Africa Centre for Energy Policy

MONTHLY NEWSLETTER

ACEP RADAR

MARCH 2025

In this edition, we share insights on Ghana's 2025 Budget Statement, including reflections on missed opportunities for windfall taxation. We also highlight engagements on public finance and anti-corruption, capacity-building efforts, and the launch of the Resource Governance Campus Hub at UENR. Plus, we welcome the 8th cohort of our NextGen Leaders Program.

Insights & Perspectives

ACEP's Insights on Ghana's 2025 Budget Statement and Economic Policy of Government

On March 11, 2025, Ghana's Finance Minister, Dr. Cassiel Ato Forson, presented the 2025 Budget Statement and Economic Policy of the Government, outlining key fiscal measures to shape the country's economic trajectory. As always, the energy and extractive sectors remain central to national revenue generation, infrastructure development, and economic stability. The Africa Centre for Energy Policy (ACEP) has reviewed the budget and presents key insights on its potential impact on these critical sectors.

The budget proposes the allocation of all Annual Budget Funding Amount (ABFA) revenues to infrastructure projects, marking a departure from previous practices where 70 per cent of ABFA revenues were allocated to public investment expenditure as prescribed by the PRMA, with the remainder directed towards goods and services in the selected priority areas. By channelling all ABFA revenues to infrastructure, the proposal can potentially expedite critical projects, including roads, health and education infrastructure, and railways. However, transparency, the quality of project delivery, and value-for-money considerations in procurement remain critical concerns that must be addressed to ensure long-term success.

Another key proposal is to reduce GNPC's share of net Carried & Participating Interest (CAPI) from 30 per cent to 15 per cent. While this measure appears to compel the Corporation to cut down its expenditures, it does not take into account the fact that GNPC has managed to shield its profitable additional 7 per cent interest in the Jubilee field—originally held by JOHL and now managed by its subsidiary, GNPC Explorco—from the country's petroleum revenue governance framework. The cumulative receipts from the additional 7 per cent interest in Jubilee stand at approximately $418 million as of June 2024. As a result, the Corporation may not be significantly impacted by the proposed reduction and could continue its characteristic spending practices without any significant reforms.

The budget also proposes an amendment to the Mineral Income and Investment Fund (MIIF) Act to ensure that 80 per cent of mineral royalties, which were previously maintained by MIIF, are transferred to the Consolidated Fund for infrastructure development. The MIIF Act and the Fund were originally established to facilitate the Agyapa Royalties deal, which was later rescinded following widespread stakeholder opposition. Despite the failure to implement Agyapa, the government continued to allocate about 80 per cent of risk-free mineral royalties to MIIF for discretionary investment—funds that could have otherwise supported direct socio-economic investments through the national budget. Given concerns about MIIF's opaque investment strategy and suboptimal investments, the proposal to amend the MIIF Act is welcomed. However, there is a need for a comprehensive value-for-money review of all existing MIIF investments, accountability for Fund managers, and a clear commitment from the government to introduce a Mineral Revenue Management Act to govern mineral revenue expenditure with greater transparency.

KEY INSIGHTS FROM THE ANALYSIS OF THE 2025 BUDGET

ABFA Funds – All In on Infrastructure

- 100% of oil revenues (ABFA) will now go to infrastructure—roads, schools, hospitals, railways, etc.
- Previously: 70% went to investments; 30% supported goods and services.
- *Concern: Without strong transparency and monitoring, value-for-money is at risk.*

GNPC Revenue Cut, But Loopholes Remain

- GNPC's share of oil revenues (CAPI) is set to drop from 30% to 15%.
- But GNPC still controls $418 million from an additional 7% stake in the Jubilee field—outside PRMA oversight.
- *Implication: Spending reforms may be ineffective if this loophole remains.*

Reform in Mineral Revenue Governance

- Government plans to amend the MIIF Act: 80% of mineral royalties will go to the national budget instead of MIIF.
- *ACEP's Call: Review past MIIF investments and pass a Mineral Revenue Management Act for better accountability.*

Read full analysis **here**.

Insights & Perspectives

A Missed Opportunity for Re-Introducing Windfall Taxation in Ghana's Mining Sector

Author: Mohammed Saani Osman

Introduction

In his presentation of the country's 2025 budget statement and economic policy, Ghana's Minister for Finance outlined the government's commitment to fulfilling key campaign promises. Notably, the budget delivered on several pledges, including the removal of the electronic transaction levy (e-levy) and the withholding tax on betting winnings. However, the elimination of these revenue streams creates a significant fiscal gap, particularly as Ghana is under an IMF program and must meet revenue mobilisation targets. To address this shortfall, the government introduced new revenue measures, including a substantial increase in the growth and sustainability levy for mining companies from 1% to 3%, representing a 200% nominal increase.

