



Energy Forum


Newsletter of ACEP

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About Africa Centre for Energy Policy (ACEP)



The Africa Centre for Energy Policy was established in 2010 registered in Ghana under the Companies Registration Code with registration number CG044282013. It is also registered as not-for-profit organization with number DSW15703.

ACEP is an African energy policy think tank, an advisory based organization working with partners around the World and especially in Africa to harness the potential of Africa's vast energy resources (oil, gas and renewable) for the accelerated development of the Continent. The Centre recently added mineral policy to its portfolio following the demand by stakeholders to expand our reach to helping address the problems facing Africa's mining sector.

MESSAGE

FROM THE EDITORIAL BOARD

Energy Forum is a quarterly newsletter produced by the Africa Centre for Energy Policy (ACEP). ACEP is a think tank based in Accra-Ghana with specialised research and advocacy interests in the Oil and Gas, Power and the Extractive industries in Ghana and by extension Africa.

The newsletter is produced to enhance the understanding of academics, professionals, policy makers and donor partners on the activities of ACEP and issues making the news in Ghana and Africa.

As a newsletter it has four main featuring segments; they are programmes by ACEP within the period under review, Energy Personality, a featured article and ACEP in the news.

The Editorial Board wishes to invite all and sundry on board in influencing the instigation of policies that would better solve the energy problems confronting Ghana and Africa at Large.

Please send an email through: acepenergyforum@gmail.com

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Benjamin Boakye

OTHER INTERNAL RECRUITMENTS

Mr. Abdul Manan- Adam appointed as the New Monitoring and Evaluation Manager of ACEP

Miss. Rhodalyne Doku appointed as New Administrator

Benjamin Boakye is an Energy professional with the Africa Centre for Energy Policy. Prior to his appointment as the deputy Executive Director for ACEP; he was the Director of Operations at the Centre. He has made considerable contributions to the extractive sector governance in Ghana with much focus on Corporate Social Responsibility and international Business transaction, Stakeholder engagement, and Energy Sector reforms. He works closely with CSOs in Ghana working in the extractive sector for effective monitoring of resource governance. He is a Co-author of the Oil Revenue Expenditure analysis report

“the two sides of Ghana - how a good Law may not stop Oil money from Going Down the Drain”

and also consulted for the World Bank on the Ghana Energy Sector Review, 2012. Benjamin holds an Msc. in Energy Studies (International Oil & Gas Management) from the Centre for Energy Petroleum and Mineral Law and Policy of the University of Dundee. He also holds a BA. (Honours) Sociology degree, with Information Studies, University of Ghana.

Energy Personality for the Quarter



Mr. Tsatsu Tsikata

Mr Tsatsu Tsikata was born at Keta in the south of the Volta Region of Ghana. He was however brought up at Adabraka, a suburb of Accra, the capital of Ghana. He started school at an early age because he wanted to follow his older brother Fui to school. He first attended Additrom Preparatory School and then Mrs Sam's Preparatory School, a school also attended by Jerry Rawlings. He was again moved to Accra Newtown Experimental School where he was jumped from Year 2 to Year 3, catching up with his older brother Fui.

He won a United Africa Company (UAC) scholarship in 1960 to start his secondary education at the age of 9 years at the Mfantsipim School where his father and his elder brother, Fui Sokpoli Tsikata also

attended. On completion of his 5 year course, he gained admission into the University of Ghana, Legon at the age of 16, where he obtained an LL.B First Class degree at the age of 18 years. Only one other 18 year old had completed a degree programme at that time. His lecturers included Professor Ofori Amaah and Dr. Obed Asamoah, a former foreign minister and Attorney General of Ghana. He then won a post-graduate scholarship from the University of Ghana to Oxford University where he again obtained first class honours in Bachelor of Civil Law which is equivalent to a master's degree at other British universities.

Mr. Tsikata held a Junior Research Fellowship at Corpus Christi College, Oxford where he also served as a tutor. On his return to Ghana in 1974, he was appointed a lecturer at the law faculty of the University of Ghana. Some of his students included Kwamena Ahwoi, Alban Bagbin, former majority leader in the Parliament of Ghana and Freddie Blay, former first deputy

speaker in the Parliament of Ghana, a former first deputy speaker in parliament.

Tsikata has served as counsel to a number of notable personalities over the years. These include Captain Kojo Tsikata, his cousin and Kofi Awoonor. During the era of the National Redemption Council/Supreme Military Council military regimes of Acheampong, he defended Samuel Okudjeto and William Ofori Atta who stood trial for political reasons. After the May 15 uprising in 1979, he was counsel for Jerry Rawlings during the treason trial that came to an abrupt end when the SMC military government led by Fred Akuffo was overthrown on 4 June 1979. He was the lead Counsel for the ruling National Democratic Congress in an electoral petition in Ghana which was widely believed to have been won by the petitioners. Tsikata was appointed the Chief Executive of the Ghana National Petroleum Company (GNPC) from October 1988 to December 2000 by the PNDC led by Jerry Rawlings.

