Africa Centre for Energy Policy

18 NOVEMBER 2026

ACEP'S INSIGHTS ON GHANA'S 2027 BUDGET STATEMENT

1.0 INTRODUCTION

The 2027 Budget introduces significant policy shifts in the governance of natural resources, the management of public investments, power sector reforms, and the development of a domestic minerals processing industry. These are important interventions that could help address several of Ghana's longstanding structural economic challenges.

Consolidating mineral and petroleum revenues for strategic national infrastructure, merging the Minerals Income Investment Fund (MIIF) and the Ghana Infrastructure Investment Fund (GIIF), expanding incentives for renewable and thermal generation, and moving from raw mineral exports toward domestic value addition all signal a decisive shift in policy direction.

However, the success of these ambitions will depend on the quality of their institutional design, the discipline with which public resources are deployed, and the ability of government to resolve underlying economic and technical constraints. This brief examines those fiscal, technical, and governance risks across the petroleum, power, and mining sectors, and sets out targeted recommendations to strengthen execution.

2.0 PETROLEUM SECTOR

Ghana's petroleum sector recorded strong revenue in 2026 on the back of higher oil prices, but the Budget projects receipts to fall from about US$1.13 billion in 2027 to US$736 million by 2030 as mature fields decline. Against this backdrop, the Budget keeps allocations to the Ghana National Petroleum Corporation (GNPC) tight and directs Annual Budget Funding Amount (ABFA) transfers into escrow accounts ahead of major transport construction.

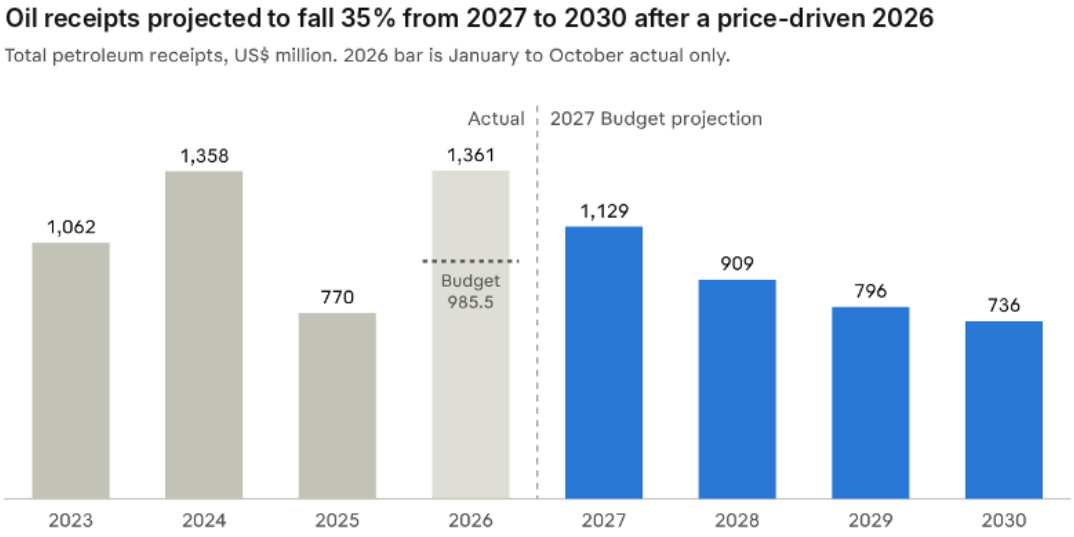
These measures address how petroleum revenues are managed, rather than how the upstream industry itself is governed. While the proposed Natural Resource Revenue Management Act will harmonize extractive revenue rules, it does not reform upstream sector governance. Declining production, regulatory gaps, and the need to attract new investment while protecting national commercial interests call for a broader upstream reform agenda. That effort must strengthen contract quality, fiscal terms, regulatory capacity, GNPC's commercial performance, exploration commitments, local participation, and operational transparency, while maintaining a clear separation between the state's commercial and regulatory roles so Ghana captures greater value from its remaining petroleum resources.

This section examines the credibility of the Budget's upstream revenue outlook, the sequencing and oversight of ABFA transfers into project escrow accounts, and the governance risks

surrounding proposed changes to natural resource revenue laws and sovereign investment funds.

2.1 Oil Revenues

Petroleum receipts reached US$1,361.4 million by the end of October 2026, 38.1 percent above the 2026 budget projection of US$985.5 million. This performance was driven largely by higher oil prices, with a recovery in crude production. For 2027, the budget projects US$1,128.6 million in petroleum receipts, which is then expected to fall to US$736.0 million by 2030 as the budget projects crude oil production to fall from 37.4 million barrels to 26.6 million barrels.



