

Issue: August, 2015

ACEP



Africa  
Centre for  
Energy Policy



# ENERGY FORUM

## In this Issue

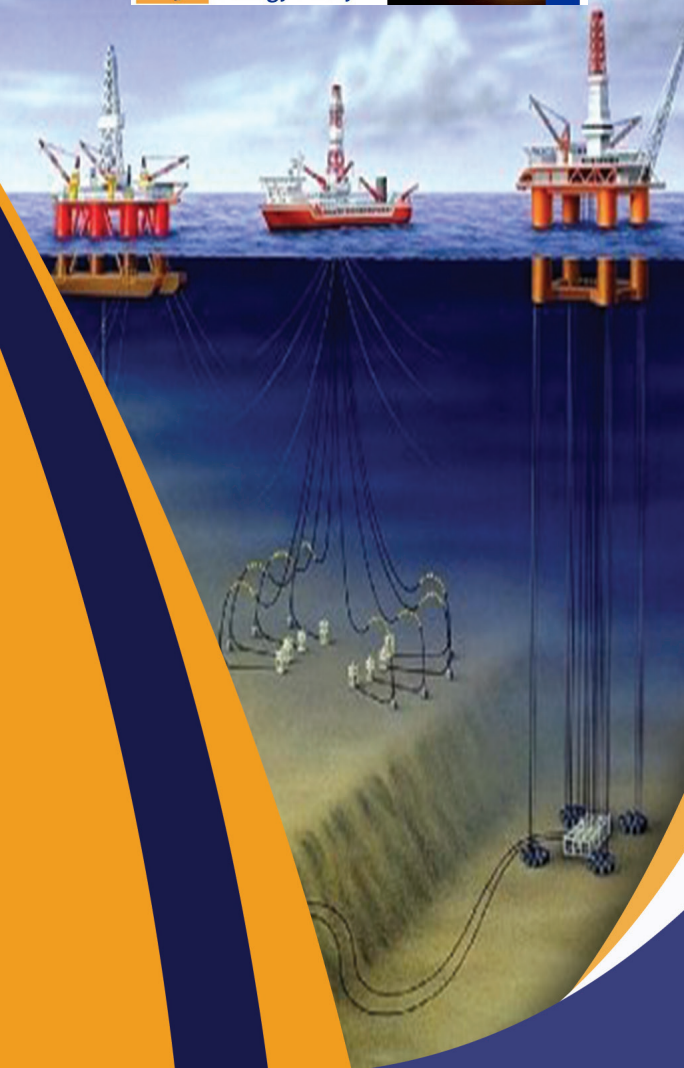
**Energy Personality – Dr. Joyce Aryee**

**Internal News –ACEP sponsors UPSA student,  
Farewell Party,**

**ACEP in the News – Media Interviews and Interac-  
tions**

**Up Close with ACEP's Deputy Executive Director  
ACEP Programmes for the Month**

**Article - Local Content Implementation; Opportu-  
nities for Investment in Ghana**



# MESSAGE

## FROM THE EDITORIAL BOARD

It is with much joy that we bring you this month's edition of the Energy Forum. As ACEP continues to influence energy sector policies in Africa, we are always thrilled to deliver to our readers, monthly updates of what Africa's leading energy think tank has been up to.

This month's edition therefore captures interesting stories of ACEP's programmes and media interaction. Among other stories, readers will also find in this issue, an interesting profile of the 'Personality for the Month' where we chose to consider an influential woman in the extractive industry. We also present one article on local content implementation and its investment opportunities in Ghana.

We had to say goodbye to our Extractive Governance Advisor who had been with us for a year. In this issue, we were also privileged to have an exclusive interview with our Deputy Executive Director.

As we are dedicated to give our readers a high quality newsletter, we welcome your suggestions and comments aimed at improving the newsletter. In view of this, kindly forward all suggestions and comments to this email: [acepenegyforum@gmail.com](mailto:acepenegyforum@gmail.com).

We wish you an enjoyable read.

Thank you,

### *Editorial Board*

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# UP CLOSE WITH ACEP'S DEPUTY EXECUTIVE DIRECTOR

1. **Question:** How did you develop yourself to become as excellent as you have become today?