ACTIVITIES FOR 2015 BY ACEP (January to May)

FISCAL BENCHMARKING TRAINING SUPPORTED BY IBIS-GHANA

IBIS-Ghana and ACEP organised Fiscal Benchmarking training, building capacity of various representatives from Civil Society Organisations such as ISODEC, Extractives Africa, Journalists Against Corruption, Natural Resource Governance Institute among others. On board were some government allied institutions such as Ministry of Finance, Ghana Revenue Authority and PIAC. At the end of the two day workshop, a comparison study was done between the mining fiscal regimes of Ghana, Papua New Guinea, Tanzania, South Africa and Indonesia. This was to identify gaps within the various regimes and draw good lessons going forward. A consultant was brought in from the Columbian Center for Sustainable Investment to facilitate the trainin

OXFAM PROJECTS

THREE FOLLOW UP REGIONAL FORUMS

With sponsorship from Oxfam under the GROW project, ACEP held three regional forums in Takoradi, Bolgatanga and Koforidua. The three forums brought together stakeholders at the community and regional levels who were informed of the budget tracking findings by ACEP. Again, Participants were educated on how they could to start tracking the success or otherwise of projects in their respective communities, districts and regions. The forums also provided participants the

opportunity to express their views on where they thought oil revenues could be invested.

However, it was surprising to know that most of the officials at the regional levels did not even know about the oil funded projects being implemented in the regions or communities.

Some Recommendations from participants

“Proper measures and strategies must be put in place to ensure that money/funds allocated to agric projects are really disbursed and prudently and judiciously used for the intended purposes.”

By Mr Asiamah Aboagye Samuel of NAGRAT; Koforidua.

Miss Ruth Asah-Kissiedu, a worker at the Koforidua branch of GTUC also had this to say.

“Awareness should be created by involving the media more. The people at the grassroots should also be educated on their rights. More strategies should be put in place to make sure that the peasant farmers in the communities become aware of what is going on.”



All recommendations were compiled in furtherance of the advocacy for the “Oil for Agric Campaign”

AGRIC WORKSHOP

Under the GROW project, an Agric forum was organized with support from Oxfam. Stakeholders such as the Ministry of Finance, Parliamentary Select Committees on Agric, PIAC and Civil Society Organisations such as Peasant Farmers Association of Ghana, SEND-Ghana and Friends of the Nation participated. Participants



were briefed on the trends of Oil Revenue allocation to the Agric Sector between 2011 to 2015. Small holder farmers who were present at the workshop brought in their concerns and identified specific areas where they wanted the ABFA allocations to Agric to be spent.

Some important issues raised:

“Analysis of ABFA allocations to the Agricultural sector should take into cognizance specific allocations to sub-sectors; for example fisheries. This would make value for money auditing and the monitoring of progress linked to the use of money in the entire Agricultural sector easy.”

(Solomon K. Ampofo, Friends of the Nation)

“According to the Public Interest and Accountability Committee (PIAC) Report for 2013, disbursements under Agriculture modernization were targeted to complete old projects that had begun before oil was found in the country. This means that allocations from the ABFA to the Agricultural sector has not been targeted to any new project; a situation that is clearly unfortunate.”
(Justice Lee Adebode, Xinhua News Agency)

“Farmers especially interested in the cultivation of cotton have witnessed the failure of successive governments over the years. Presently, there has been a new board established to oversee the revamp of cotton cultivation in the country. Cotton farmers however fear that the board would be unable to execute its mandate because of the absence of the experienced cotton farmers on the said board.”
(Abdul Rahman Mohammed, Cotton Farmer)

GENDER SENSITIVITY IN ACEP PROJECTS

ACEP is an organisation that takes gender issues into consideration at both the organisation and program levels. There is a quest for gender balance in most of the organisation’s activities to achieve at least a 30% allocation to women. To this end, ACEP organised a multi stakeholder forum engaging women, the youth and faith based organisations. This activity was part of the OSIWA funded project titled “Reducing Incidence of Corruption in the Oil and Gas Sector”. The issue of open contracting in the oil and gas sector was discussed at the forum. The

forum educated stakeholders on the Petroleum Exploration and Production Bill to bring their notice to clauses that needed to be included in the bill to further enhance transparency and accountability in the Upstream Oil and Gas Sector.

These clauses include the publication of petroleum contracts and also the inclusion of an open and competitive bidding process in contract awarding. A Key feature of the Issues discussed was to highlight the reduction of discretionary powers invested in the Minister to determine the outcomes of various processes



SOMES QUESTIONS RAISED

“What can be done about secret jurisdiction registration of companies?”

