million (approximately 5%) went into funding an aspect of the Gas Infrastructure Project at Atuabo.

The allocation to the educational sector in 2014 was used to fund a total of 40 projects as categorised in Table 24. Thirty One (31) of the projects representing (75%) of the projects were classroom blocks (majority of which are 6 classroom blocks); six (6) of them are dormitories constructed in Senior High Schools and the rest infrastructure in 2 tertiary institutions (KNUST and University of Health and Allied Sciences – UHAS).

TABLE 24: BREAKDOWN OF EDUCATIONAL PROJECTS FUNDED BY ABFA IN 2014

Type of Project	Quantity	Amounts (GH ¢)
Six-Unit Classroom Blocks	25	2,289,369
Three-Unit Classroom Blocks	1	24,513
Home Economics Block	1	185,894
Kindergarten Blocks	4	293,126
Dormitory Blocks	6	494,989
Facilities at Tertiary Institutions	2	4,963,078
Counterpart funding for ‘Development of Skills for Industry Project’	1	3,780,000
TOTAL	40	12,030,969

Source: PIAC’s Construct, 2015 (based on data from MoF, 2014)

The full list of other infrastructure projects funded with ABFA in 2014 is attached in Appendix 3.

Highlights/Finding(s):

1. A total of GH¢87.47 million (representing approximately 41%) of the allocation of the ABFA to the 'Roads and Other Infrastructure Priority Area' was spent on infrastructure in the energy and education sectors with approximately 86% of the investments going to the energy sector.
2. The share of the ABFA allocated to the energy sector projects represents 0.89% of the total budgetary allocation to the sector (as against 32% that had been projected in the 2014 Budget) while the share of the ABFA spending in the educational sector represents 0.02% of the allocation to the educational sector (against a projected contribution of 1.77%).
3. An amount of GH¢3.87 million was incurred on the Atuabo project. PIAC observes that this expenditure is charged to the "Road and Other Infrastructure" priority area instead of the Expenditure and Amortisation of loans category, especially given that a significant proportion of the allocations to that particular priority area was unutilised during the period under review.

6.3.4 AGRICULTURE MODERNISATION

As mentioned earlier on, a total sum of GH¢170.62 million (representing approximately 31% of the ABFA) was used in 2014 to support various initiatives and interventions aimed at modernizing Ghana's agricultural sector compared to GH¢13.60 million in 2013. The 2014 allocation to the Agriculture Modernisation priority area is nearly twice the total amount allocated to the priority area between 2011 and 2013 of GH¢99.22 million. Approximately 70% of the total allocation to this priority area (GH¢118.38 million) in 2014 went to support the construction of 4 sea defence walls in as many fishing communities; another 27% (GH¢ 46.32 million) was used to finance the 2013 Fertilizer Subsidy Programme; GH ¢ 5.15 million (3.01%) was used in rehabilitating 16 irrigation infrastructure mainly in the 3 Northern Regions; while the remaining GH¢ 764,770 was used to support the construction of facilities at the Anomabo Fisheries College.

Table 25 gives a summary of the allocations to the interventions that were funded with the ABFA in the Agriculture Modernisation priority area, while Appendix 5 provides the full list of ABFA-funded projects in the Agriculture Sector.

TABLE 25: BREAKDOWN OF ABFA FUNDING TO THE AGRICULTURE SECTOR IN 2014

Type of Project	Quantity	Amounts (GH ¢)
Part Payments for Sea Defence Projects in Fishing Communities	4	118,386,119
Payment for 2013 Fertilizer Subsidy Programme	2	46,319,028
Rehabilitation of Irrigation Infrastructure	16	5,154,264
Works at Fisheries College	1	764,770
TOTAL	6	170,624,181

Source: PIAC's Construct, 2015 (Based on Data from MoF 2015)

Finding(s)/Highlights:

1. There was an astronomical increase (in the order of 1,155%) in the share of the ABFA allocated to the Agriculture Modernisation priority area from GH¢13.60 million in 2013 to GH ¢ 170.62 million in 2014, representing 31% of total ABFA disbursed. The 2014 allocation to the Agriculture Modernisation priority area is nearly twice as much as the total amount allocated to the area between 2011 and 2013 of GH¢99.22 million.
2. The allocations to the Food and Agriculture and Fisheries and Aquaculture Ministries represent 17% and 65% respectively of the total budgetary allocations to same in the 2014 budget.
3. Approximately 70% (GH¢118.38 million) of the total allocation to the Agriculture Modernisation priority area in 2014 went to finance the construction of 4 sea defence walls in as many fishing communities. It is important to stress that these projects were not mentioned among the projects and programmes earmarked for implementation in the Fisheries and Aquaculture Sector in 2014.
4. Less than 4% of the allocations to the agriculture modernisation was spent on rehabilitation of irrigation infrastructure;

6.4 UTILIZATION OF GNPC ALLOCATIONS 2014

As indicated in Table 20, GNPC received an amount of US\$180.71 million in 2014 as equity financing costs and its share of net proceeds compared to US\$222.42 million in 2013. Out of this amount, GNPC utilized US\$135.20 million (representing 74.82%) to cover the cost of its operations leaving US\$45.52 million unutilized. Thus, the cash brought forward from the previous period was US\$141.70 million, leaving a balance of total cash-available of US\$187.22 million as shown in Table 26.

From Table 26, US\$47.41 million (representing 26.2% of the 2014 allocation) was used to fund the Jubilee Equity Financing Cost (comprising development, production, lifting costs and in-house costs), compared to a budgeted estimate of US\$111.75 million. According to GNPC, its inability to fully utilise the allocated Jubilee budget can be attributable to the fact that certain planned activities such as the drilling of additional wells and related works were not carried out during the period under review. A total of 5 Phase 1A wells were expected to be drilled but only two were drilled, which were not completed and thus not hooked to the FPSO. The other 3 were not started at all because of the inability of the Jubilee partners to submit the Full Field Development Plans (JFFDP) for approval by the Ministry of Petroleum and Energy (GNPC, 2015)

The next major expenditure incurred by GNPC in 2014 was a US\$50 million advanced to the Ministry of Finance, which represented approximately 28% of total expenditure in 2014. According to the GNPC (and confirmed by the MoF), the US\$50 million was released at the request of the MoF to fund some components of the WCGIDP.

GNPC also spent a total of US\$14.23 million on several non-Jubilee projects. Table 27 provides the details of other petroleum projects, including the amount budgeted for each of the projects versus the actual expenditure and the reasons for the non-utilisation of the allocated amounts.

TABLE 26: UTILIZATION OF GNPC SHARE OF JUBILEE CRUDE OIL REVENUE

		2012 (US\$) JAN – DEC	Expenditure as % of Receipts	2013		2014	
SRN	<u>RECEIPTS FROM JUBILEE PROCEEDS</u>			<u>Amount</u>	<u>Expenditure as % of Receipts</u>	<u>Amount (US\$)</u>	<u>Expenditure as % of Receipt</u>
1	Level A Receipts (Equity Financing)	124,630,628		68,319,783	30.7%	44,162,009.67	24.4%
2	Level B Receipts (40% of net proceeds)	106,319,298		154,101,633.02	69.3%	136,550,493.86	75.6%
3	Total Amount Received:- (A)	230,949,926	100%	222,421,416.20	100.0%	180,712,503.53	100%
SRN	<u>USES OF AMOUNTS ALLOCATED:-</u>						
4	Jubilee Equity Financing Cost	125,824,747	54.5%	76,268,194.80	34.3%	47,414,812.16	26.2%
5	TEN Project Cost			3,027,153.21	1.4%	-	
6	Petroleum Projects other than Jubilee	10,784,028	4.7%	9,922,975.26	4.5%	14,227,280.61	7.9%
7	Gas projects related Costs	5,587,779	2.4%	-	-	-	-
8	Staff Costs	9,013,162	3.9%	9,695,076.70	4.4%	8,811,296.61	4.9%
9	General operational and administrative Capital expenditure	16,269,839	7.0%	9,819,889.50	4.4%	12,936,153.76	7.2%
10	BNP Paribas	-	-	31,337,309.53	14.1%	-	-
11	Amount appropriated by Bank of Ghana as Transfer charges	1,796,156	0.8%	2,323,269.07	1.0%	1,807,134.99	1.0%
12	Amount Advanced to Ministry of Finance	-	-			50,000,000	27.7%
13	Total Expenditure:- (B)	169,275,711	73.3%	142,393,867.06	64.0%	135,196,677.96	74.8%
14	Total Cash-yet-to-Spend (Committed to Projects):- (C=A-B)	61,674,215	26.7%	80,027,549.14	36.0%	45,515,825.57	25.2%
15	Add: Cash B/Fwd. (01.01.2013/2014) (D)			61,674,215.00		141,701,764.14	
17	Total Cash-Available:- (E=C+D)			141,701,764.14		187,217,589.71	