The government justified this hike by citing rising gold prices on the international market, arguing that mining companies benefiting from windfall profits should contribute more in taxes. This approach aligns with practices in other resource-rich nations, which often seek higher revenues from extractive industries during commodity booms. Notably, Ghana's previous mining law, the Minerals and Mining Law PNDCL153, included provisions for taxing windfall profits, which were inexplicably omitted in subsequent legislation. The reintroduction of such measures reflects a renewed focus on ensuring the mining sector contributes equitably to national development.

Trend of International Gold Prices (US$ per troy ounce)
Source: tradingeconomics.com

The data in the figure above confirms the rising trend in gold prices, which have surged from an average of approximately US$ 1,700 per troy ounce in 2020 to around US$ 3,000 per troy ounce in 2025. However, taxing windfall profits through the increased growth and sustainability levy does not align with best practices, as will be explored in the following sections.

The Growth and Sustainability Levy

The Growth and Sustainability Levy was introduced in 2023 through the enactment of the Growth and Sustainability Act, 2023 (Act 1095). The levy was designed to generate revenue to support economic growth and fiscal sustainability. For mining and upstream oil and gas companies, the levy is applied to the gross production, akin to royalty computations. Initially intended to apply to production years 2023, 2024, and 2025, the recent announcement by the Minister proposed amendments to the Act, including an increase in the applicable rate and an extension of the levy's duration to 2028. However, repurposing this levy to target windfall profits in its current form risks undermining the competitiveness of Ghana's mining fiscal regime. Raising taxes on baseline production could adversely affect the profitability and project economics of extractive companies, potentially deterring investment in the sector.

Windfall Taxation

Windfall taxes are fundamentally designed to capture additional revenue from extractive companies during periods of high commodity prices. Typically structured as an extra tax on profits, they are triggered when a company's earnings exceed a specified return on investment. For example, Australia's Mining Resource Rent Tax (MRRT), introduced in 2012, imposed a 30% tax on taxable profits above a $50 million threshold, alongside a 25% investment allowance. Similarly, the United Kingdom's Energy Profits Levy (EPL), implemented in 2022, applied a 35% additional tax on oil and gas companies' taxable profits, coupled with a 29% investment allowance and an 80% decarbonisation investment allowance. The EPL's threshold was based on sustained oil and gas prices, as determined by the UK's Energy Security Investment Mechanism.

These examples highlight three essential features of windfall taxes: they are calculated on taxable profits, apply only beyond a defined threshold, and include investment allowances to encourage reinvestments of windfall profits in new projects. This approach ensures a fairer method of capturing excess revenues from resource extraction while maintaining a competitive fiscal regime and safeguarding the economic stability of extractive projects.

Conclusion

The 2025 budget and economic policy represented a missed opportunity for the government to reintroduce a windfall tax, which has been identified as a critical success factor for attaining the Africa Mining Vision. The justification for increasing the growth and sustainability levy does not align with established principles for taxing windfall profits, as it fails to directly tie the additional tax burden to the extraordinary gains resulting from the surge in commodity prices. While the government must prioritise revenue generation, it should adhere to fair taxation practices that promote compliance and maintain the competitiveness of the extractive sector.

As long as mineral exploration continues, Ghana's regulatory framework for the extractive sector must remain attractive to ensure the country draws investments for mining and mineral development. The decision to raise the growth and sustainability levy, rather than reintroducing a windfall tax, undermines this objective and risks diminishing the sector's appeal to potential investors.

Program/Event Highlight

Meet the 8th Cohort of the Next Generation Resource Governance Leaders Program

On Monday, 10th March, 2025, ACEP welcomed the 8th cohort of the Next Generation Resource Governance Leaders Program, an initiative to nurture innovative young professionals eager to transform Africa's energy and extractive sectors. This diverse cohort brings much academic knowledge, professional experience, and fresh perspectives to tackle Africa's pressing governance challenges.

Among the cohort are professionals like Paul, a Nigerian geoscientist with experience in carbon sequestration and hydrocarbon exploration; Laura, a Kenyan lawyer passionate about tax justice and green finance; and Kweku from Ghana, an economist with a background in public investment and energy policy. Beatrice, an electrical engineer from Tanzania, brings a background in power systems and rural electrification, while Gideon, also from Ghana, is a climate advocate focused on just transition and energy governance.