The 2026 performance therefore reflects a price windfall, and the budget rightly does not treat it as a new baseline and projects receipts to fall by 35 percent between 2027 and 2030. New upstream deals including Jubilee's US$2 billion drilling programme, Eni's OCTP gas expansion and the Eban-Akoma development, are unlikely to reverse this decline before 2030. Jubilee drilling will mainly slow the decline of a mature field, the OCTP expansion is largely gas for domestic power, and Eban-Akoma is unlikely to come on stream within the period.

2.2 GNPC Financing

In 2026, GNPC was allocated US$190.3 million, comprising US$150.0 million for Equity Financing Costs and US$40.4 million as its share of net Carried and Participating Interest (CAPI). By the end of October 2026, GNPC had received US$176.0 million, consisting of US$130.5 million for Equity Financing Costs and US$45.6 million in CAPI. Although net CAPI disbursements exceeded allocation, Equity Financing Cost disbursements remained below allocation, even with total petroleum receipts running 38 percent above projection. GNPC's share of net CAPI was reduced from 30 percent to 15 percent in the 2025 Budget, a rate the 2027 Budget maintains. For 2027, GNPC is allocated US$177.7 million, comprising US$137.7 million for Equity Financing Costs and

US$40.0 million in CAPI. This represents a decrease of US$12.6 million, or 6.6 percent, from the 2026 allocation.

Keeping GNPC's net CAPI share at 15 percent is a welcome step toward tighter financial discipline, given the corporation's history of high administrative overhead and non-core spending when statutory inflows were larger. With US$137.7 million tied to Equity Financing Costs on producing fields, this leaves US$40.0 million in net CAPI for corporate operations and exploration expenditure in 2027. Given repeated schedule slippages in the Voltaian Basin, where first well drilling has shifted into late 2026 or early 2027, this tighter envelope should encourage sharper prioritization. At the same time, GNPC's subsidiary, Explorco, which leads the Voltaian Basin programme, receives commercial inflows from Jubilee Oil Holdings Limited (JOHL) outside the Petroleum Holding Fund. These off-budget revenues soften the impact of tighter statutory transfers to GNPC. The revenues however sit outside direct parliamentary appropriation and PRMA oversight, risking the expected stricter prioritization and discipline.

2.3 ABFA Allocation and Expenditure

The 2026 budget dedicated the Annual Budget Funding Amount (ABFA) solely to the Accra–Kumasi Expressway under the Big Push programme. The 2027 budget reports that between January and October 2026, US$556.0 million was transferred from the ABFA account into a ring-fenced holding account at the Bank of Ghana. Another US$27.8 million representing 5 percent of ABFA inflows was transferred to the District Assemblies Common Fund (DACF). The Finance Minister reports that by 11 November 2026, the project account which combines ABFA transfers and mineral royalties held about US$3 billion. However, construction of the expressway is yet to commence as tenders are expected to conclude only by the end of 2026.

For 2027 and 2028, the government proposes to redirect the ABFA and mineral royalties solely to the construction of the Western Corridor Railway from Takoradi through Nsuta and Awaso to Nyinahin. The 2027 ABFA is projected at US$665.6 million (GH¢9.1 billion). Feasibility, engineering design and costing studies for the railway are still ongoing, which means petroleum revenue is again being committed ahead of project readiness and is likely to accumulate unspent for another year. While pre-funding helps prevent stalled projects and contractor arrears, transfers should be aligned with verified project readiness and construction milestones, with clear public reporting on escrow balances and returns earned while funds await disbursement.

2.4 Revenue governance

The Budget proposes a unified Natural Resource Revenue Management Act and a Ghana Sovereign Wealth Fund combining MIIF and GIIF. While extending revenue management to minerals makes sense, the Budget leaves key safeguards unclear, including the future of the Stabilization and Heritage Funds, PIAC oversight, and disclosure requirements.

a. Natural Resource Revenue Management Act

One of the most significant policy shifts in the Budget is the proposed Natural Resource Revenue Management Act, which will bring petroleum, gold, lithium, bauxite, and other extractive revenues under a single framework and extend statutory revenue governance beyond petroleum. Directing these revenues toward major national infrastructure projects such as the

Accra to Kumasi Expressway and the Western Corridor Railway Line, rather than spreading them thinly across scattered expenditure lines, is a commendable step. It introduces greater fiscal discipline into the management of exhaustible resources and offers an opportunity to convert mineral and petroleum wealth into durable productive assets while reducing reliance on costly borrowing.

However, this discipline must be firmly anchored in law rather than left to the discretion of the government of the day. Experience under the Petroleum Revenue Management Act (PRMA) shows how easily statutory safeguards erode when short term spending pressures arise. Successive amendments and budget decisions have lowered the Stabilization Fund cap to sweep balances into debt repayment, permitted full single project earmarking of the Annual Budget Funding Amount (ABFA), and routed oil revenues through state investment vehicles subject to weaker parliamentary scrutiny. To prevent the current policy from being reversed or diluted as political priorities shift, the new Act must bind successive governments to clear rules on the allocation, selection, financing, and monitoring of resource funded projects, backed by transparent eligibility criteria, independent oversight, regular public reporting, and measurable performance requirements.