“How can the role of PIAC be expanded to include other issues of the oil and gas industry and not only on revenue transparency issues?”

“What can be done to ensure that concerns raised about the Bill are incorporated?”

TRAINING FOR MEMBERS OF JOURNALISTS AGAINST CORRUPTION COALITION.

Ghanaian journalists have been at the forefront of exposing corruption and reporting on corruption in the country.



As a new industry in Ghana, the oil and gas sector presents new challenges for journalists to learn and understand issues in the industry. For this reason, the Network of Journalist against Corruption was established with sponsorship from OSIWA to present opportunities for journalists reporting on corruption to expand their work to cover the oil and gas sector.

DFID PROJECT

PREPARATION OF CITIZENS GUIDE TO PETROLEUM CONTRACTS AND DISTRIBUTION.

Five thousand Citizens Guide to petroleum contract has been developed by ACEP with the support of DFID; simplifying the technical terms and processes used in contracting in the Petroleum Industry of Ghana.

PROMOTION AND AWARENESS OF ONLINE PLATFORM

Online platform (ouoilmoney.org) for accountability of expenditure from oil revenues has been established by ACEP with support from DFID. Also various projects being funded with oil revenues have been uploaded on the site. This is to inform citizens on the happenings in the sector and to encourage transparency.

ACEP

WINS AWARD



SOME ADVOCACY PROGRAMMES BY ACEP IN PICTURES

A two day workshop on the application of the National Anti-Corruption Action plan in the oil and gas industry, which focused on corruption in petroleum contracting and the US Foreign Corrupt Practices Act (FCPA)



**Executive Director's
Birthday Celebration**



**ACEP hosts UCC Graduate
Students**





Press Statement Presented at a Press Conference to Launch Reports on the Governance of Ghana's Oil and Gas Resources and Local Content By ACEP



ACEP on the Tv3 Oil and Gas Platform

World Food Prize Dialogue, currently going on in the US Iowa State capital, Des Moines; promoting our "Oil4Agric" Campaign.



Overview

Energy has a direct bearing on the growth of any nation's economy. Access to clean, cheap and reliable energy resources to every nation is of such immense



significance, it cannot be overemphasized. In Ghana, 70% of households do not have access to modern fuels and depend on wood fuels for domestic applications. To reduce overdependence on wood fuel, the government of Ghana in 1990 introduced an LPG Promotion Program (the promotion).

The promotion targeted urban households, public catering facilities and small-scale food sellers. Extensive promotional and educational campaigns were carried out to ensure that environmental, health and safety regulations were adhered to. The campaigns also elaborated to the public the benefits of switching to LPG.

LPG Access – Who Uses LPG

According to the Ghana Living Standards Survey (GLSS) in 2005/2006, 55.06% of Ghanaian households used wood as their main fuel for cooking while 28.72% used charcoal, 8.94% used gas, and 7.28% of the population used other cooking fuels or did no cooking. The National Energy Policy (2010) indicated government's target for LPG access to reach 50% by 2015. However, as of 2010, only 18% of Ghanaian households had access to LPG and the 2015 target does not look realistic. Interestingly, it has been found that the selection of modern fuels especially LPG for household

applications are intrinsically linked with household income earning levels and household educational levels.

Features of the LPG Promotion Programme

The main features of the promotion were:

- Free distribution of 14.5kg and 5kg LPG cylinders to the public;
- LPG delivery service to registered private individuals for LPG retailing;
- Upgrading of Tema Oil Refinery;
- LPG subsidy and other fiscal incentives;
- Free plant and equipment installations for educational institutions, hospitals and prisons;
- Establishment of the LPG Fund to fund the purchase and maintenance of LPG cylinders and kitchen equipment for institutions; and
- Construction of the Ghana Cylinder Manufacturing Company (GCMC) factory in Accra.

Achievements and Challenges of the Promotion

The promotion was successful as it saw a rise in LPG patronage since its inception. Consumption of LPG doubled from 7000 tonnes in 1990 to 14,000 tonnes in 1992; and LPG consumption has increased significantly since. The setting up of GCMC also increased the number of cylinders in circulation and made them available to the public at affordable prices. Through private sector participation, the promotion also led to the springing up of over 400 private gas refilling stations nationwide and offering employment to many Ghanaians.

Irrespective of these achievements, there has been an increase in wood fuel usage by almost 3% since 2010. Due to the regular shortages of LPG, LPG patronage is still not very encouraging as people still prefer wood fuels which are cheaper and more reliable in supply. Additionally, due to LPG subsidy component, most commercial transport vehicles (taxis) switched from the use of petrol to LPG. These taxis benefited from the promotion at the expense of domestic users; defeating the objective of the promotion.