TABLE 27: EXPENDITURE ON PETROLEUM PROJECTS OTHER THAN JUBILEE

Projects	Brief Profile	Budget (U\$)	Expenditure (U\$)	Percentage Utilization	Reason for Non-utilization
North & South Tano Petroleum Projects	Conceptual engineering & reservoir studies	10,080,000.00	1,473,545.24	14.6%	Delayed approvals
TEN	Internal preparatory works to support drilling campaign	4,790,000.00	3,403,448.87	71.1%	On course
Voltaian Basin Petroleum Projects	Preliminary activities lending to samples collection & analyses to establish petroleum system and thermal maturity of the Source rocks and reservoir properties of the	22,850,000.00	2,127,874.17	9.3%	Change in Scope
South Deepwater Tano Petroleum Projects	G&G studies, data acquisition	4,260,000.00	1,151,891.37	27.0%	Protracted negotiations
Reservoir Characterization & Reserves Estimate	Phase III of RCRE, to be executed in house with the supervision of Consultants	1,940,000.00	918,289.71	47.3%	Timing differences (commitments in early 2015)
OCTP ENI PROJECT	Internal legal, commercial & other preparatory works to support project documentation & drilling campaign	2,320,000.00	1,085,799.25	46.8%	Delayed approvals
Hess	Portion of appraisal cost & internal preparatory works to support project	31,150,000.00	1,769,989.34	5.7%	Delayed approvals
Ultra Deepwater Keta Block (UDWK)	Detailed evaluation of the UDWK Block by undertaking extensive Geological, Geophysical and Engineering activities, the work programme will encompass analysis of the petroleum systems and well results	55,440,000.00	687,057.87	1.2%	Protracted negotiations with partners
Explorco	Setup and recruitment of Petro-technical Staff	1,000,000.00	826,977.96	82.7%	On course
Maritime Boundary Special Project	The identification, collection and systemization of all historical, economic, legal and diplomatic data and information relating to the defence of Ghana's maritime boundaries	1,630,000.00	782,406.83	48.0%	Momentum shifted to 2015
TOTAL		135,460,000.00	14,227,280.61	35.4%	

Findings/Highlights:

1. The GNPC was allocated an amount of US\$180.71 out of which US\$135.20 (representing 74.82%) was utilised leaving a balance of US\$45.52 million which when added to the accumulated balance of US\$141.70 million makes up total cash at hand to US\$187.22 million at the end of 2014. This means that for four years running, the GNPC has not fully utilized funds allocated to it. GNPC has explained to PIAC that the accumulated funds have been earmarked for capital investment projects that are yet to commence and that the funds have been invested pending the commencement of the projects in the pipeline projects.
2. An amount of US\$50 million was advanced to the Ministry of Finance. According to the MoF, the amount was supposed to be used to fund components of the WCGIDP and that the US\$17.94 million given to GNGC in January 2014 was funded from the GNPC advance. It is important to point out the quantum of GNPC's utilised funds would have been more than 50% of the allocated funds and the accumulated funds in excess of US\$230 million but for the advanced payment made to the MoF.

6.5 PERFORMANCE OF THE GHANA PETROLEUM FUNDS

In Table 20, a total of US\$388.23 million was transferred to the GPFs in 2014 compared to US\$351.05 million in 2013. Of this amount US\$217.76 million, representing 70% was lodged in the GSF with the remaining US\$116.47 million (or 30%) going into the GHF. As a result of the capping of the GSF at US\$250 million by the Minister of Finance in the 2014 Budget, an amount of US\$305.68 million, representing the excess over the capped amount, was withdrawn from the GSF during the period under review resulting in a closing balance of US\$286.64 million as indicated in Table 28. By the end of 2014, the combined GPFs had a balance of US\$535.56 million, out of which GSF had US\$286.64 million and GHF US\$248.92 million, as shown in Table 28.

Table 28 also reveals that the GPFs earned a net return on investment of approximately US\$5.85 million, up from US\$2.52 million in 2013. Of this amount, the GHF earned a net return of US\$4.32 million, up from US\$1.12 million in 2013 while the GSF earned US\$1.53 million

(representing a year-to-date return of 1.61%), up from US\$1.40 million. Details of the quarterly returns on the GPFs are as shown in Table 29.

TABLE 28: PERFORMANCE OF THE GHANA PETROLEUM FUNDS, 2011-2014

GHANA STABILIZATION FUND (US\$)				
	2011	2012	2013	2014
Opening Book Value	-	54,810,032	71,898,588	319,034,153
Receipt during the year	54,805,353	16,883,548	245,733,702	271,762,755
Income from Investments	4,679	214,049	1,413,341	1,549,380
Bank Charges	-	(9,041)	(11,477)	(17,556)
Less Withdrawal				(305,684,688)
<i>o/w Contingency Fund</i>				(17,433,144)
<i>o/w Debt Service Account</i>				(288,251,545)
Closing Book Value	54,810,032	71,898,587	319,034,153	286,644,044
GHANA HERITAGE FUND (US\$)				
	2011	2012	2013	2014
Opening Book Value	-	14,401,216	21,694,221	128,125,942
Receipts During the Year	14,400,002	7,235,806	105,314,444	116,469,752
Income from Investment	1,215	60,209	1,126,764	4,331,660
Bank Charges	-	(3,010)	(9,486)	(12,135)
Closing Book Value	14,401,216.33	21,694,221.10	128,125,942	248,915,220
COMBINED FUNDS (GSF & GHF)				
	2011	2012	2013	2014
Opening Book Value	-	69,211,248	93,592,809	447,160,096
Receipt during the Year	69,205,354	24,119,354	351,048,145	388,232,507
Income from Investments	5,894	274,258	2,540,104	5,881,040
Bank Charges	-	(12,051)	(20,963)	(29,691)
Closing Book Value	69,211,248	93,592,809	447,160,096	841,243,952
Less Transfer to:				
<i>Contingency Fund</i>	-	-	-	(17,433,144)
<i>Debt Servicing Account</i>				(288,251,545)
Closing book Value	69,211,248	93,592,809	447,160,096	535,559,264

Source: Bank of Ghana, 2015

The 2014 returns on the GPFs investments bring to US\$8.64 million the total returns earned since inception with GHF accounting for US\$5.50 million (63.61%) and the GSF yielding US\$3.14 million (36.39%) (BOG, 2015).

TABLE 29: PERFORMANCE OF THE GHANA PETROLEUM FUNDS IN 2014

Quarter End	Current Returns		Total Return Year to Date	
	Stabilisation (%)	Heritage (%)	Stabilisation (%)	Heritage (%)
March	0.133	0.406	0.809	1.554
June	0.71	2.44	1.47	5.37
September	-0.04	0.32	1.43	5.7
December	0.18	1.92	1.61	7.73

Source: Bank of Ghana, 2015

Findings/Highlights

1. The GPFs yielded a net return on investments of US\$5.85 million in 2014. The GHF earned a year- to-date return of 7.73% and accounted for approximately 74% of the total investment income (US\$4.32 million) earned in 2014 while the GSF earned a net return of US\$1.53 million (representing a year-to-date return of 1.61%).
2. An amount of US\$305.68 million representing the excess over the capped amount of US\$250 million was withdrawn from the GSF and transferred to the Contingency Fund and the Debt Servicing Account (DSA) leaving a balance of US\$286.64 million in the GSF.
3. The balance on the GSF at the end of 2014 was approximately 13% higher than the cap of US\$250 million.

6.6 UTILISATION OF THE WITHDRAWALS FROM THE GSF

As mentioned earlier in Section 6.5, the excess amount of US\$305.68 was withdrawn from the GSF after having been determined as the excess over the cap of US\$250 million. An analysis of how the excess amount was determined on a quarterly basis during the year is shown in Table 30.

TABLE 30: DETERMINATION OF FUNDS IN EXCESS OF THE CAP ON THE GSF

SN	ITEM	QUARTER 1	QUARTER 2	QUARTER 3
		AMOUNT (US\$)		
1	Opening Balance	319,034,153	250,000,000	250,000,000
2	Total Quarterly Receipts	106,911,886	14,696,603	114,217,613
3	Net PHF Investment Income	545,298	-	279,136
4	Closing Book Value	426,491,337	264,696,603	364,496,748
5	Less Cap	(250,000,000)	(250,000,000)	(250,000,000)
6	GSF Excess for Contingency Fund and Debt Repayment	176,491,337	14,696,603	114,496,748

Source: Ministry of Finance, 2015

Out of the excess amount withdrawn from the GSF, GH¢ 50 million (US\$17.43 million) was used to establish the Contingency Fund, in line with Article 175 and 177 of the 1992 Constitution. The remaining balance of US\$288.25 million was lodged into the Debt Service Account (DSA) for debt repayment, in accordance with Section 23 (4) of the PRMA as described in Table 31.

TABLE 31: UTILISATION OF EXCESS FUNDS OVER CAP TRANSFERRED FROM GSF

S/N	ITEM	ALLOCATED AMOUNT (US\$)	STATUS
1	Contingency	17,433,143.89	Account established in May 2014 by the BOG.
2	Debt Service Account for Debt Repayment	288,252,544.51	Last transfer effected in October 2014
2A	o/w Retirement of Domestic Marketable Instruments	179,808,824.61	Used to retire part of domestic marketable instruments on October 30 and December 31, 2014
3	Balance of the Debt Service Account	108,442,719.90	

Source Ministry of Finance, 2015

Table 31 shows that 58.82% of the excess funds that was transferred from the GSF into the DSA was utilised leaving a balance of US\$108.44 million as the end of December 2014.