Consolidating petroleum and mineral rules into a broader framework also offers an opportunity to prevent conflicting parallel laws and close loopholes created by past amendments. Yet harmonization must not weaken the distinct accountability standards required for petroleum and mineral revenues, nor be used to formalize past dilutions. Applying an infrastructure only rule across all extractive revenues without reserving a statutory share for stabilization and savings would leave ongoing capital projects exposed to commodity price shocks and erode intergenerational equity, particularly as projected petroleum receipts decline by 35 percent through 2030. The new legislation must therefore preserve and strengthen the Stabilization and Heritage Funds, statutory savings rules, robust public disclosure obligations, and the independent oversight and funding autonomy of the Public Interest and Accountability Committee (PIAC).

b. Ghana Sovereign Wealth Fund

The Budget further proposes to merge the Minerals Income Investment Fund (MIIF) and the Ghana Infrastructure Investment Fund (GIIF) into a Ghana Sovereign Wealth Fund (GSWF). The new fund would manage mineral income, finance transformative projects, and act as an equity partner for the 24 Hour Economy programme. The proposal is sound in principle and could consolidate investment resources, improve coordination, and create a stronger financing institution for national development.

However, combining two institutions does not automatically create a better one. Without reform, the merger could simply concentrate existing weaknesses inside a larger vehicle. ACEP has consistently flagged the opacity of MIIF's investments and merging the Fund without first auditing its portfolio risks loading impaired or opaque exposures onto the new balance sheet from the outset.

An independent value for money audit of both funds should therefore precede the merger. It should assess actual investment performance, including economic value created, asset quality, returns on capital committed, private capital mobilized, and development outcomes, instead of

a simple focus on headline asset size or reported revenue. For MIIF, much of its historical revenue reflected statutory royalty allocations rather than investment returns. With the 2025 amendment to the MIIF Act drastically reducing that royalty stream, its equity stakes in companies such as Asante Gold and Atlantic Lithium must be judged on their commercial and strategic returns alone. GIIF's financing of Agenda 111 illustrates the same point, as PIAC reported in 2024 that only three facilities had been commissioned despite substantial public expenditure.

The merger is further complicated by how extractive revenues are now structured. The Budget ring fences the Annual Budget Funding Amount (ABFA) and mineral royalties for the Accra to Kumasi Expressway and, in 2027 and 2028, the Western Corridor Railway, without clarifying whether these accounts will transfer into the GSWF. Keeping them outside the GSWF risks undercapitalizing the fund on a shrunken royalty base, while moving them inside without strict sub-account separation exposes committed road and rail funds to commercial equity losses. The 2025 amendment to the Petroleum Revenue Management Act, which permits part of the Ghana Petroleum Funds to be invested in domestic energy projects, creates an additional overlapping mandate.

The establishing legislation should therefore define the GSWF's initial capital and ongoing funding sources, align it with the proposed Natural Resource Revenue Management Act, establish a clear boundary with the Petroleum Funds, and protect the expressway and railway accounts. It should also mandate:

- Independent and technically competent investment decisions insulated from political interference.
- Rigorous commercial and economic appraisals of investments, with a clear preference for co-investment and private partnerships over direct project execution.
- Transparent investment policies, risk frameworks, and regular portfolio performance reporting.
- Independent audits, periodic evaluations, and parliamentary accountability for major investments, withdrawals, and contingent liabilities.

Above all, the fund should be catalytic with a focus on crowding in private capital for commercially viable national priorities rather than becoming another state implementation agency competing with the private sector. Given the significant risk of political capture in Ghana's political economy, its governance architecture must anticipate these pressures rather than rely on good intentions.

