

## **POSITION PAPER**

### **Draft Ghana Energy Policy -Upstream**

**15<sup>th</sup> February, 2018**

Penplusbytes commends the Ministry of Energy for the “nouvelle” draft of the Energy Policy which seeks to harmonize all previous policies and regulations to enable Ghana implement an integrated energy sector plan. Penplusbytes is in favour of the Energy Policy and believes the energy sector in Ghana will continue to play an important part in the development process of the country and is therefore imperative that the policy framework in this sector is always responsive to the ever-increasing challenges not only in this sector but the economy as a whole. This position paper focuses on the petroleum upstream sector.

After a review of the draft policy on the petroleum upstream sector, we take note of the following:

1. The final draft Energy Policy must include a write-up on the **Current Energy Situation of Ghana** which is absent in the current document.
2. The draft policy is rich on transparency but weak on accountability issues with respect to guiding principles of the petroleum upstream sector. The current document focuses on **Periodic Reports on Exploration** but ignores assurances of accountability in areas such as revenue management, social impact management, health, safety, security and environment. We recommend an account-giving relationship, the obligation to report, explain and be answerable not only to parliament but to citizens.
3. On **Environmental and Social Impact Assessment**, Penplusbytes recommends a baseline study of petroleum resource basins in advance and independent of upstream companies to assess current conditions of perceived affected areas before upstream companies acquire licences to conduct theirs. This prior baseline study before exploration is key to accessing real environmental and social impact after **End Production and Decommissioning** and will aid in reconciling results with upstream companies who may fail to present true results.



4. On **Promotion of Block Allocations**, which includes options for open and public competitive tender process or direct negotiations in the draft policy, Penplusbytes is of the view that direct negotiations should be avoided in any case. We recommend an auction by government through transparent processes to avoid any criticism of under hand deals. We are of the view that, company's unique selling propositions/ outstanding/unique features be it technology or financial capabilities will stand out even if they go through open and public competitive tender processes.

In the face of technology and modern outsourcing practices of services and processes by companies there would be no need for direct negotiations.

5. On the guiding principle of **End Production and Decommissioning**, government must ensure that some subsea infrastructure is maintained and stored for touring or educational purposes which must be included in the approved plan of development for upstream companies.
6. That, the draft Energy Policy is proof read to fix grammar errors.

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