Findings:

1. A total amount of US\$305.68 was withdrawn from the GSF in 2014 after having been determined as the excess amount over the cap of US\$250 million. Approximately 94% (US\$288.25 million) was transferred to the DSA while the remaining 6% (US\$17.43 million) went into the Contingency Fund.
2. Of US\$288.25 million transferred to the DSA, US\$179.81 million of which was used to retire domestic marketable instruments, leaving an outstanding balance of US\$108.44 million in the DSA as at end of the year under review.
3. The unutilised balance of US\$108.44 million in the DSA at the end of December would have earned 0.18% returns on investment (US\$195,197 in absolute terms) if it had been left in the GSF.
4. One hundred and fifty million United States Dollars (US\$150 million) of the excess funds was earmarked for the liquidation of part of the 2017 Eurobond in 2015. However, the sum total of the balance of 108.44 million and the US\$36.64 million (representing the untransferred excess funds over the cap at the end of 2014) will be less than the earmarked amount of US\$150 million.

SECTION 7

7. PROJECTED PETROLEUM REVENUES FOR 2015

The budget proposal of the GoG for 2015 originally indicated that the State was expecting to receive approximately US\$1,236.37 million in petroleum revenue (Table 32); approximately 59% more than the 2014 budget estimates and 26% more than 2014 actual petroleum receipts. This budget estimate was based on the following criteria as required by the PRMA:

- Benchmark Crude oil output 102,033 bopd; and,
- Benchmark crude oil price of US\$99.3760 per barrel.

TABLE 32: COMPOSITION OF PROJECTED 2015 PETROLEUM RECEIPTS COMPARED TO 2014

ITEM	2015	2014	% Change
	US\$	US\$	
TOTAL PETROLEUM RECEIPTS	1,236,371,543.12	978,017,692.7	26.4%
Royalties	185,227,862.53	192,812,796.81	-3.9%
<i>o/w Jubilee Royalties</i>	185,048,985.72	192,660,810.67	-4.0%
<i>o/w Saltpond Royalties</i>	178,876.81	151,986.14	17.7%
Carried and Participating Interest	479,602,309.41	499,330,322.55	-4.0%
Corporate Taxes	485,942,661.18	284,546,191.31	70.8%
Surface Rentals	1,447,960	907,050.59	59.6%
Gas Receipts	84,150,750	0	

Source: Ministry of Finance, 2015

Table 33 on the other hand indicates how the GoG proposed to allocate the petroleum revenues expected to accrue in 2014 in accordance with the PRMA.

TABLE 33: DISTRIBUTION OF PROJECTED 2015 PETROLEUM RECEIPTS

ITEM	US\$
ALLOCATION OF PETROLEUM RECEIPTS	1,236,371,543.12
Transfer to National Oil Company (NOC)	205,202,522.87
o/w Equity Financing	87,602,614
o/w 30% share of Net Carried & Participating Interest	117,599,908.52
Benchmark Revenue (BR)	1,031,169,020.25
o/w Annual Budget Funding Amount	721,818,314.17
o/w Transfer to the Ghana Petroleum Funds	309,350,706.07
o/w Ghana Stabilization Fund	216,545,494.25
o/w Ghana Heritage Fund	92,805,211.82

Source: Budget Statement, 2015

7.1 OBSERVATIONS ON THE PROJECTED REVENUES FOR 2015

The benchmark revenue for 2015 was projected to grow by 26.4% (US\$258.35 million in absolute terms) from US\$978.02 million in 2014 to US\$1,236.37 in 2015 using an assumed benchmark price of US\$99.3760 per barrel and benchmark output of 102,033 bopd. As can be seen from Table 32, the Ministry of Finance had projected that petroleum revenues from CAPI and Royalties were expected to drop marginally from their 2014 actual levels while revenues from CIT and Surface Rentals were expected to grow significantly with revenues from CIT expected to account for approximately 78% (US\$201.41 million) of the estimated US\$258.35 million year-on-year increase in total petroleum receipts.

PIAC had some reservations about the projected benchmark revenues for 2015 for two main reasons:

1. Global crude oil price was in a virtual free fall at the end of 2014;
2. The projected 71% increase in Corporate Income Taxes, did not appear realistic given that projected prices and output were unlikely to be met.

However, the Minister of Finance went back to Parliament during the first quarter of 2015 to revise its projection downwards. PIAC therefore wishes to commend the Minister for taking the pragmatic step to adjust the forecasts for petroleum receipts in the light of market reality rather than sticking to the pricing methodology prescribed by the PRMA.

SECTION 8

8. SUMMARY OF KEY FINDINGS AND RECOMMENDATIONS

8.1 SUMMARY OF KEY FINDINGS

WESTERN CORRIDOR GAS INFRASTRUCTURE DEVELOPMENT PROJECT

1. The Western Corridor Gas Infrastructure Development Project (WCGIDP) was completed and commissioned during the period under review;
2. An amount of US\$131.05 million was disbursed to the WCGIDP in 2014 bringing to US\$729.99 million the total disbursement to the project since 2012. Eighty-five per cent (85%) of the amount (US\$620.49 million) has been financed with the CDB loan with the remaining 15% (US\$109.50 million) being matching-funds provided by the GoG.
3. An amount of US\$17.94 million was released to GNGC in 2014 as additional capitalisation bringing to US\$40.94 million total disbursement to the company since its establishment.
4. Payment of compensation to farmers whose crops were destroyed during the execution of the WCGIDP has been completed following the payment of compensation package totalling GH¢ 8.7 million cedis to 2,378 farmers in 58 communities. Payment of land compensation is yet to start.

PRODUCTION, LIFTING AND MARKETING

5. The average achieved price of US\$103.504 per barrel and actual average daily production of 101,922 bopd realised in 2014 exceeded their projected targets by approximately 11% and 10% respectively compared to benchmark price of US\$93.34 per barrel and benchmark output of 93,029 bopd used by the Government of Ghana in determining the Benchmark Revenue (BR) for 2014.
6. For the first time since oil production commenced in late 2010, 1,906 mmscf of natural gas (representing 3.42% of total gas production in 2014) was exported to the Atuabo Gas Processing Plant to be used for the commissioning of the plant and for processing into derivatives such as LPG and Condensates.
7. There are discrepancies in the crude oil production figures from the Saltpond field. Whereas figures obtained from the SOPCL point to a marginal increase in the year-to-year production of crude oil, figures published by the Ministry of Finance and GNPC indicate that production had in fact declined in 2014. Similarly, the lifting figures from the SOPCL and MoF/GNPC sources differed with SOPCL reporting increment in lifting while MoF/GNPC indicating otherwise.
8. The Ghana Group lifted 7,681,120 barrels of oil representing 20.77% of total production in 2014 compared to the GoG share of 18.64% in the unitized Jubilee field.

PETROLEUM RECEIPTS

9. Actual petroleum receipts (US\$978.02 million) exceeded projected revenues (US\$777 million) by over US\$200 million (27%) on the back of better-than forecasted crude oil price and production volumes;
10. The steady decline of crude oil prices during the second half of 2014 did not have any adverse effect on the expected revenues from the petroleum sector.
11. An amount of US\$0.802 million being a 2011 undistributed surface rental paid into GOG account prior to the establishment of the PHF was transferred to the PHF.

12. A surface rental bill for US\$67,438.36 issued to Oranto/Stone Energy in February 21, 2013 for still remains outstanding at end of 2014. It is unclear why this invoice has not been honoured, especially considering the fact that Oranto paid surface rental during the period under review.
13. Four hundred million standard cubic feet (400 mmscf) out of the 1,906 mmscf supplied to the Atuabo Gas Processing Plant in 2014 was supplied free of charge by the Jubilee Partners for the commissioning of the plant while the remaining 1,506 mmscf was billed and an invoice of US\$4,630,642.86 raised and presented for payment in January 2015. No payment was received for the gas supplied in 2014.
14. Nearly US\$ 3 billion (US\$ 2.811 billion) has accrued to State as petroleum revenues since first oil in 2010 is as at the end of 2014.