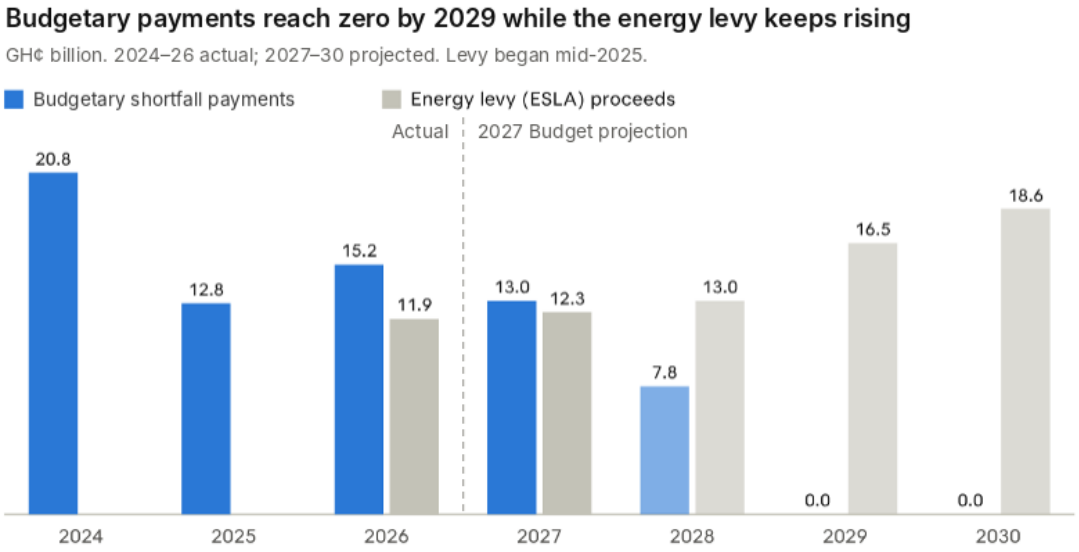
3.0 POWER SECTOR

The 2027 Budget seeks to eliminate power sector fiscal shortfalls by 2029 and end emergency power contracts by 2030 through a mix of consumer levies, utility distribution concessions, and major public investments in thermal, solar, and nuclear generation. While recent shortfall reductions and clean energy commitments signal positive intent, the strategy relies heavily on distribution reforms that have stalled in past budgets and large generation projects announced without clear cost, fuel, or procurement disclosures. This section assesses the consumer burden

of rising energy levies, the execution risks facing distribution concessions, and the technical and financial gaps across the proposed thermal, renewable, and nuclear programmes.

3.1 Budget Finance of Energy Sector Shortfall and Distribution Sector Reforms

By October 2026, the Energy Sector Shortfall and Debt Repayment Levy had raised GH¢11.9 billion, outperforming its GH¢8.7 billion programme target. According to the budget, the levy now covers shortfalls that were previously financed through borrowing and arrears. In effect, consumers face a double burden for power sector inefficiencies and liabilities, paying for utility distribution losses through the Distribution Service Charge 2 (DSC-2) component in the electricity tariff build-up while also funding wider sector shortfalls through this levy, even as direct budgetary bailouts shrink. Consequently, the budget projects that the shortfall will drop to GH¢7.8 billion in 2028 and disappear entirely in 2029 and 2030. At the same time, however, levy collections are projected to grow by 51 percent to reach GH¢18.6 billion by 2030. Yet the budget fails to specify what the levy will fund once the shortfall is eliminated, leaving it unclear whether the funds will go toward legacy debt or new state-owned power plants.



The projected elimination of the energy sector shortfall depends heavily on distribution reforms delivering what the budget assumes. Private sector participation (PSP) in electricity distribution is arguably the most consequential power sector intervention in the Budget, particularly for fiscal sustainability. Its importance goes beyond operational efficiency in power distribution. Because high distribution losses and weak revenue collection prevent the utility from covering its power and fuel costs, fixing distribution is central to insulating the national budget from the energy sector's persistent financial obligations and freeing resources for wider development priorities. The Budget credits distribution reform with eliminating the US$1.4 billion spent annually on the sector shortfall, even as arrears to Independent Power Producers (IPPs) and fuel suppliers remain at roughly US$1.7 billion. Meanwhile, government continues to pay over US$80 million for gas

supplied to the power sector and more than US$250 million a year to service restructured energy sector debt.

Despite relying on distribution reform to deliver these savings, implementation has stalled for nearly two years as commitments expanded and deadlines slipped without measurable progress. The 2025 Budget limited PSP to ECG's collection operations, a step ACEP welcomed while cautioning that the process must be competitive and transparent. The 2026 Budget extended it to billing and collection and targeted concession contracts by the third quarter of 2026. The 2027 Budget now promises performance driven private participation across distribution with full implementation by the end of 2027.

Government must move beyond policy commitment and publish a distribution reform framework that sets out the concession timeline, the specific zones or operational segments to be leased, and a transparent, competitive bidding process with clear selection criteria. The concession must also carry enforceable performance obligations, with verifiable baselines and targets for technical and commercial losses, revenue collection, operational efficiency, and customer service, while protecting the strategic public interest. Progress should be reported annually in the Budget, and shortfall allocations should be tied to audited outcomes so that the projected elimination of the shortfall by 2029 reflects measured performance.

Bringing in a private concessionaire will mean little if the Budget still has to cover annual sector shortfalls and unpaid fuel and power bills. Likewise, the wider investments in thermal generation, solar and battery storage, transmission, and prepaid metering will only pay off if they lower the underlying cost of electricity supply and end the sector's reliance on fiscal bailouts.