**Response:** It has been the desire and the commitment to learn. I came to ACEP from a business background with no prior experience in advocacy. I am a person who holds public interest in high esteem and this really pushed me to learn as much as I need to.

2. **Question:** Would you continue to be in the advocacy industry or you would like to venture into something else?

**Response:** Well, I will say I am a man of many paths. I still have business instincts but I have found my grounds with advocacy. Although I would still give advice and mentorship to many in business, I will continue to be in advocacy.

3. **Question:** Who is your role model and why?

**Response:** The question of role model has

always been a tough one for me mainly because there are things I learn from different people. Notwithstanding, I have mostly learnt a great deal from Dr. Mohammed Amin (Executive Director of ACEP); and I even tell him that I have learnt much more from him than I did for my Masters of Science (MSc.) program.



Deputy Executive Director  
(Benjamin Boakye)

4. **Question:** Which aspect of your job really interests you?

**Response:** My interest is in engaging with other leaders of civil society organisations to shape advocacy; it is in meeting such people to determine how to improve the lives of the citizenry.

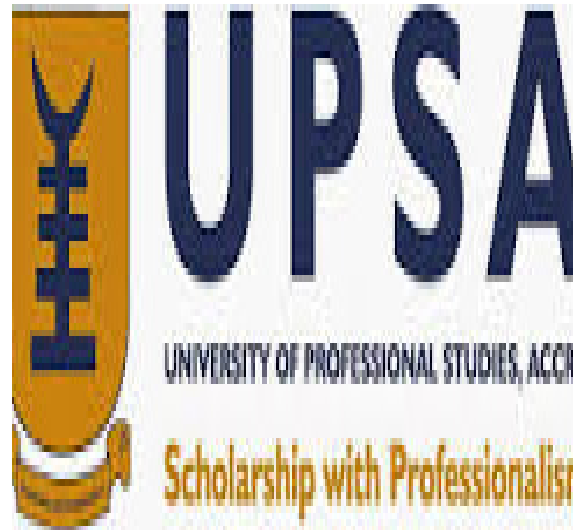
5. **Question:** What was your immediate reaction to your appointment as Deputy Executive Director?

**Response:** It was a very humbling experience for me. At the same time, it meant a bigger challenge and responsibility. It also meant living up to the expectations and not to disappoint those who believe enough in me to entrust such a position to me.

# INTERNAL NEWS

**A**CEP sponsors an award for University of Professional Studies' graduation. ACEP graced the graduation on August 15<sup>th</sup>, 2015. This gesture continues to mark the corporate social responsibility ACEP

undertakes. At the ceremony, ACEP pledged a 5 year relation with the institution and will continue to sponsor awards within the Oil & Gas sector for brilliant students.



*August 2015 Graduation at UPSA*

# ACEP Bids Goodbye to its Extractive Governance Advisor

**M**r. Emmanuel Graham, ACEP's Extractive Governance Advisor leaves ACEP to further his studies in Canada. Graham was with ACEP for a year working under the Policy Unit as Extractive Governance Advisor. Graham will be missed!!



*Graham's departure cake*



*Graham and Munira (Snr. Programs Manager)*



*Group picture with Executive Director and other staff*

# PERSONALITY OF THE MONTH



**Dr. Joyce Aryee**

**D**r. Aryee is the former Chief Executive Officer of the Ghana Chamber of Mines and the first woman to head an African Chamber of Mines. An accomplished management and communication consultant and a professional counselor, Dr. Aryee has dedicated over forty years of her time to private and public sector services in Ghana. In particular, she served as Secretary (Minister) of Information and Education in government of the PNDC as well as a non-cabinet Minister at the National Commission for Democracy.

She is a Senior Mentor for the African Leadership Initiative and the Chairperson of the Moremi Initiative for Women in Leadership for African Development (MILEAD); both mentorship institutions for young Africans. She serves on the Boards of diverse organisations including Stanbic Bank Ghana Limited, Central University College, Finatrade Foundation, AEL Mining Services Limited, GLICO General, Engineers and

Planners, Omatek Computers, The Ark Fund and MAN Ghana Limited, to mention but a few.