ALLOCATION AND UTILIZATION OF PETROLEUM RECEIPTS

15. The 2014 petroleum revenue of US\$978.02 million was distributed as follows:
- a. US\$180.71 million went to the GNPC in respect of its Equity Financing and share of CAPI;
 - b. US\$409.07 million (51.31%) of the net revenue to the GoG went to the ABFA;
 - c. US\$388.23 million (48.69%) was transferred to the GPFs with 70% of it (US\$ 271.76 million) going into the GSF and 30% (US\$116.47 million) going to the GHF;
16. The allocation to the ABFA in 2014 was distributed to only three priority areas in the following proportions:
- a. Expenditure and Amortisation of Loans – GH¢163.08 million (29.68%);
 - b. Roads and Other Infrastructure – GH¢215.69 million (39.26%)
 - c. Agriculture Modernisation – GH¢170.62 million (31.06%)
17. No allocation was made to the 'Capacity Building' priority area in 2014 because planned expenditure was contingent upon the CDB-related SME Projects Incubation Facility which never took off;

18. Whereas the cedi equivalent of the US\$17.76 (GH¢44.78 million) used to connect the FPSO to the Atuabo Gas Processing Plant was captured as part of GH¢163.08 million spent on the expenditure and amortisation of loans priority area in 2014, the US\$17.94 disbursed to GNGC in January 2014 was not. According the MoF, the amount was paid out of US\$50 million advance given to the MoF by GNPC.
19. Approximately 60% (GH¢128.22 million) of the total allocation to the 'road and other infrastructure' priority area was spent constructing, rehabilitating, upgrading, resurfacing a total of sixty-four (64) roads and road related ancillary works. Forty-two (42) of the roads and highway-related projects were new projects while 22 of them road networks that had benefited from ABFA support between 2011 and 2013.
20. The share of ABFA allocated to road projects represented less than 17% of the Roads and Highways sector budget in 2014. Thus, as observed in the 2013 PIAC Annual Report, the ABFA continues to be used largely as partial funding for the 'beneficiary road' projects.
21. The remaining 41% (GH¢87.47 million) of the allocation of the ABFA to the 'Roads and Other Infrastructure Priority Area' was spent on infrastructure in the energy and education sectors with approximately 86% of the investments going to the energy sector.
22. The contribution of the ABFA to the energy sector budget for 2014 represents 0.89% of the total budgetary allocation to the sector while the share of the ABFA spending in the educational sector represents 0.02% of the allocation to the educational sector.
23. An expenditure of GH¢3.87 million related to the WCGIDP was charged to the 'road and other infrastructure' priority areas rather than the 'expenditure and amortisation of loans' category even though a significant proportion of the allocations to latter was unutilised during the period under review.
24. Fifty-five per cent (55%) or GH¢666.06 million of the 2014 ABFA allocation was not utilised as a result of the non-disbursement of the CDB loan for existing projects as well as the capping of the CDB facility during the latter part of 2014.

25. The ABFA allocation to the ‘agriculture modernisation’ priority areas in 2014 represents over 1,100% more than the allocation in the preceding year and nearly twice the cumulative allocation to that priority areas since 2011.
26. Approximately 70% (GH¢118.38 million) of the total allocation to the agriculture modernisation priority area in 2014 went to finance the construction of 4 sea defence walls in as many fishing communities with less than 4% (GH¢5.15 million) going into the rehabilitation of irrigation infrastructure.
27. The GNPC utilised US\$135.20 (representing approximately 75%) of its total allocation in 2014 leaving a balance of US\$45.52 million which when added to its accumulated balance of US\$141.70 million translates to an end of year total cash at hand of US\$187.22 million.
28. The GNPC gave an amount of US\$50 million to the Ministry of Finance as advance without providing any details in their report to PIAC as to why the amount was advanced. The quantum of GNPC’s utilised funds would have been more than 50% of the allocated funds in 2014 and the accumulated funds in excess of US\$230 million but for the advanced payment made to the MoF.

PERFORMANCE OF GHANA PETROLEUM FUNDS

29. The GPFs yielded a net return on investments of US\$5.85 million in 2014 with the GHF contributing 74% of the total investment income (US\$4.32 million) representing a year-to-date returns of 7.73% and the GSF accounting for the remaining US\$1.53 million (representing 26% and a year-to-date return of 1.61%).
30. A total of US\$305.68 million deemed excess over the capped amount of US\$250 million was withdrawn from the GSF and transferred to the Contingency Fund and the Debt Servicing Account leaving an outstanding balance of US\$286.64 million in the GSF.
31. The outstanding balance on the GSF at the end of 2014 was approximately 13% higher than the set cap of US\$250 million.

UTILISATION OF WITHDRAWALS FROM GHANA STABILISATION FUNDS

32. Approximately 94% of the withdrawals from the GSF (US\$288.25million) was transferred to the Debt Service Account (DSA) with the remaining 6% (US\$17.43) going into the Contingency Fund. Approximately 62% (US\$179.81 million) of the amount lodged in the DSA was used to retire domestic marketable instruments leaving a year-ending balance of US\$108.44 million.
33. The unutilised balance of US\$108.44 million in the Debt Service Account at the end of December would have earned 0.18% returns on investment (US\$195,197 in absolute terms) if it had been left in the GSF.

8.2 CONCLUSIONS

ALLOCATION OF THE ABFA

Based on the findings made in respect of how the ABFA was allocated and utilised during the period under review, it is clear that the 2014 ABFA was allocated to fewer sectors than in the previous years. For example, the 2014 ABFA allocation to the 'Road and Other Infrastructure' priority area was spent on only 3 sectors – roads and highways, education and energy – compared to as many as 8 sectors in 2012 and 5 sectors in 2013. Although this is a positive move which deserves commendation, a detailed analysis of the roads and other infrastructure projects (Appendix 3) indicates that the ABFA is still being spread thinly on several projects within the sectors effectively minimizing its potential impacts. As mentioned above, the ABFA was expected to contribute approximately 18% to road and highway sector budget for 2014 (actual allocation was less – 16.45%); and less than 1% to the energy (0.89%) and education sectors (0.02%) during the same period. With a mean (average) expenditure of around GH¢1,623,019 on the various road projects, it is improbable that the contribution of the ABFA to the beneficiary road infrastructure could be measurable and even if measured be significant.

Similar conclusions could be drawn in the case of the allocations to the energy and education sectors.

Although the disbursements to the agriculture modernization priority area witnessed a staggering 1,155% increase over the 2013 allocation, nearly 70% of the amount was expended on projects (construction of sea defence walls) that cannot be said to be directly related to modernisation of the fisheries and aquaculture sub-sector. This notwithstanding, the over 150% increase in the allocation to rehabilitation of irrigation infrastructure and GH¢46.32 million allocated to the National Fertilizer Programme is a step in the right direction which ought to be commended.

WITHDRAWALS FROM THE GSF

In the 2013 PIAC Annual Report, the Committee expressed concerns about the introduction of a cap on the GSF on two main grounds: that the cap was being introduced retrospectively and that the condition precedence [Section 12(5)] – i.e. *...transfer out of the Ghana Stabilisation Fund shall only be done for the purpose of alleviating shortfalls in actual petroleum revenue...* had not been met. The PIAC was apprehensive about the fact that the GoG was using the cap to access the GSF when there has not been a shortfall in petroleum revenue and that the introduction of the cap was going to deprive GSF of the much-needed funds that would be required to smoothen future extreme shocks in petroleum revenues.

The implementation of the cap in 2014 has confirmed PIAC's worst fears that the policy will weaken the resilience of the Ghanaian economy to shocks caused by significant drops in petroleum revenues, which is precisely what the framers of the PRMA had intended the GSF to do – a tool to insulate budget implementation and the economy from swings in oil and gas revenues. As things stand at the moment, the ability of the GSF to cushion any sudden shortfalls in petroleum revenues has been restricted to a maximum amount of US\$250 million. PIAC is of the view that the introduction of the cap has made the Ghanaian economy more vulnerable to the volatility of petroleum revenues and therefore the need for the capping policy to be looked at again.

Another issue of concern has to do with the situation whereby withdrawals made from GSF to the DSA were unutilised during the period under review. Although the Section 23(5) stipulates the period within which the transfers from the GSF should be made *...not later than the end of*

the month after the quarter in respect of which the excess revenue was calculated... and thus the Minister of Finance cannot be faulted for having transferred the excess funds into the DSA, care should be taken to prevent the recurrence of situation that occurred in 2014 whereby funds which could have yielded some returns had it been left in the GHF were transferred to DSA and not utilised. For instance, the Minister of Finance indicated in November 2014 that it had earmarked an amount US\$150 million for the management of the 2017 Eurobond in 2015. In spite of the fact this expenditure was not be incurred until 2015, the part of the said amount was left in the DSA whereas close to US\$200,000 could potentially had been earned had the said amount been left in the GSF and transferred only when the payment was to be made.

Furthermore, Section 23 (4) mandates that debts to be repaid with the excess funds transferred to the DSA ought to be approved by Parliament. PIAC did not sight any record of the Minister of Finance having obtained specific Parliamentary approval regarding the domestic marketable instruments that were serviced in October and December 2014 with part of the transfers into the DSA.

PERFORMANCE OF STAKEHOLDER INSTITUTIONS

On the whole, PIAC found the performance of state institutions tasked with the responsibility of managing the country's petroleum resources in 2014 to be reasonably satisfactory, in so far as compliance with the Act is concerned. There were however few instances where the Committee felt that there was room for improvement in the discharge of certain aspects of the functions of the institutions. All such areas of concern have been well-articulated in the report and specific recommendations for addressing them proffered. It is PIAC's sincere hope that these recommendations would be taken on board by the relevant institutions to help deepen transparency and accountability in the petroleum sector in the coming years.