With a background in biological science, Esther from Ghana seeks to explore the relationship between ecosystems and renewable energy technologies. Samuel, a Nigerian project management expert, leads initiatives on sustainable mining and stakeholder engagement. Monika, from Namibia, holds a master's in oil and gas management and is committed to advancing inclusive and locally driven resource governance.

The NextGen Program blends theoretical knowledge with practical training, allowing participants to hone their leadership skills, analyze complex governance challenges, and contribute to Africa's sustainable development. Over the next few months, they will focus on key areas such as oil and gas, power, mining, climate change and energy transition, and fiscal governance—guided by ACEP's team and a pool of external experts.

Read more about the 8th Cohort **here.**

Program/Event Highlight

Breakfast Meeting on Public Finance Management and Anti-Corruption Issues in Ghana

March 11, 2025 | Fiesta Royale Hotel, Accra

As part of efforts to advance good governance and strengthen accountability in Ghana, ACEP held a breakfast meeting with leading voices within the country's new media space. The engagement brought together members of the New Media Association of Ghana and was also graced by Mr. Kofi Bentil, Vice President of IMANI Africa.

The meeting was anchored on ACEP's ongoing work to expose inefficiencies within Ghana's public finance management system, including issues related to the administration of petroleum revenues, procurement irregularities, and the growing burden of public debt. Against this backdrop, the gathering sought to deepen the understanding of digital influencers and content creators on governance challenges hindering the country's development and highlight civil society's vital role in addressing these issues.

In his remarks, Mr. Kofi Bentil shared powerful insights on the value of data, public interest journalism, and civic advocacy in shaping national conversations. He challenged participants to use their platforms more intentionally to raise awareness about corruption, fiscal mismanagement, and the cost of poor governance on the ordinary Ghanaian. ACEP's team also presented its latest findings and publications, offering a glimpse into the Centre's research and advocacy work.

Throughout the discussions, participants engaged actively—raising questions, sharing reflections, and expressing a stronger appreciation for the role of civil society in holding power to account. Many acknowledged the need to move beyond entertainment-driven content to include more issues-based and reform-oriented messaging that empowers the public to demand better.

The breakfast meeting marked the beginning of a broader strategy to foster collaboration between civil society and digital actors. ACEP believes that social media remains a powerful tool to inform citizens, amplify evidence-based advocacy, and galvanize the collective action needed to drive reform. This initial engagement laid a solid foundation for continued dialogue and partnerships that harness the influence of new media in promoting transparency and accountability in resource governance.

Program/Event Highlight

Strengthening Media Capacity on Chinese Lending Strategy and Ghana's Debt Sustainability

March 12, 2025 | ACEP Office, Accra

ACEP convened a one-day training for journalists to deepen their understanding of Ghana's growing debt profile and the nature of bilateral lending, focusing on China's role as a creditor.

The training focused on ACEP's latest research on Chinese lending to Ghana, presented by Policy Analyst Mohammed Saani Osman. The findings showed that between 2000 and 2022, Ghana entered into 57 loan agreements with China worth approximately US$6.1 billion, of which US$4.3 billion has been disbursed. Most of these loans targeted infrastructure and energy projects, but their terms were often less favourable than concessional financing—characterised by shorter repayment periods, higher interest rates, and repayment arrangements tied to Ghana's natural resources.

The presentation highlighted key examples, such as the Sinohydro barter deal and the China Development Bank Master Facility Agreement, where Ghana committed its mineral and petroleum resources to debt servicing. Osman raised concerns about the opacity surrounding many of these agreements, the limited scope for parliamentary scrutiny, and the risks posed by contingent liabilities that do not always appear in public debt reports. He stressed that responsible borrowing and transparency in public financial management are essential to maintaining debt sustainability.

The discussion that followed raised critical issues around Ghana's 2022 debt default. Responding to questions, Kodzo Yaotse cited weak debt management, the rise of private creditors, and gaps in the international debt architecture—particularly the lack of a binding restructuring mechanism.

Participants also reflected on African agencies in loan decisions, emphasizing Ghana's responsibility to pursue agreements that align with long-term development goals rather than short-term political interests.

The conversation touched on debt as a development tool, with questions about sustainable borrowing and the possibility of self-reliance. While debt can support growth, participants stressed the risks of poor governance. They called for tax reforms—especially reducing tax breaks for multinationals—to boost domestic revenue and reduce reliance on external loans.

Concerns about international credit rating agencies were also discussed. Some argued that limited contextual understanding leads to unfair assessments of African economies. Osman noted the divided opinions, with some supporting a continental rating agency and others trusting existing systems based on economic performance.