3.2 State-Owned 1,450 MW Thermal Plant

The 2026 Budget announced a 1,200 MW state-owned power plant to absorb an additional 150 million standard cubic feet (MMscf) of gas per day from OCTP and Jubilee, relying on the second Ghana Gas processing plant to handle the extra volumes from Jubilee, with construction starting in 2026. The 2027 Budget expands the project to a 1,450 MW plant at Kafodzidzi-Abrobeano, to be fully funded and owned by the state. The plant is phased, with 600 MW due by December 2028 and the remaining 850 MW by December 2030. Yet the same 150 MMscf of gas per day is expected to fuel the larger plant, despite the 2026 Budget stating that this volume was sufficient for up to 1,200 MW. At that ratio, a 1,450 MW plant would require roughly 181 MMscf per day. Moreover, the 2027 Budget drops any mention of the second gas processing plant, even though a government Technical Implementation Committee has been working on the facility, which is being structured as a public-private partnership (PPP). Omitting this impending PPP arrangement from the budget leaves unclear how the additional Jubilee gas will be processed and delivered. It also risks leaving the new plant idle or reliant on costly liquid fuels if the processing plant lags behind the December 2028 power deadline.

3.3 Renewable Power Initiatives

The 2027 Budget makes renewable and nuclear power a central part of its energy pillar through three initiatives. These are a fully state-owned 600 MW solar plant with 2,000 MWh of battery storage, a US$200 million nuclear-readiness programme, and an import duty and VAT exemption on solar panels and batteries. Together with the new thermal plant, solar and storage are

credited with helping to end emergency power by 2030, and the budget aims to cut generation costs from about 16 to 8 US cents per kilowatt-hour. However, the commitments are announced with far less detail than their scale requires.

a. 600 MW Solar Plant with 2,000 MWh of Battery Storage

The Budget announces a fully state-owned 600 MW solar plant paired with 2,000 MWh of battery storage. In principle, adding 600 MW of utility-scale solar represents a substantial step toward closing the gap on Ghana's target of raising renewable energy to at least 10 percent of the electricity generation mix by 2030, while advancing the updated Renewable Energy Master Plan goal of adding 852 MWp of utility-scale solar capacity. Turning this announcement into reliable capacity by 2030, however, will require clear disclosures on capital costs, site selection, transmission readiness, financing terms, and competitive procurement. From a system planning perspective, 2,000 MWh of storage provides roughly three hours of discharge at full 600 MW output. While valuable for shifting daytime solar generation into evening peak hours, three hours of storage cannot substitute for firm, dispatchable capacity overnight or during extended cloudy periods. Clarifying how this intermittent generation will be integrated with thermal reserve capacity will therefore be essential before retiring emergency power plants in 2030.

b. Solar Import Duty and VAT Exemption

The Budget proposes exempting solar panels and batteries from import duty and VAT as part of its 24-Hour Economy incentives. This is an important intervention that can lower upfront costs, accelerate the adoption of distributed renewable energy, ease pressure on the national grid, improve energy access, and support Ghana's climate commitments. It also opens affordable energy options to households, businesses, farms, and industries.

However, government must ensure that these tax benefits reach consumers rather than being absorbed by importers, distributors, and installers through higher margins. Alongside issuing clear customs guidelines covering essential system components such as inverters, government and relevant regulators should periodically publish indicative price ranges for supplying and installing standard solar systems, differentiated by capacity, battery storage, and installation requirements. These benchmarks would give consumers a reference point for assessing quotations and verifying whether the exemption is lowering installation costs. The Energy Commission can support this effort by monitoring equipment and installation prices, identifying cases where tax relief is not reflected in retail pricing, and ensuring licensed installers operate in transparent, competitive market conditions. Government should also publish an estimate of the revenue forgone so that the fiscal cost of the relief can be weighed against the savings passed on to end users.

The exemption also carries important implications for the power sector. With net metering rollout still stalled, cheaper panels and batteries will encourage commercial and industrial customers, who represent the highest paying segment on the national grid to self-generate. ECG's revenue projections and the proposed distribution sector reforms must account for this shift in grid electricity demand to avoid widening the sector shortfall.

Ultimately, the success of this intervention would not be measured by the volume of equipment imported or the number of installations completed but by the extent to which households and

businesses enjoy lower installation costs, more affordable electricity, and greater energy independence

c. Nuclear Readiness Programme

The budget commits US$200 million to a 24-month nuclear readiness programme from January 2027 to December 2028, targeting a signed engineering, procurement, construction and financing contract by the end of 2028. Dedicated funding at this scale signals serious commitment to long-term, low-carbon baseload capacity. However, the budget gives no annual disbursement schedule. It states that the plant will be fully state-owned and that international partners will provide finance, but it gives no indication of the terms. It is important to note that the capital cost at stake for such nuclear projects is very large. The estimated cost of a 462 MW small modular reactor project in the United States rose from US$5.3 billion to US$9.3 billion in 2023, while large reactors of 1,100 MW to 1,200 MW have been estimated at about US$7.5 billion per unit at Egypt's El Dabaa plant and about US$15 billion per unit at Vogtle in the United States. On those benchmarks, the 2,000 MW plant Ghana has agreed with Russia to pursue could cost roughly US$15 billion to US$30 billion. At El Dabaa, a Russian state loan covered 85 percent of the cost and is repaid over 22 years at 3 percent, which shows the scale of the sovereign liability that vendor financing can create.