8.3 RECOMMENDATIONS

1. The Ministry of Finance should be requested by the Public Accounts Committee and/or Finance Committee of Parliament to explain the seeming discrepancies in the way the 2013 ABFA allocation of GH ¢ 137.92 to the "Expenditure and Amortisation of Loans" priority area

was utilised. The MOF should also be made to explain how the US\$14.94 million disbursed to the GNGC was funded since it does not feature in its breakdown of the 2014 expenditure.

2. The SOPCL and the MoF/GNPC must resolve the discrepancies in the production and lifting figures from the Saltpond field so as to help determine the actual royalties that ought to have been paid as well as establishing the true performance/state of affairs at the Saltpond field.
3. There is also the urgent need for a critical appraisal of the viability of the continuous operation of the Saltpond field against the backdrop of low crude oil price. With crude oil price projected to hover around US\$52 in 2015, the business case for operating the Saltpond field in 2015 has been further weakened considering that fact the oilfield produced a barrel of crude oil at a costs US\$31.22 in 2014.
4. Oranto/Stone Energy should be compelled by GRA as a matter of urgency to pay the outstanding surface rental invoice in addition to penalty for default as specified in Section 3 (4) of the PRMA.
5. There is an urgent need for the ABFA to be better-targeted and well-focused so as to help maximize its effectiveness and impact in the socio-economic development of Ghana. PIAC is therefore calling for a national dialogue/debate on the how best the nation could derive the most benefits from its hydrocarbon resources. The proposed dialogue should preferably take place before the next budget and its outcomes used to inform ABFA allocation in the 2016 budget.
6. In order to forestall arbitrariness and to deepen accountability and responsiveness in the management of petroleum revenues, Parliament should make it mandatory that the Reconciliation Report submitted by Minister of Finance during the first of quarter of every year should include a report detailing the outcomes/impacts of ABFA spending in the preceding year, the list of the projects to be supported by the ABFA in the current year and the justification for selecting of the projects.

7. The Investment Advisory Committee or any other relevant state institution should prepare guidelines or regulations on how unutilised ABFA resources should be handled so as to forestall the recurrence of situation experienced in 2014 whereby US\$222.93 million (GH ¢ 666.06 million) remained in the Consolidated Fund through the entire year.
8. Section 23(4) should be amended to allow any excess funds over the cap to remain in the GSF until such a time that debt repayments are to be made before being transferred into the DSA.
9. The GNPC must also publish the returns earned on the unutilised cash-in-hand of US\$187.22million, which it said was invested in anticipation of pipeline projects.
10. In order to facilitate easy reconciliation and authentication of payments and disbursements of the ABFA to various priority areas, the exchange rate(s) used to convert the amounts into cedis should be stated in the Annual and Reconciliation Reports on the Petroleum Funds.

SECTION 9

9. PIAC ACTIVITIES IN 2014

Since its establishment in 2011 by PRMA (Act 815), the Public Interest and Accountability Committee (PIAC) has continued to pursue its mandate of monitoring and evaluating compliance with the Act by the Government and other relevant institutions in the management and use of petroleum revenues as well as providing a platform for public debate on spending prospects of petroleum revenues in line with development priorities.

The period under review was no different as the Committee undertook a number of activities in keeping with its mandate. Below is a summary of the key happenings and activities of PIAC in 2014.

Committee Meetings

The Committee held a total of 11 general meetings. In addition to the general meetings, the various sub-committees met on several occasions during the year. The breakdown of the sub-committee meetings is as follows:

- Technical Sub-Committee – 11 meetings
- Legal Sub-Committee – 5 meetings
- Communications/Publicity Sub-Committee – 8 meetings
- Procurement Sub-Committee – 2 meetings

Activities

Publication of Annual and Semi-Annual Reports

As required by Act 815, the Committee prepared and published the 2013 edition of its Semi and Full Year Reports on the management of oil revenues by the government and other institutions. The 2013 Annual Report was launched at the Coconut Grove Regency Hotel in October, 2014. The cost of printing both reports was borne by the GIZ.



FIGURE 8: CHAIRMAN OF THE OCCASION LAUNCHING THE 2013 PIAC ANNUAL REPORT



FIGURE 9: SECTION OF PARTICIPANTS AT THE LAUNCH OF THE 2013 PIAC ANNUAL REPORT

Public Meetings

As part of the strategies for disseminating the findings of its reports and creating the platform for the citizenry to deliberate on the findings, the Committee held two public meetings in two regional capitals – Tamale and Koforidua – in the Northern and Eastern Regions respectively. This brings to five the number of public forums held by the Committee since 2011.

The Tamale forum was held on April 29, 2014 at the Modern City Hotel while the Koforidua event took place on December 4, 2014 at the Royal Mac-Dic Hotel. The meetings were well attended by participants drawn from traditional authorities, religious leaders, labour unions, the media and members of the general public. The content of the 2012 Annual and the 2013 Semi-Annual Reports were presented at the fora and participants given the opportunity to ask questions after the presentations. A number of interesting and useful responses were given at the forums. Notable among them was the suggestion that government should endeavour to invest the petroleum revenues in the productive sectors of the economy (especially agriculture) and the need to empower the citizenry to perform independent monitoring at the local level.



FIGURE 10: PIAC CHAIRMAN DELIVERING A PRESENTATION AT THE TAMALE FORUM



FIGURE 11: SECTION OF PARTICIPANTS AT THE TAMALE FORUM

Meeting with the Ghana Audit Service

To help forge closer partnership with other transparency and accountability institutions in Ghana, the PIAC met with some senior officials of the Ghana Audit Service to discuss and explore opportunities and avenues for effective collaboration towards deepening accountability in the petroleum sector. Following the meeting, it was agreed that regular meetings would be held between the two institutions to discuss the findings that would emerge from the audits of institutions involved in the management of petroleum revenues.

Membership

Although PIAC's membership is supposed to be 13, only 12 were sworn-in in 2011 because the nominee of the Ghana Academy of Arts and Sciences (GAAS) had not been selected at the time of the induction. The number remained the same till the second half of 2014 when the Committee decided to invite the GAAS nominee, Prof. P. K. Buah-Bassuah, who had been selected way back in 2012 but not formally sworn into office – to participate in its meeting.

Two members of the Committee – Naa Ayiekailey Nanobeng (nominee of the Queen Mothers' Association) and Mr. Kwabena Otoo Nyarko (nominee of the Trade Union Congress) –had to be replaced by their nominating institutions owing to ill-health and the pursuit of further studies abroad respectively during the period under review. Naa Koteitsoo Afrasomanso I is the current nominee of the Queen Mothers' Association while Mr. Prince Asafu-Adjaye is the TUC nominee on the Committee.

Appointment of New Members

Pursuant to the Rules of Procedure adopted by the Committee and in compliance with the PRMA, the following members completed their terms on the Committee and were duly replaced by their nominating institutions as shown below:

Name of Outgoing Member	Nominating Institution	Name of Incoming Member
Mrs. Angela Peasah	Christian Groups	Mr. Samuel Zan Akologo
Hajj Kpakpo Addo	Muslim Groups	Mr. Mohammed Affum
Mr. Ishmael Edjekumhene	CSOs/CBOs	Mr. Kwame Jantuah
Mr. Douglas Boateng	AGI/GCCI	Mr. Charles Atuahene
Dr. John Kwakye	Think Tanks	Yet to nominated.

The new members, with exception of Mr. Akologo who had travelled out of country at the time, were duly sworn-in on 21st November, 2014 by the Deputy Minister of Finance, Honorable Ato Forson. Mr. Samuel Zan Akologo has since been sworn-in.

Election of New Leadership

In accordance with the Rules of Procedure of the PIAC, Prof P. K. Buah-Bassuah was elected Chairperson and Mr. Kwame Jantuah Vice-Chairperson, to replace Major Daniel Ablorh-Quarcoo (Rtd) and Osabarimba Kwesi Attah II, who had completed their respective tenures. They fully took office on 1st January, 2015.

Office Accommodation

In November 2014, the PIAC faced the unpleasant experience of being evicted from its rented office premises at Asylum Down following the expiry of its 2-year tenancy and the refusal of the property owner to renew the agreement. Consequently, the Secretariat had to be relocated temporarily to the Natural Resource Governance Institute (NRGI). However, a new office premises has since been acquired and the Committee has moved in.

Challenges

Funding

The PIAC presented a budget of GH ¢ 978,126 for the year 2014 to the Government of Ghana. An allocation of GH ¢ 500,000 (representing 51%) was made by the Ministry of Finance and communicated to the Committee. However, only GH ¢ 250,000 of the allocated amount (representing 50%) was actually released to the Committee. This means that PIAC received only a quarter of its budget for 2014. This situation seriously compromised the ability of the committee to effectively deliver its statutory mandate and resulted, inter alia, in the late publication of the Committee's reports in 2014.

Staffing

Inadequate staffing at the Secretariat is another challenge hampering the work of the Committee. During the period under review, the staff strength is two.

Sponsorship

In September 2014, an agreement was signed between the UK Department of International Development (DfID) and the NRG (on behalf of the PIAC) for the implementation of a 5-year sponsorship programme covering the period 2014-2019 worth GHS1,573,290.64. The programme is intended to assist the PIAC to be better resourced financially to undertake its programmes and build the capacity of the Secretariat to support the work of the Committee. This is a welcome relief and the Committee hopes in the beginning of better things to come as far the funding situation is concerned.