She was given the Second Highest State Award, the Companion of the Order of the Volta in 2006 in recognition of her service to the nation. She is also the recipient of the Chartered Institute of Marketing, Ghana (CIMG), Marketing Woman of the Year Award for 2007 and the African Leadership on Centre for Economic Development's African Female Business Leader of the Year Award for 2009.

She is an Honorary Fellow of the Ghana Institution of Engineers and received an Honorary Doctorate from the University of Mines and Technology in recognition of her immense contributions to the growth of the mining industry. Dr. Aryee is the Founder and Executive Director of Salt & Light Ministries, a Christian para-church organisation and an avid promoter of Ghanaian classical and choral compositions.

# ACEP'S PROGRAMMES FOR AUGUST

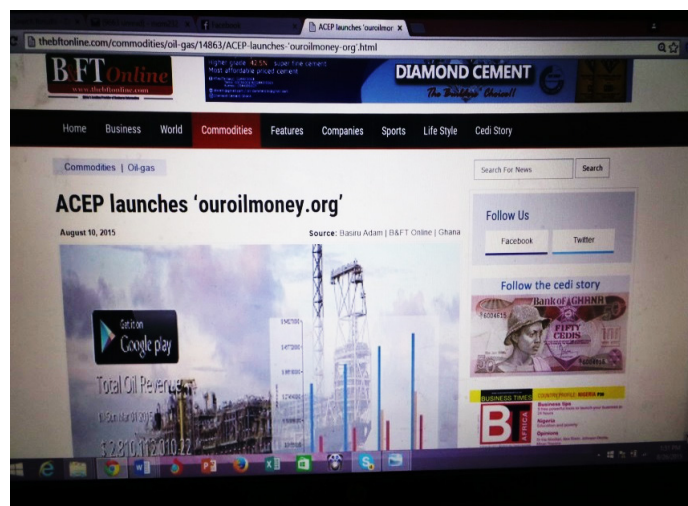


*Golden Tulip – Accountability Forum/Launch of our oil money platform*

## **ACEP Accountability Forum (AAP Project Funded By IBIS)**

Under the Africa Against Poverty Project funded by Ibis, ACEP organised the ACEP accountability forum which brought together various stakeholders in the industry.

This event took place on the 4<sup>th</sup> of August, 2015 at the Golden Tulip Hotel. To ensure that the oil revenues are efficiently and transparently managed, the Petroleum Revenue Management Act (Act 815) was enacted and one of its strong elements is the institutionalisation of





*Executive Director and cross-section of participants at the Northern Regional Consultative Forum*

reporting by Bank of Ghana, Ministry of Finance and the Public Interest and Accountability Committee (PIAC). The accountability forum brought together these organisations to present their reports to stakeholders.

**ACEP** launched its online platform [www.ouroilmoney.org](http://www.ouroilmoney.org) which is a tool to improve transparency and accountability of oil revenues in Ghana. The main purpose of this site is to track the expenditure of oil revenues right from the production phase to the last handler. Another reason for the development of this platform is to create the opportunity for citizens to be part of the decision making process. The best thing about this tool is its accessibility from all devices including mobile phones and also the ability to access all reports as far as oil revenues are concerned. All projects being funded with oil revenues are also available on this site.

### **EAPI Project**

ACEP has started implementing the new Education against Poverty Inequality Project with sponsorship from IBIS. Amongst other activities were the 2014 analysis of the education budget from the ABFA and also the conduction of a value for money audit of three educational

projects funded with oil revenues.

### **Regional Consultative Forums (Northern and Southern Sectors)**

These two forums done in Tamale for the Northern Sector and Accra for the Southern Sector discussed allocations of the ABFA to the educational sector and how they have been utilized. The discussions also looked at areas within the sector that the ABFA needs to be invested. Present were various civil society organizations, Ministry of Education, Ghana Education Service and some International NGOs.

### **Local Content Forum in Takoradi**

Under the IBIS funded Africa against Poverty Project again, ACEP organized a local content and local participation forum in Takoradi. This multi stakeholder forum was on the implementation of the Local Content and Local Participation regulations so far. Participants were mainly





*Deputy Executive Director having a presentation on local content forum at Takoradi*

from Ghana Oil and Gas Service Providers Association of Ghana (GOGSPA), The Ghana Transport Petroleum & Chemical Workers Union of TUC. The main purpose of the forum was to educate workers in the industry and also to find the implementation challenges of the local content and local participation regulation since it was passed two years ago.