Without a credible financing plan, spending US$200 million on readiness risks committing public funds to a timeline that cannot be sustained at financial close. The agreement with Russia, following earlier framework agreements with United States and Chinese vendors, also raises the question of whether vendor selection will remain competitive. Meeting the December 2028 target further depends on passing the Nuclear Power Corporation Bill and completing site acquisition and characterization. It is important for the government to clarify how these legal, procurement and financing milestones will be sequenced to ensure the programme delivers on time.

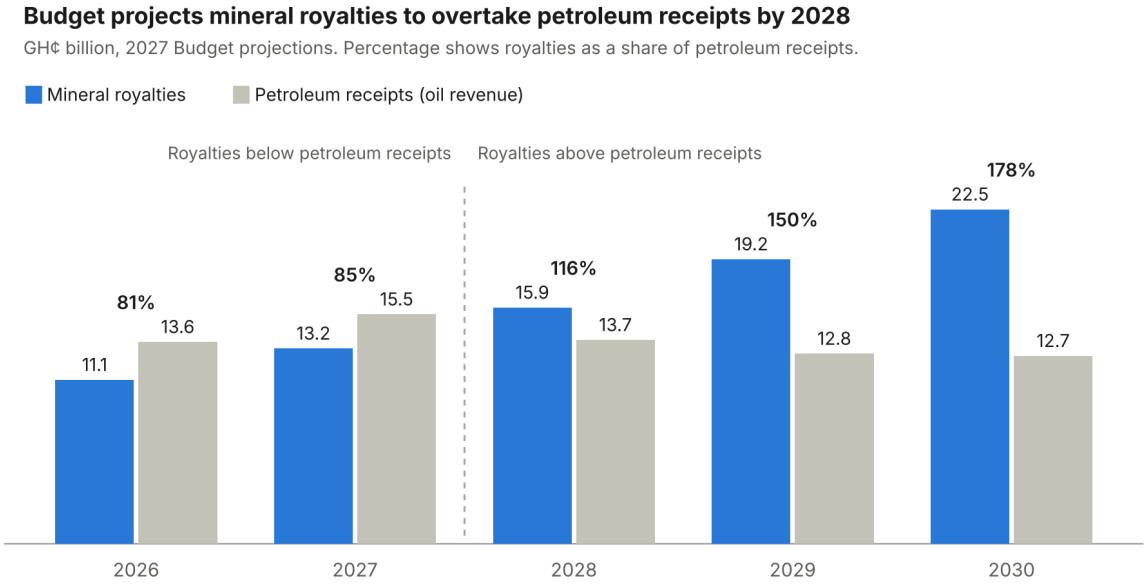
4.0 MINERALS AND MINING SECTOR

With petroleum receipts projected to decline, the 2027 Budget positions gold and critical minerals as the primary drivers of extractive revenue growth and domestic industrial transformation. The budget projects a sharp rise in mineral royalties, commits US$1.5 billion to local refining and processing bans for gold, manganese, and bauxite by 2028 and 2030, and allocates GH¢400 million toward restoring degraded mining lands. This section evaluates the price vulnerabilities and small scale gold revenue gaps behind the fiscal projections, tests the technical and power feasibility of the downstream processing deadlines, and examines the funding and enforcement shortfalls threatening land reclamation.

4.1 Mineral Revenue

Mineral royalties are projected to rise from GH¢13.16 billion in 2027 to GH¢22.52 billion in 2030, a 71 percent increase that would see royalties overtake petroleum receipts in 2028 and reach roughly 1.8 times petroleum receipts by 2030. Yet the budget does not state the gold price or effective royalty rate assumptions behind these projections, and its own macroeconomic tables imply gold output at constant prices growing by only about 8 percent between 2027 and 2030. The surge therefore relies heavily on sustained high gold prices or higher collections under the

sliding-scale royalty regime introduced through L.I. 2517 in March 2026. This poses a major fiscal vulnerability. While the budget itself warns against building permanent spending commitments on temporary windfalls, gold prices have already eased from US$4,876 to US$4,268 per ounce between the first and third quarters of 2026, and gold accounts for 69.9 percent of total export receipts, leaving fiscal projections highly exposed to price corrections.