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ANNEXURE

APPENDIX 1: CRUDE OIL LIFTINGS BY JUBILEE PARTNERS (JAN-DEC 2014)

NO	LIFTING DATE	NAME OF JUBILEE PARTNER	QTY LIFTED (BBLs)
1	8-Jan-14	Tullow Ghana Ltd -0031	995,221
2	18-Jan-14	Kosmos -0021	942,711
3	29-Jan-14	Ghana Group-0017	947,220
4	6-Feb-14	Tullow Ghana Ltd-0032	984,888
5	16-Feb-14	Anadarko & Petro SA Ghana Limited-0023	994,273
6	25-Feb-14	Kosmos-0022	994,758
7	6-Mar-14	Tullow Ghana Ltd-0033	994,540
8	15-Mar-14	Anadarko & Petro SA Ghana Limited-0024	950,225
9	25-Mar-14	Ghana Group-0018	947,276
10	5-Apr-14	Tullow Ghana Ltd-0034	947,131
11	13-Apr-14	Kosmos-0023	947,081
12	23-Apr-14	Anadarko & Petro SA-0025	995,460
13	3-May-14	Tullow Ghana Ltd-0035	994,912
14	13-May-14	Ghana Group-0019	947,574
15	21-May-14	Kosmos-0024	995,070
16	1-Jun-14	Anadarko & Petro SA-0026	994,352
17	9-Jun-14	Tullow Ghana Ltd-0036	948,061
18	18-Jun-14	Kosmos-0025	973,810
19	27-Jun-14	Tullow Ghana Ltd-0037	976,094
20	8-Jul-14	Anadarko & Petro SA Ghana Ltd-0027	927,568
21	17-Jul-13	Ghana Group-0020	987,415
22	26-Jul-14	Tullow Ghana Ltd-0038	995,069
23	5-Aug-14	Kosmos-0026	995,269
24	14-Aug-14	Anadarko & Petro SA Ghana Ltd-0028	950,577
25	23-Aug-14	Tullow Ghana Ltd-0039	995,382
26	2-Sep-14	Ghana Group-0021	995,230
27	12-Sep-14	Anadarko & Petro SA Ghana Ltd-0029	960,009
28	21-Sep-14	Tullow Ghana Ltd-0040	994,064
29	1-Oct-14	Kosmos-0027	910,214
30	10-Oct-14	Ghana Group-0021	948,894
31	20-Oct-14	Tullow Ghana Ltd-0041	995,928
32	29-Oct-14	Anadarko&PetroSA-0030	994,686
33	8-Nov-14	Kosmos-0028	973,795

34	18-Nov-14	Tullow Ghana Ltd-0042	994,712
35	28-Nov-14	Tullow Ghana Ltd-0043	995,606
36	8-Dec-14	Ghana Group-0023	912,346
37	18-Dec-14	Kosmos-0029	995,729
38	28-Dec-14	Ghana Group-0024	995,165
	TOTAL		36,988,315

Source: GNPC, 2014

APPENDIX 2: LIST OF ROAD PROJECTS FUNDED BY ABFA IN 2014

No	Project Name	Region	Amount (GH ¢)
1.	Emergency works on Bekpo-Bleamazado- Tregui-Agortue Feeder Road	Western	135,527
2.	Bitumen Surfacing of Shama Town Roads	Western	642,374
3.	Rehabilitation of Ola Estate Roads	Central	419,985
4.	Bitumen Surfacing of Tanoso-Bomaa-Tepa Feeder Road	Brong Ahafo	757,480
5.	Rehabilitation of Abura Bypass and Links in Cape Coast	Central	325,508
6.	Bitumen Surfacing of Walewale-Wungu Feeder Roads	Northern	731,842
7.	Construction of steel bridge on river Tordor on ToveJn-Yevuyiborkope-Wwukpo-Waya-Maf iKumase Feeder Road	Volta	348,383
8.	Bitumen surfacing of New Tafo-Nobi-Samlesi-Anwiabeng Feeder road	Eastern	738,741
9.	Construction of Steel bridge on river Ponpon on Nsutapong-Chakachakam-Osuobri Ponponse Feeder Road	Eastern	2,599,161
10.	Rehabilitation of Obogu-Ofoase-Gyadem Bodwesango-Adansi Asokwa Road	Ashanti	5,652,137
11.	Rehabilitation of 10 th Avenue Extension and Nii Adai Ayiku Road Nungua	Greater Accra	1,777,121
12.	Upgrading of Akatsi Ziope Road	Volta	3,632,056
13.	Reconstruction of Have Kpando Road	Volta	2,225,633
14.	Rehabilitation of Anyinasu Sekyeredumase Road	Ashanti	326,409
15.	Bitumen Surfacing of Abor-Avenorpeme - Hatogodo Feeder Roads	Volta	2,038,582
16.	Construction of Steel Bridge across river Asukese on AnyinaseJn-Etwereso Feeder Road	Western	112,301
17.	Emergency Works for the upgrading of Ho-Adidome Road project	Volta	2,874,514
18.	Costruction of Bamboi- Bole Road	Northern	254,864
19.	Upgrading of Tumu-Gwollu Hamile Road	Upper West	2,311,462
20.	Construction of Roads and other Infrastructural Amenities for the University of Health and Allied Sciences at Sokode	Volta	1,182,177
21.	Upgrading Of Sogakope-Adidome Road, Asiekpe-Mafi Kumasi Road and Sogakope Senior High School Access Road	Volta	6,945,083
22.	Bitumen Surfacing of Asikuma-Baako Anyinabrim Feeder road	Central	53,109
23.	Upgrading of Nadowli Lawra Hamile Road	Upper West	124,988
24.	Upgrading of Nadowli Lawra Hamile Road	Upper West	68,151
25.	Construction of Wa Han Road	Upper west	480,782
26.	Construction of Navorongo Tumu Road	Upper West/East	266,188
27.	Emergency construction of storm drain and some related roads in Accra - Rehabilitation Of Miklin Hotel Area Roads	Greater Accra	568,525
28.	Construction of steel bridge over river Akora on Agona Nsabaa- Agona Nkran Feeder Road	Central	156,823
29.	Bitumen Surfacing of Shama Town Roads	Western	772,833
30.	Construction of Enchi-Dadieso Road	Western	5,021,106
31.	Upgrading of Agyenkwaso-Anomabo-Gyadem Road	Ashanti	2,139,160
32.	Upgrading of Agyenkwaso-Anomabo Gyadem Road	Ashanti	380,721
33.	Emergency upgrading of Antoa-Tikrom Road and others	Ashanti	2,012,560

34.	Upgrading of Asekye-Busunya-Dromakese Road	Brong Ahafo	3,756,548
35.	Resealing/Partial Reconstruction of Mankessim – Abura Dunkwa Road	Central	1,876,307
36.	Rehabilitation of Mampong-Boanim Jamasi Road	Ashanti	13,862
37.	Upgrading of Besoro (Kumawu) - Agogo Road	Ashanti	57,763
38.	Rehabilitation of Obogu Ofoase Gyadem Bodwesango Adansi Road	Ashanti	3,123,866
39.	Construction of Ho Nyive Honuta Kpedze Road Tokokoe Ave Shia and Nyive Atikpui	Volta	4,070,126
40.	Upgrading of Kumawu Timaate Drobonso Road	Ashanti	2,612,926
41.	Upgrading of Dormaa Ahenkro Nkrankwanta Road	Brong Ahafo	1,161,471
42.	Emergency Rehabilitation Works of Old Ada And Light Industrial Area Roads	Greater Accra	2,769,459
43.	Gravelling of selected roads at Wiawso Area, Techiman	Brong Ahafo	570,045
44.	Rehabilitation of Obuasi Junction Dunkwa Road	Ashanti/Central	1,158,568
45.	Bitumen surfacing of New Tafo -Nobi- Samlesi-Anwiabeng Feeder Road	Eastern	959,844
46.	Upgrading of Hansuah Roads and links Techiman	Brong Ahafo	2,112,286
47.	Resealing/Partial Reconstruction of Otum Essuehyia Road	Central	52,185
48.	Construction of steel bridge over river Offin on Ahenkro-Boamang-Amoako Feeder Road	Ashanti	32,464
49.	Final Retention in respect of Surfacing of Fomena Town Roads	Ashanti	15,323
50.	Bitumen surfacing of Aflao Town Roads & Keta Area roads	Volta	545,637
51.	Construction of Steel bridge on Badu-Adamu-Adentia Feeder Road	Brong Ahafo	210,897
52.	Reconstruction of Berekum Sampa Road	Brong Ahafo	234,764
53.	Upgrading of Dormaa Ahenkro Nkrankwanta Road	Brong Ahafo	103,456
54.	Construction of Walkway along Dansoman Highway	Greater Accra	417,405
55.	Rehabilitation of Bremang-UGC and Sepe Dote Main Road in Kumasi	Ashanti	4,137,008
56.	Upgrading of Abawa Ruth Road/Resealing Of Selected Roads In Kumasi	Ashanti	2,595,863
57.	Bitumen Surfacing of Shama Town Roads	Western	552,892
58.	Rehabilitation of Lormnava Road (3.0km), Ga South	Greater Accra	1,165,093
59.	Replacement of weak Steel Bridge with 75m Span Pre-stressed Concrete Box Girder Bridge over the Brenya Lagoon at Elmina	Central	2,202,410
60.	Reconstruction of Sunyani Road in Kumasi	Brong Ahafo	2,426,275
61.	Upgrading of Adukrom Area Roads, Kumasi	Ashanti	422,085
62.	Upgrading of Adukrom Area Roads, Kumasi	Ashanti	1,166,322
63.	Upgrading of Adukrom Area Roads Kumasi	Ashanti	441,620
64.	Bitumen surfacing of Aflao Town roads Phase 2 & Keta Area Town roads	Volta	415,468
65.	Construction of Steel bridge over river Kpandu on Yunyoo- Gbindiri-Jamie Feeder road	Northern	236,707
66.	Surfacing of AmantenajN-Wioso Feeder Road	Ashanti	257,403