The training deepened journalists' understanding of Ghana's debt landscape and equipped them to better scrutinize loan agreements. It underscored the need for stronger public oversight, transparent fiscal practices, and a more informed media to hold institutions accountable.


ACEP


Grace Period

Program/Event Highlight

Empowering Student Journalists in Investigative Journalism and Anti-Corruption Issues in Ghana

March 13 - 14, 2025 | ACEP Office, Accra

In an effort to combat corruption and promote transparency, the Africa Centre for Energy Policy (ACEP), in collaboration with the Student Representative Council (SRC) of the University of Media, Arts and Communication – Institute of Journalism (UniMAC-IJ), recently hosted a specialized training workshop aimed at equipping student journalists with the essential skills needed for investigative reporting and anti-corruption journalism. The training, held on March 13-14, 2025, at the ACEP Office Complex in Accra, saw enthusiastic participation from Level 300 and 400 students from UniMAC-IJ.

Why This Training Matters

Corruption remains a major challenge in Ghana, undermining economic growth, weakening democratic institutions, and eroding public trust. While institutions like the Economic and Organized Crime Office (EOCO), the Commission on Human Rights and Administrative Justice (CHRAJ), and the Office of the Special Prosecutor (OSP) play vital roles in addressing corruption, investigative journalism plays an equally critical role in exposing wrongdoing, demanding accountability, and ensuring transparency.

This training aimed to empower student journalists with the tools and techniques necessary to uncover corruption, hold power to account, and foster a more transparent society. It was a vital step towards preparing the next generation of journalists to become effective watchdogs of democracy.

What Participants Gained

The workshop introduced participants to powerful tools and techniques for in-depth investigative reporting, ethical and legal considerations in anti-corruption journalism, and data analysis methods to verify sources and uncover corruption. Additionally, the training included practical sessions on using digital tools to find and visualize cases of corruption, empowering the students with the skills they need to make a significant impact in their future careers.

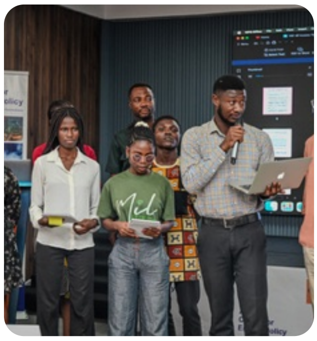
Acknowledgements

Special thanks to Manasseh Azure Awuni and Evans Aziamor-Mensah for sharing their expertise and experiences with the students. Their insights were invaluable in equipping the next generation of Ghana's investigative journalists with the knowledge and practical skills required for this important work.

Watch as the students reflect on their experience and the impact this training will have on their journalistic journeys!

Watch **here.**


Investigative
Reporting on
Anti-Corruption



Program/Event Highlight

Advancing Methane Management in Angola's Oil and Gas Sector

March 20 - 21, 2025 | Ministry of Mineral Resources, Petroleum, and Gas (MIREMPET), Luanda

As Angola works to align its growing oil and gas sector with global climate goals, methane emissions have emerged as a critical challenge. Although the country is a signatory to the Global Methane Pledge, methane management remains hampered by regulatory gaps, knowledge limitations, and weak enforcement.

To support national efforts, ACEP convened a multi-stakeholder workshop bringing together representatives from government, PetroAngola, international oil companies, civil society, and technical experts. The discussions focused on developing practical, country-led strategies for reducing methane emissions while maintaining economic growth.

The workshop highlighted existing measures, including Angola's law on greenhouse gas monitoring, reporting, and verification (MRV) and the need for methane-specific targets in the country's Nationally Determined Contributions (NDCs). Participants emphasised that without these targets, enforcing flaring regulations and managing short-lived climate pollutants (SLCPs) will remain weak. Technologies such as Light Detection and Ranging (LDAR), AI-driven leak detection, and flare gas analysers were showcased as viable solutions, especially for mature oil fields.

Several systemic issues came to the fore. Knowledge gaps persist among regulatory bodies and civil society organisations, and methane management remains absent from educational curricula. Routine and non-routine gas flaring continue with minimal oversight, and affected communities lack adequate advocacy support. Notably, the reluctance of PetroAngola and other national oil companies to join global initiatives such as the Oil and Gas Methane Partnership (OGMP) was identified as a key barrier to progress.

Participants proposed a number of action points to strengthen Angola's methane governance. These included the development of a Methane Roadmap Action Plan (MRAP), stronger flaring and SLCP regulations backed by independent monitoring, and incentives for NOCs to adopt international best practices. Education reforms and CSO-led awareness campaigns were also recommended to bridge the knowledge gap. Investment in technology, supported by global partnerships, was seen as essential to improving methane detection and abatement, particularly in mature fields.