At the same time, major gaps remain in mining tax transparency and small-scale gold revenue capture. The Growth and Sustainability Levy continue to rise through 2030 in the fiscal tables, yet the Ghana Chamber of Mines reports that the levy rate on gold mining was reduced in 2026 with a commitment to phase it out by 2028. Because the budget is silent on both the mining share of the levy and the phase-out schedule, the exact revenue at risk cannot be assessed. Even more striking is the fiscal gap in artisanal and small-scale mining. Despite recording 88 tonnes of small-scale gold exports worth US$12 billion, the budget reports no royalty or tax receipts from this gold, even as the state transfers up to GH¢5.0 billion a year to GoldBod. This leaves open how much of the revenue from small-scale gold the state actually captures, since significant export volumes appear to generate little reported revenue.

4.2 Value Addition in Ghana's Minerals Sector

The 2027 Budget commits US$1.5 billion to critical minerals value addition and sets four sequential targets. Seventy percent of small-scale gold is to be refined locally by December 2027, rising to 100 percent by December 2028 alongside a ban on raw exports. For manganese and bauxite, 50 percent of output is to be processed locally by the end of 2028, reaching 100 percent by the end of 2030 with raw exports prohibited. Feasibility varies sharply across the three minerals.

a. Gold Refinery

The target of refining 70 percent of small scale gold locally by December 2027 and 100 percent by December 2028 is the most achievable across the three minerals. GoldBod reports that 18.7 of the 25 tonnes aggregated and exported since August 2026 were refined locally,

including 5.4 of the 5.7 tonnes exported in October. Over the year to 20 October, however, only 25 of 85.4 tonnes, or roughly 30 percent, were refined in Ghana, showing that almost all of the shift followed the 1 September directive barring aggregators from exporting unrefined doré.

Refining capacity is not the binding constraint. Ghana's four licensed refineries have a combined stated capacity of roughly 290 to 360 tonnes a year, well above the 88 tonnes of small scale gold exported so far in 2026, while Burkina Faso's US$19 million refinery with 164 tonnes of annual capacity confirms that refining is relatively inexpensive to scale.

The harder constraints are cost competitiveness, market compliance, and global certification. Existing refineries already upgrade doré gold from roughly 90 percent to 99.9 percent purity, yet they struggle to compete because of high electricity costs. If public subsidies are needed to keep them viable, those costs can offset the economic value created by local processing. Meanwhile, as the sole legal buyer and exporter of small scale gold, GoldBod can only enforce an export ban if gold remains in formal channels, yet buying at the Budget's planned 3 percent discount to world prices widens the price spread that encourages smuggling. Local refineries are also still pursuing London Bullion Market Association (LBMA) accreditation, a three to five year process, while 98.8 percent of small scale exports currently go to Dubai and India. In the near term, therefore, local refining delivers important gains in traceability and regulatory control, while higher export premiums and deeper industrial value depend on resolving these cost and certification barriers.

b. Manganese Refinery

The target of processing 50 percent of manganese locally by the end of 2028 and 100 percent by the end of 2030 is a major stretch. Manganese output rose from 2.99 million tonnes in 2023 to 5.28 million tonnes in 2025, with Ghana supplying 5.32 million tonnes to China, or roughly 16 percent of Chinese imports. As the world's only large-scale exporter of high-grade carbonate manganese ore, Ghana holds genuine market leverage over buyers. However, production relies on a single operator, Ghana Manganese Company, which is controlled by China's Tianyuan with a 10 percent free-carried state interest. Because one foreign-controlled producer accounts for all domestic output, meeting the 2028 and 2030 deadlines depends either on Tianyuan scaling local processing far beyond its existing Chinese smelting base or on attracting third-party processors into Ghana within a tight timeframe.

Electrical power is the decisive bottleneck for either path. Ferroalloy smelting typically consumes 4,000 to 5,250 kilowatt-hours per tonne, with electricity accounting for 40 to 70 percent of production costs. Assuming ore grading roughly 29 percent manganese and full metallurgical recovery, processing 5.28 million tonnes of ore would require 8 to 11 terawatt-hours of electricity per year, equivalent to roughly 1 gigawatt of continuous baseload power. That represents 30 to 40 percent of the 27,015 gigawatt-hours generated across Ghana in 2025, within a power system of 5,818 MW installed capacity and roughly 4,000 MW peak demand. Meanwhile, the planned US$450 million refinery at Nsuta has no published throughput capacity, making it impossible to verify whether it can meet the 50 percent target by 2028. Gabon's experience offers a clear warning. Even though Gabon's ban on raw manganese exports takes effect in January 2029, its main producer, Eramet, has committed to processing capacity of at most 700,000 tonnes per year by the end of 2031, a fraction of the 9.4 million tonnes the country exports.

c. Bauxite Refinery

The target of processing 50 percent of bauxite locally by the end of 2028 and 100 percent by the end of 2030 is the weakest case across the three minerals. Despite decades of policy ambition, Ghana has no operating alumina refinery, so the 2028 target starts from zero. While resources are substantial at roughly 920 million tonnes, 2025 exports of about 2.07 million tonnes are modest beside the more than 127 million tonnes Guinea shipped to China, leaving Ghana without the market leverage to enforce an export ban.