67.	Construction of steel bridge over river Dayi on Gbi Kledjo-Mida Farms Feeder road	Volta	326,598
68.	Dualization of Kansawurodo bypass	Western	4,599,266
69.	Upgrading of bitumen Surfacing of Mortuary Road & Access To Hospital	Unclassified	156,839
70.	Emergency asphaltic overlay of selected Arterial Roads in Sekondi Takoradi	Western	1,980,839
71.	Partial reconstruction of Trom Junction - Somanya – Odumase Kpong Road (15.8km)	Eastern	10,131,194
72.	Partial reconstruction of Odumase Oterkpolu Road (23.3km) (Km 0-17) Lot 2 as an Addendum to Upgrading of KumawuTimate Drobonso Road	Eastern	4,958,135
73.	Partial Re-reconstruction of Odumase Oterkpolu Road(23.3km)	Eastern	7,853,786
74.	Reconstruction of Presby Road To Rowi Road,Adentan	Greater Accra	465,954
75.	Rehabilitation of Odorna Garage Area &Tudu Roads	Greater Accra	552,676
76.	Surfacing of Fawode-Adwuman-Kenyasi Feeder Road	Ashanti	383,157
77.	Rehabilitation of Achimota Bypass Road to West Legon Accra	Greater Accra	1,786,314
78.	Rehabilitation of St. Peters 3rd Gate Road, Adenta	Greater Accra	4,147,257
79.	Partial Reconstruction of selected Roads At Ayawaso	Greater Accra	925,882
SUB-TOTAL			128,218,531

Source: Ministry of Finance, 2015

APPENDIX 3: LIST OF OTHER INFRASTRUCTURE PROJECTS FUNDED BY ABFA IN 2014

EDUCATION INFRASTRUCTURE		Region	Amount
1	Works done on the construction of 6-unit classroom blk at Bredi No. 1 D/A Prim. Sch.(MOFEP Letter No. B140/SUTP/01A of 19/3/14, SPW No. 45821 & Cert No. 1 of 9/10/13) (1)	Brong Ahafo	184,165
2	Works done on the construction of 2-storey dormitory block for Yilo Krobo SHS (MOFEP Letter No.B.140/SHS/2014/01A of 19/3/14, SPW No. 43820 & Cert. No. 6 of 9/12/13)	Eastern	52,849
3	Being payment for work done on the construction of 2- storey dormitory blk. At Nkawie SHS (MOFEP Letter No. B.140/SHS/2014/03B of 25/4/14,SPW No.48631 &Cert. No. 4 of 12/12/13)	Ashanti	56,024
4	Work done on the construction of 2-storey dormitory block at Benkum SHS. (MOFEP Letter No.B.140/SHS/2014/01A of 19/3/14, SPW No. 43820 & Cert. No 7 of 28/11/13)	Eastern	18,458
5	Payment for construction of 2-storey dormitory blk at Bibiani SHTS. (MOFEP Letter No.B140/SHS/2014/01A of 19/03/14, SPW No. 43820 & Cert No. 6 of 11/11/13)	Western	16,016
6	Counterpart Fund for the construction of the Faculty of Basic and Biomedical Sciences Building, Student's Hostel and Staff Accommodation for the University. (MOFEP Letter No. B.141/2014//1A of 3/9/14 & SPW 58630)	Volta	3,600,000
7	Payment For Construction Works On Home Economic Block At T. I. Ahamadiyya Snr. High Sch. Gomoa Potsin in the Central Region. As per the Pwd Interim Cert. No.6 Dated 23rd Jan. 2013	Central	185,894
8	Construction of 6-unit classroom blk at Nafarong (Yipelgu) Prim. Sch. in Tolon, N/R. (MOF Letter No. B.141/2014/SUTP/19 of 21/8/14, SPW No.62955 & Cert. No. 1 of 25/3/14)	Northern	80,462
9	Work done on the construction of 6- unit classroom blk. at Adom Module/ English Arabic Sch. (MOFEP Letter No.B.141/2014/SUTP/19 of 21/8/14, SPW No.62955 & Cert. No. 3 of 24/4/14)	Unclassified	142,863
10	Construction of Teaching Hospital Administration block Phase I for KNUST at Kumasi by M/s CONSAR LTD(MOFEP Letter No.B.145/2013/1 of 2/10/13,SPW No. 48899 & Cert No. 3 of 17/4/13)	Ashanti	1,363,078
11	Being payment for work done on the construction of 6 - unit classroom blk.at Yaakrom R/C Prim.Sch. in the Dormaa Municipal Assembly	Brong Ahafo	37,030
12	Being payment for work done on the construction of 6 - unit classroom blk. With ancillary facilities at Apedwa SDA Prim. Sch.(MOFEP Letter No.B.141/2014/SUTP/9 of 8/9/14,SPW No.52515 & Cert. No.2 of 6/11/2013)	Eastern	139,516
13	Being payment for work done on the construction of 6 - unit classroom Blk. At Shama Methodist Prim. Sch.(MOFEP Letter No.B.141/2014/SUTP/9 of 8/9/14, SPW No.52515 & Cert. No.3 of 24/02/14)	Western	14,487
14	Being payment for work done on the construction of 2-stream KG Blk.at T.I. Ahmadiyya Prim. Sch.- Wa East Dist. Ass.(MOFEP Letter No.B.141/2014/SUTP/9 of 8/9/14,SPW No.52515 & Cert. No.2 of 19/12/13)	Upper West	80,793
15	Being payment for work done on the construction of 6 - unit classroom blk. At Bishop Herman SHS(MOFEP Letter No.B.140/SHS/2014/07B OF 4/9/14, SPW No.48898 & Cert. No.3 of 3/12/13)	Volta	98,823
16	Being payment for work done on the construction of 6 - unit classroom blk. At Dorbor Prim. Sch. (MOFEP Letter No. B.140/SUTP/2014/2A of 21/10/14, SPW No. 48914 & Cert. No.4 of30/9/13)	Brong Ahafo	16,126