As Angola refines its climate strategy, effective methane management will depend on more vigorous regulatory enforcement, targeted capacity building, and leadership from national oil companies. ACEP remains committed to supporting cross-sector collaboration to help Angola meet its emission reduction goals while ensuring sustainable and inclusive energy development.

Read more on methane management in Africa's oil-producing nations **here.**

Program/Event Highlight

Strengthening Accountability in Resource Governance through Active Citizenship

March 25, 2025 | University of Energy and Natural Resources (UENR), Sunyani

As part of efforts to deepen youth involvement in natural resource governance, the University of Energy and Natural Resources (UENR) in Sunyani hosted a rally to mark the official launch of its chapter of the Resource Governance Campus Hub. The initiative, led by ACEP, seeks to empower tertiary students with the knowledge, skills, and drive to advocate for the sustainable and inclusive management of Ghana's natural resources. The rally brought together students and faculty to underscore the vital role of young people in promoting transparency and accountability in resource governance.

Ghana's extractive sector, spanning mineral, oil, and gas resources, continues to play a central role in the country's economy, contributing significantly to export earnings, government revenues, and overall GDP. Despite this, the wealth generated has not translated into equitable development outcomes, particularly for communities in resource-rich areas. Inequality continues to widen between elites and ordinary Ghanaians, reflecting persistent challenges in managing natural resources. This reality mirrors a broader pattern in many resource-rich countries, where natural resource wealth has often failed to uplift most citizens.

The rally served as a platform to reflect on these challenges and the critical role young people can play in addressing them. Kodzo Yaotse, Policy Lead for Petroleum and Conventional Energy at ACEP, engaged students on the importance of active citizenship in shaping better governance outcomes. He emphasized that participation in governance goes beyond voting and includes monitoring how public resources are utilized at the local level. He cited examples of poorly executed infrastructure projects, such as school buildings with structural defects or missing washrooms, as signs of weak oversight and ineffective procurement. These failures, he noted, present opportunities for students to question service delivery, engage local authorities, and demand accountability.

Mr. Yaotse also emphasized the power of data and research, sharing how one individual used data science tools to analyze government spending and sparked national debate on fiscal governance. This, he noted, is the kind of proactive engagement that drives reform.

The Resource Governance Campus Hub at UENR, like others being established across the country, aims to build a network of informed and motivated young leaders committed to promoting transparency and accountability in Ghana's extractive sector. By demystifying natural resource governance and equipping students with tools for civic action, the initiative seeks to close the gap between law and practice and ensure that Ghana's natural wealth delivers lasting benefits for all.

Read more about the hub **here.**


The Start of
Ghana's
Resource
Future


resource governance
CONCEPTUAL FRAMEWORK AND DECLARATION

Program/Event Highlight

ACEP at the 3rd African Forum on Mining in Addis Ababa

March 19-21, 2025 | African Union Headquarters, Addis Ababa, Ethiopia

ACEP participated in the 3rd African Forum on Mining held at the African Union Headquarters in Addis Ababa, Ethiopia. Organized by the African Minerals Development Centre (AMDC), the forum convened key stakeholders to assess 16 years of implementing the Africa Mining Vision (AMV) and explore pathways for stronger mineral governance across the continent.

Representing ACEP, Eliasu Ali, Policy Lead for Mining and Minerals, contributed to high-level discussions on aligning national policies with the AMV, stressing the need for stronger political will to internalize the Vision within member states. A recurring theme throughout the forum was the urgent need for value addition—particularly in industrial minerals with high potential for local economic transformation.

Eliasu highlighted untapped opportunities in development minerals such as potash, a key input in fertilizer production. Despite Africa holding over 80% of global potash reserves, the continent still experiences low agricultural productivity due to limited fertilizer use. He emphasized that adding value to these minerals could advance broader development objectives, including food security and industrialization, with far lower energy requirements than sectors like battery mineral processing.

Engagements with partners, including the ACP-EU Development Minerals Programme, reinforced the importance of value-addition strategies prioritising local economic development and the sustainable use of Africa's mineral wealth.

Coming Up

What's Ahead at ACEP in April

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ACEP is a thought leader in Africa’s energy and extractives governance space, working towards improving economic transformation and inclusive sustainable development. We contribute to developing alternative and innovative policy interventions through high-quality research, analysis, and advocacy in Africa’s energy and extractives sector.