### **ACEP Hosts Senegalese Members of Parliament and Civil Society Organizations**

In collaboration with WACAM, ACEP hosted some members of parliament from Senegal. The one week study tour was necessitated by the recent discovery of oil resources in Senegal. To make sure that the necessary frameworks and structures are put in place to effectively govern their new industry, the members of parliament who form a network on good governance saw it wise to learn from their sister country Ghana which is a frontier country as far as production of oil is concerned. Another reason for the visit was to learn about our mining structures as Senegal is in the process of reforming their mining codes.

### **ARTICLE: Local Content Implementation; Opportunities for Investment in Ghana**

Local content policies and laws in oil producing African countries have the same or similar goals. Some of the aims include among other increasing local participation, creating jobs, retaining foreign investments. There are however slight differences in approach and implementation of local content policies. Even in the formulation of the laws and policies, there are slight differences. Other countries make separate regulations, while others put in petroleum agreements or model petroleum agreements.

Most local content policies are generally aspirational. This is due to gaps in formulation of policies, laws, and implementation challenges. A lot of local content policies do not work as envisaged due to inadequate capacity of locals, funding challenges, business licences difficulties, and sometimes lack of information about the existence of opportunities created by local content policies and laws. Despite the implementation challenges, the opportunities are always there to be exploited.

Local content provisions in Ghana are aimed at ensuring inclusive participation of Ghanaian business. Our laws and policy formulations were influenced by both the good and the aspect of local provisions of the oil producing countries. In the peculiar case of Ghana, Local content and Local participation regulation Regulations 2013 (L I 2204) was passed by parliament. It was effective in 2014. Ghana discovered oil in 2007, and commercial production started in November 2010. Before LI 2204 was enacted, PNDC L 84 and Petroleum Model Agreement had some aspect of local content provisions.

Some of the provisions in LI 2204 2013 that guarantee local participation in the upstream of industry include “there shall be 5% equity participation of an indigenous Ghanaian company other than the corporation to be



*Senegalese at GNPC and Minerals Commission as part of their 7-day tour in Ghana*

qualified to enter into Petroleum Agreement” in the downstream, Regulation 11 of LI 2204 2013 stipulates that “a contractor, sub-contractor licensee or other allied entity shall establish and implement a bidding process for the acquisition of goods and services to give preference to local Ghanaian companies”

With these provisions, the opportunities are enormous. In addition, Ghana government commissioned an Enterprise Development Centre (EDC) in May 2013. This centre is to empower enterprises and individuals to effectively participate and take advantage of opportunities available in the industry. The centre has a five year project. Its focus areas of services to entrepreneurs include:

- Business training
- Capacity building programmes
- Advisory services
- Access to market information
- Coordination of activities of both local and for-

eign companies.

Businesses need to go through the following processes in order to register with EDC and access their services.

1. Businesses have to formally register with EDC describing goods and services, qualification and experience
2. Opportunities would be made available to registered companies
3. Review of process and documents and possible inclusion into the oil gas contractors and sub-contractors list for procurement processes.

Some of the broad areas for investment include:

- Waste management and processing
- Rentals of Cranes and lifting of Equipment

- Fuel and Lubricant Supply
- Lifting and Giggling equipment supply and renting
- Manpower supply
- Freight services
- Rigid pool and jumpers
- Supply serves
- Clinic insurance and medical services
- Legal and business consultancies
- Banking services
- Supply of food and catering services

There is also a local content fund to be disbursed by local content committee headed by the minister of Energy. The spending of Annual Budget Funding Amount over the three year period under consideration (2011-2013) as required by Petroleum Revenue Management 815 2011 focused on the following priority areas:

- a. Expenditure and amortisation of loans for oil and gas infrastructure
- b. Roads and other infrastructure
- c. Agricultural modernisation
- d. Capacity building for oil and gas

Under capacity building for oil and gas, Annual Report on Petroleum Funds published by Ministry of Finance shows that government allocated GHC750, 000, GHC111,959,738, GHC32,583,053 (2011-2013). These funds are all supposed to build capacity and ensure that Ghanaians build capacity and aid proper integration of local companies into the oil and gas value chain. However, the proper utilisation of these funds or otherwise is another matter to be discussed.