There is also a fundamental scale mismatch across the domestic value chain. Based on conversion ratios cited by the Awaso operator, running the Volta Aluminium Company (VALCO) smelter at its full 200,000 tonne capacity would absorb roughly 400,000 tonnes of alumina, or about 1.2 million tonnes of bauxite. Planned refineries of 1.2 to 1.6 million tonnes would require 3.6 to 4.8 million tonnes of bauxite and depend heavily on exporting surplus alumina, while VALCO currently operates at only about 23 percent of capacity. Meanwhile, the October 2026 agreement between Rusal and the Ghana Integrated Aluminium Development Corporation (GIADEC), covering up to 5 million tonnes of bauxite and a 1.2 million tonne refinery at Nyinahin with Rusal as majority shareholder, remains preliminary. An earlier US$1.2 billion Rocksure deal was cancelled in 2025, and the Budget's 2027 priority is limited to lease ratification and environmental permits.

Regional and global precedents counsel caution. Guinea pressured investors by revoking Emirates Global Aluminum's concession for failing to build a refinery without imposing a blanket ban, while Indonesia's 2020 nickel ore ban succeeded only because major Chinese smelters were already under construction. Ghana has no comparable firm commitment.

Government must first conduct a rigorous assessment of the constraints that have stalled alumina refining, covering ore grade, recoverable reserves, mine life, deposit locations, energy and water needs, logistics, and full processing costs. These fundamentals should dictate refinery scale, incentives, and infrastructure spending. Committing major rail and transport funds before securing bankable refinery investments risks simply accelerating raw bauxite exports without capturing the downstream processing, manufacturing, technology transfer, and employment gains needed to justify the expenditure.

4.3 Reclamation of mined land

The 2027 Budget allocates GH¢400 million to land reclamation and reports 2,300 acres reclaimed as of September 2026, yet the funding falls far short of restoration needs. Although the President stated in October 2026 that half of the GH¢400 million would reclaim 5,000 acres from 2027 while the rest supports the Environmental Protection Agency (EPA) and Blue Water Guards, the budget lists the entire amount under land reclamation. Spending GH¢200 million across 5,000 acres implies about US$2,914 per acre against Lands Ministry estimates equivalent to US$15,378 to US$19,425 per acre. At those rates, reclaiming 5,000 acres costs GH¢1.1 billion to GH¢1.3 billion, leaving the allocation to cover just 15 to 38 percent of actual costs. Clearing the wider 13,591-acre backlog would therefore require GH¢2.9 billion to GH¢3.6 billion. Deepening this

gap, the budget sets no acreage targets, completion timelines, unit costs, or clear definition of what constitutes reclaimed land.

The budget is also silent on liability enforcement which is shifting private cleanup costs onto the state. Following the Auditor-General's 2020 finding that none of 12 sampled small-scale companies had posted approved reclamation bonds, the budget only offers a commitment to introduce measures without specifying an instrument or timelines. By contrast, large-scale mines already lodge bonds, with Gold Fields Ghana reportedly holding about US$107 million. The current situation leaves taxpayers to fund illegal mining and abandoned site cleanups even as mineral royalties reach GH¢13.16 billion in 2027. Additionally, poor regulatory coordination among the state agencies governing the sector further threatens the delivery of land reclamation efforts. In October 2026, the EPA halted reclamation projects run by the Lands Ministry, GoldBod, the Forestry Commission, the Minerals Commission, and the Minerals Development Fund for being implemented without the required permits.

5.0 Conclusion

The 2027 Budget introduces significant policy shifts that could reshape the governance of Ghana's natural resource wealth, public investment, and energy sector. Directing extractive revenues toward strategic infrastructure, consolidating state investment vehicles, promoting distributed solar adoption, and pursuing domestic mineral processing all signal clear reform intent. However, Ghana's persistent challenge has been translating ambitious policy targets into commercially viable investments, disciplined institutions, and measurable outcomes.

Delivering on these commitments requires matching ambition with institutional rigor. The proposed Sovereign Wealth Fund must be preceded by independent audits and insulated from political capture, natural resource revenue consolidation must be anchored in binding statutory safeguards, solar tax relief must translate into lower retail prices, and distribution reforms must proceed without further delay to relieve the fiscal burden on the state. Above all, mineral processing targets and major infrastructure investments must rest on verified technical and economic feasibility so that Ghana converts its resource wealth into durable economic transformation rather than unfulfilled targets.