Current Status of the Promotion

In March 2015, the government through the Ministry of Energy and Petroleum launched a Rural LPG Program to reintroduce the free distribution of LPG cylinders and improve LPG access in the rural areas. In all, 14,500 pieces of 6kg cylinders, cook stoves and related

accessories have been distributed in 5 low access districts so far. However, TOR continues to struggle with LPG supply and storage constraints. Additionally, the withdrawal of LPG subsidy has caused many Ghanaian households to make economic adjustments by reverting to the use of charcoal and firewood.



Rural LPG Cylinder Distribution Program

Effect of the Promotion on Gender

Continual usage of wood fuels causes indoor pollution and has detrimental health effects on women and

children resulting in 16,600 lives lost annually in Ghana. Also, women and children are saddled with the problem of having to spend about 1 to 5 hours daily in search of wood fuel rather than engaging in income generating activities. Inception of the promotion therefore, was a step in the right direction as access to LPG, for most women, would mean improvements in their health, time and economic productivity.

Recommendations

- Government must reintroduce LPG subsidy and employ policies to regulate subsidy schemes to ensure that households, rather than commercial vehicle operators, benefit immensely from these subsidies.
- Since most rural folks are farmers and work in the wood fuel industry, government must provide alternative jobs in the LPG industry through the establishment of LPG filling stations and delivery services.
- Government must encourage private sector participation by way of investment in the storage and distribution network of LPG and other petroleum products throughout the country.
- Women must be actively involved in the planning and management of energy services to improve women's access to modern fuels.

By Linda Ahunu

Some technical reports and publications by ACEP

Technical Reports

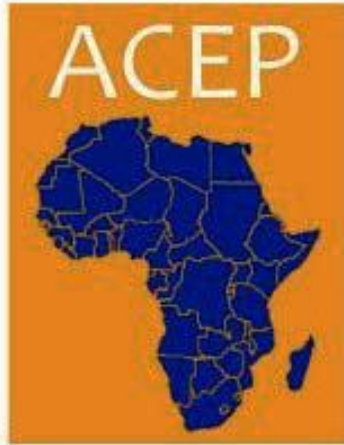
1. **Illicit Financial Flows and the Extractive Industry in Ghana**
<http://www.aceplive.com/wp-content/uploads/2015/05/Illicit-Financial-Flow.pdf>
2. **Analyses and Recommendations for Good Governance in the Petroleum Exploration and Production Bill 2014.**
<http://www.aceplive.com/resources-centre/reports/>
3. **Expenditure Analysis Report**
<http://www.aceplive.com/wp-content/uploads/2014/11/Expenditure-Analysis-Report.pdf>
4. **Advisory Report on Ghana's New Petroleum (Exploration and Production) Bill 2014**
<http://www.aceplive.com/wp-content/uploads/2014/10/Analysis-of-EP-Bill-1.pdf>
5. **Public Interest Report**
<http://www.aceplive.com/wp-content/uploads/2014/10/Ghana-Gas-Report-May-2014.pdf>
6. **Three Years of Petroleum Revenue Management in Ghana- Transparency without Accountability**
7. **Ghana's New Petroleum Agreements Show Major Improvements as Risk Levels Reduce- Cases of GHANA-AGM and GHANACOLA/ MEDEA PETROLEUM AGREEMENTS 1**
<http://www.aceplive.com/wp-content/uploads/2014/06/Comparative-Reveiew-of-AGM-and-COLA-Contracts.pdf>

Publications

1. **Citizens Guide to Petroleum Contracts in Ghana**
<http://www.aceplive.com/wp-content/uploads/2015/05/Citizens-Guide-with-comments-New.pdf>
2. **Request for A three year Arrangement Under the Extended Credit Facility.**
<http://www.aceplive.com/wp-content/uploads/2015/04/cr15103-1.pdf>
3. **Local Content in the Petroleum Upstream Sector- A comparative Analysis of Ghana , Nigeria and Angola.**
<http://www.aceplive.com/wp-content/uploads/2014/12/COMPARATIVE-ANALYSIS-OF-LC-IN-GHANA-ANGOLA-AND-NIGERIA-Rev.pdf>
4. **A Guide to Africa Mining Vision (AMV)**
<http://www.aceplive.com/wp-content/uploads/2014/12/AMV-Guide-Final.pdf>

Working Paper(s)

5. **Between A Blessing and a Curse: The State of Oil Governance in Ghana. By Dr. Muhammed Amin Adam**
<http://www.aceplive.com/resources-centre/working-paper/>



Africa Centre for Energy Policy

NATURAL RESOURCE GOVERNANCE THROUGH PARTNERSHIP