By: **Munira Abubakar**

# ACEP

## IN THE NEWS



His comments follow a position taken by the Power Minister, Dr Kwabena Donkor, that government will no longer in a blanket manner honor requests by IPPs for all manner of guarantees before they agree to invest. “The fact that IPPs are still asking for guarantees in spite of the power sector reforms is a demonstration that the reforms have not been successful, because the reforms were supposed to ensure that a wholesale market was developed where people can trade for power,” Dr Amin told the B&FT in an interview.

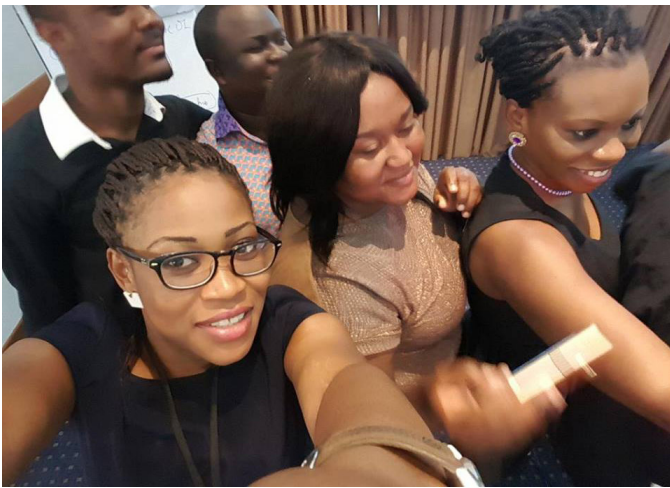
### ACEP Joins West Africa Society Institute (WASCSI) in a 3 day Digital Training Exercise to engage Global Audience

#### ACEP’s Executive Director’s Interview with Business & Finance Times - Don’t scare away IPPs.

**G**overnment should be communicating to investors in the power sector in a way that will attract rather than scare them away, especially in view of the large deficit in supply, Dr. Mohammed Amin Adam of the African Centre for Energy Policy (ACEP) has said.

ACEP undertook a special training exercise to with other participants to fine tune its communication effort with global audience. The three day training organized by the West Africa Civil Society Institute and in collaboration with OXFAM saw in attendance 26 participants from 9 Civil Society Organizations. Participants were awarded with certificates in Digital Media Communication.





26 participants from 9 CSOs in Ghana, benefit from a social media training by @WACSI Thanks to @OxfaminGhana

*ACEP's Programs Manager Freda Opoku and other Participants from other CSO's @the training*

**Remove 'Unnecessary' Petroleum Taxes - ACEP**

of the full deregulation of the downstream petroleum sector would not be met if government continues to charge taxes on petroleum products.



*Executive Director ACEP*

*(Dr. Mohammed Amin advising Government)*

ACEP Executive Director Dr. Mohammed Amin Adam has advised Government to remove unnecessary petroleum taxes. According to the Executive Director, the objectives

Dr. Amin Adam further stressed that the continuous imposition of "unnecessary" taxes by government gives a clear indication of government's control of the petroleum sector. He also believes that the Exploration Levy should be scrapped immediately since the Ghana National Petroleum Corporation (GNPC) now gets so much money from their share of the oil revenues accruing to Ghana.

**Regional Consultative Forum on Education Against Poverty and Inequality (Southern Sector)**

ACEP In partnership with Northern Network for Education Development (NNED) undertook a Regional Consultative Forum on EDUCATION AGAINST POVERTY and INEQUALITY. The forum which was structured into two was first held at Tamale in the North Region, and the subsequent one held in ACCRA at Golden Tulip Hotel. Group discussions were held to draw up relevant proposals to shape up policies for Government and help address/prioritize the needs of the Education sector vis a viz Oil Revenues.