17	Being payment for work done on the construction of 6 - unit classroom blk. With ancillary facilities at Agbadzakope D/A Prim. Sch. - Retention.(MOFEP Letter No. B.141/2014/SUTP/9 of 8/9/14, SPW No.52515 & Cert. No.3 of 6/1/14)	Volta	14,109
18	Payment for the construction of 6-unit classroom block at Christian Methodist SHS, Aplaku. (MOFEP Letter No. B140/2014/SHS/12 of 14/11/14, SPW No. 209902 & Cert No 5 of 16/7/14)	Greater Accra	53,283
19	Payment for the construction of 6-unit classroom block for Anyaman Presby Prim.Sch.(B.140/SUTP/2014/2A of 21/10/14, SPW No 48914 & Cert. No. 5 of 5/12/13)	Greater Accra	51,553
20	1. No. BSI - 6 classroom and 2 No. 3 – Seater KVIP Toilet blks. in the KEEA District(MOFEP Letter No. 140/2014/1 of 29/10/2014, SPW No.209449 & Cert. No. 2of 24/4/2013	Central	57,393
21	6- Unit classroom blk. and ancillary facilities at Asankasu Prim. Sch.(MOFEP LetterNo.B.140/SUTP/2014/2A of 21/10/2014, SPW No.48914 & Cert. No.3 of 11/11/2013	Eastern	67,088
22	Construction of one KG block with ancillary facilities at St. Andrews Catholic Prim. Sch. WA.(MOFEP Letter No. B140/2014/SUTP/19 of 8/10/14, SPW No 71923 & Cert. No. 3 of 28/5/14)	Upper West	52,671
23	Construction of 6-unit classroom block at Saforo D/A Prim. Sch.(MOFEP Letter No.B141/2014/SUTP/9,SPW No.52515 & Cert. No 2 of 18/11/13)	Unclassified	168,400
24	Construction of 6-unit classroom block at Mangoase R/C Pim. Sch.(MOFEP Letter No. B141/2014/SUTP/9 of 8/9/14,SPW No. 52515 & Cert No. 2 of 19/11/13)	Unclassified but could be Eastern	167,162
25	Construction of 3-unit classroom block at Kokoben D/A JHS(MOFEP Letter No.B141/2014/SUTP/25 of 13/11/14, SPW No. 208827 & Cert No. 2 of 15/7/14)	Ashanti	24,513
26	Construction of 2-storey dormitory block at Mawuli SHS. (MOFEP Letter No.B140/SHS/2014/10B of 8/10/14. SPW No49516 & Cert No. 4)	Volta	239,674
27	Construction of 6-unit classroom block at Tosinaape D/A Prim. Sch(MOFEP Letter No.B141/2014/SUTP/10 of 4/9/14, SPW No.52513 & Cert No.3 of 20/01/14)	Unclassified	133,322
28	Construction of 6-unit classroom block at Edinaman SHS (MOFEP Letter No.B141/2014/SHS/9 of 8/10/14, SPW No. 52507 & Cert No 3 of 5/2/14)	Central	98,255
29	Construction of 6-unit classroom block at Domawa Prim. Sch(MOFEP Letter No.B141/2014/SUTP/09 of 8/9/14, SPW No52515 & Cert No.2 of 16/1/14)	Unclassified	193,342
30	Construction of 6-unit classroom block at Kadia (Kpalong) Prim. Sch N/R (MOFEP Letter No.B141/2014/SUTP/9 of 8/9/14, SPW No. 52515 & Cert No.2 of 6/3/13)	Northern	8,433
31	Construction of 6-unit classroom block at Otwebedidua D/A Prim. Sch, Suhum.(MOFEP Letter No. B141/2014/SUTP/9 of 1/9/14, SPW No.51527 & Cert No. 3 of 19/12/13)	Eastern	122,049
32	Construction of 6-unit classroom block at Gbalyiire Prim. Sch.STKD, N/R (MOFEP Letter No.B141/2014/SUTP/9 of 1/9/14, SPW No.52517 & Cert No 2 of 6/11/13)	Northern	182,249
33	Construction of 2-stream kindergarten block at Nyankontre R.C Prim. sch.(B.141/2014/SUTP/11 OF 28/11/14, SPW No. 57031 & Cert. No.3 of 13/3/14)	Eastern	75,272
34	Construction of 6-unit classroom block at Debiso Essam SHS.(MOFEP Letter No.B140/2014/SUTP/20 of 21/11/14,SPW No. 68524 & Cert No 3 of 10/4/14)	Western	105,253

35	Construction of 2-stream Kindergarten Block at out Kwadwo L/A Prim. Sch.(MOFEP Letter No.B141/2014/SUTP/11 of 28/11/14, SPW No. 57031 & Cert. No 2 of 2/4/14)	Eastern	84,390
36	Construction of 6-unit classroom block at Nyame bekyere D/A Prim. Sch.(MOFEP Letter No.B141/2014/SUTP/9 of 8/9/14, SPW No.52515 & Cert No. 2 of 26/2/14)	Unclassified but could be B/A or Ashanti	95,245
37	Construction of 6-unit classroom block in West Mamprusi District(MOFEP LetterNo.B141/2014/SUTP/19 of 8/10/14, SPW No.71923 & Cert No. 4 of 9/6/14)	Northern	11,936
38	Construction of 6-unit classroom block at Huhunta Presby Basic Sch.(MOFEP Letter No.B141/2014/SUTP/11 of 28/11/14, SPW No. 57031 & Cert. 3 of 17/2/14)t No 3 of 17/2/14	Unclassified	46,825
39	Construction of 2-storey dormitory block at Odorgonno SHS (MOFEP Letter No.B140/2014/SHS/12 of 27/11/14, SPW No.209906 & Cert No 5 of 16/7/14)	Greater Accra	111,968
40	GOG Counterpart Funds towards the implementation of the "Development of Skills for Industry Project"	National	3,780,000
	SUB-TOTAL		12,030,969
ENERGY INFRASTRUCTURE			
1.	Being payment of 5% government counterpart fund in respect of PPC No. 2 for the US\$180 million extension to the Upper West regional electrification	Upper West	2,519,888
2.	Being payment of 5% government counterpart fund in respect of IPC for the US \$90 million Upper West regional electrification project	Upper West	3,782,779
3	Being payment for supplementary down payment of government Counterpart Funding to Hunan Construction	Northern	2,697,195
4.	Being cost of the supply of materials/ equipment of the electrification of the newly created districts capitals under the Nat. Elect	National	12,553,266
5	Being payment to M/S Meridian logistic and supplies for the evacuation and disposal of Mono Ethlene Glycol under the offshore component of the gas infrastructure project at Atuabo	Western	3,846,840
6	Being release of 15% counterpart funding for the supply and installation of materials and equipment under rural Electrification programme in the Upper East region	Upper East	12,197,047
7	Being payment of fifth supplemental down payment of Government Counterpart funding to M/S Hunan Construction Engineering group corporation in Respect of Northern Region - fifth (5th) Supplemental Down payment	Northern	3,237,560
8	Being release of funds to effect payment to 37 Consultants , 6 Contractors and 6 transporters for various services rendered to the SHEP	Unclassified	5,414,883
9	Being payment of 2013 tax payable for Hunan construction in respect of Northern region electrification project	Northern	201,510
10	Being payment for construction of Aboadze coastal protection works to protect the Aboadze power generation plant	Western	28,990,890
	SUB-TOTAL		75,441,859
	GRAND TOTAL		87,472,828

Source: Ministry of Finance, 2015

APPENDIX 4: LIST OF AGRICULTURE MODERNIZATION PROJECTS FUNDED BY ABFA IN 2014

FOOD AND AGRICULTURE			
No.	Project Name	Region	Amount (GH ¢)
1	Being payment to cover rehabilitation of irrigation dam at Kalidjisa, Nayagnia, Dambu-Donga and Baduno Kasena-Nankana District	Upper East	90,935
2	Being payment to cover rehabilitation of Irrigation Dam at Dawa in the Greater Accra Region	Greater Accra	570,903
3	Being payment to cover the rehabilitation of Irrigation Dam at Nakori in Wa municipality	Upper East	15,970
4	Being payment to cover extension works on Spillway, Link Roads and Zone B and Zone O upland of Tono Irrigation Dam under Rehabilitation of Tono Irrigation Project	Upper East	1,608,519
5	Being payment to cover rehabilitation of irrigation dam at Douri, Jirapa Lambusie District,	Upper West	52,950
6	Being payment to cover rehabilitation of Nakom, Kuka & Kpelwelge Bawku municipality as per the attached documents	Upper East	41,752
7	Payment to cover construction of Dam And Irrigation Infrastructure at Sandema/Wiaga/Zuedem And Tankase In The UER	Upper East	1,755,726
8	Being payment to cover Rehabilitation of Okyereko Scheme Dyke at Gomoa East District in the CR	Central	329,925
9	Being payment to cover Rehabilitation of Yeliyiri Dam Wa East District,	Upper West	282,908
10	Rehabilitation of Yeliyiri Dam at Wa East District	Upper West	61,014
11	Rehabilitation of Irrigation Dam at Gozesi, Bawku West District	Upper East	17,479
12	Being payment to cover for Rehabilitation of Irrigation Dam at Balugu - Bongo District	Upper East	119,798
13	Being payment to cover for Rehabilitation of Irrigation Dam at Kara-Teshie, Garu-Tempene District	Upper East	6,702
14	Being payment to cover Rehabilitation of Irrigation Dam at Gozesi, Bawku West District	Upper East	30,870
15	Being payment for 2013 fertilizer subsidy program as per attached document	National	42,001,579
16	Being payment to cover Rehabilitation of Irrigation Dam at Bullu and Kulpulma in the Sissala West District	Upper East	47,567
17	Being payment to cover for the Rehabilitation of Irrigation Dam at Eremon, Lawra District,	Upper West	121,246
18	Being payment for 2013 fertilizer subsidy program as per attached document	National	4,317,449
SUB-TOTAL			51,473,290
FISHERIES AND AQUACULTURE			
No	Project Name	Region	Amount (GH ¢)
1	Being payment in respect of work done at Anomabu Fisheries College	Central	412,725
2	Payment for interim valuation for two storey Lab Block Anomabo Fisheries	Central	141,567
3	Construction of fisheries Hotel Block "B"	Unclassified	210,478

4	Being payment for total value of work done on Ngyiresia Sea Defence Project, Ipc Nos.3,4,5,6 and Exchange Rate difference to protect fisher folks and fishing communities	Western	35,570,875
5	Being part payment for the construction of the Adjoa Coastal Protection Project Ipc No.1 To protect fisher folks and Fishing Communities	Unclassified	19,770,237
6	Being payment for the construction Samono Sea Defence Project to protect fisherfolks and fishing communities	Unclassified	39,432,297
7	Being payment for Atorkor/Dzita/Anyanui Sea Defence works to protect fisherfolks and fishing communities	Volta	23,612,710
SUB-TOTAL			119,150,889
GRAND TOTAL			170,624,180

Source: Ministry of Finance, 2015

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