*Participants @ Golden Tulip in a Group Section. Various Institute such as IMANI, NNED, IBIS, OXFAM, GHANA EDUCATION SERVICE, SEND GHANA and the media were in attendance*

## **ACEP presents its input to the 2016 - 2018 National Budget**

August, 2015. ACEP joined other invited stakeholders and the Ministry of Finance for this consultation.

The Deputy Executive Director of the Africa Center for Energy Policy (ACEP) presented ACEP's input to the 2016 – 2018 national budget. This meeting was held at the Western Premier Hotel, East Airport on Thursday, 20<sup>th</sup>



*Deputy Executive Director making an input to 2016-2018 national budget*



### **Executive Director of ACEP, Mohammed Amin Adam discusses with Joy Business - Ghana to Lose US\$100m Stashed In Escrow Account**

According to ACEP, Ghana could lose an amount of 100 million dollars which has been stashed in an escrow account by the GNPC as guarantee to facilitate the provision of emergency power by Turkish company, KAR-POWER. This is because the ECG, which the GNPC is standing surety for, has a track record of defaulting in payments. Executive Director of ACEP Mohammed Amin Adam tells Joy Business the GNPC should not have engaged in that investment because it is not their core business and that it is the business of the Electricity Company of Ghana.

### **ACEP's Executive Director Presents on the Strategic and Investment Plan for GNPC**

Speaking at a Forum organized By the National Resource

Governance Institute and FAT Africa on the Strategic Plan for GNPC at Alisa Hotel 20th August 2015, the Executive Director of ACEP, Dr. Mohammed Amin said among other things that GNPC must adopt best practises to enhance its fortunes if it hopes to achieve its 7 year strategic goal.

He cited models of countries Ghana could look up to such as China where the government had moved away completely from the management of its National Oil Company and left it to function on its own.

He believed that the separation of government affairs from GNPC, which is political involvement, will help address the issues confronting GNPC and thus promote their strategic goal. While saying this, he questioned the financial muscle of GNPC to achieve their strategic goal as he envisaged some weakness and advised that GNPC should continue in innovative partnership to increase their revenue before setting up these strategic goals.







## Where is the \$100m Sinking Fund Money? – ACEP Asks Terkper



The Africa Center for Energy Policy (**ACEP**) wants the Minister of Finance Seth Terkper to come clean on whether or not there was any transfer of funds made into the Sinking Fund account.

This was after the Bank of Ghana disputed claims by the Minister that an amount of \$100 million was transferred into the Sinking Fund to help the nation repay its debt

and the BOG swept the account clean in March 2015. The fund, according to Seth Terkper, was to be funded with excess cash from the contingency fund.

In an interview with Citi News Deputy Executive Director of ACEP, Ben Boakye insisted that Ghanaians need to know whether government is serious about its plans to deal with the debt stock as outlined in the 2015 budget.

## ACEP's Executive Director Speaks to Stakeholders and Media on Efficient Utilization of Ghana's Oil Revenue



During his submission at the forum on “EFFICIENT UTILIZATION OF GHANA’S OIL REVENUE” hosted by the Institute of Financial and Economic Journalists (IFEJ) at the Kofi Annan Centre of Excellence in ICT, the Executive Director of ACEP Dr. Amin among other things, hinted that the law on Petroleum does not address how efficiently we spend our money.

He believed that another worrying trend is the discretionary powers given to the Minister of Finance. This is a challenge we must address he said. He also noted that the capping of the stabilization fund which is based on the discretion of the Minister isn’t the best in light of his ability to change the limit as and when needs.

### ACEP’s Head of Policy Unit Ishmael Ackah Speaks on PM Express on Ghana’s National Development Plan



During a discussion regarding National Development Plan on PM Express (JoyNews), the Head of Policy for ACEP, Ishmael Ackah suggested among other things that, efficient energy utilization must be one of the issues as a nation we must prioritize.

He was of the view that the National Development Plan Agenda needs some inclusive mechanisms to strengthen

it whiles citing the need for accurate population data to start off with. He believed that if the development plan is to be owned by citizens, then citizens must play an active role in the building of the plan. Ishmael maintained that if it should succeed, then adhoc measures must be eliminated in government’s effort at building a better nation.



ACEP Head of Policy Unit on PM Express

## NATURAL RESOURCE GOVERNANCE THROUGH PARTNERSHIP



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