

## ANNEX 2

### SPF Narrative Progress Report

Report period 01 / 07/08 – 31/12/08

Contract Ref. No. 03/SPF/28/ISODEC/PWYP

Organisation PWYP-Ghana

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Report Date 06/04/09

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Please do not write in green coloured sections; refer to notes at last page for explanations

### 1. Project Outputs on research and advocacy and/or services delivered

List the outputs as you have presented in the Workplan submitted to G-RAP.

Make sure that you:

- Indicate estimated levels of completion per output
- Indicate target groups that used / received the output delivered
- Attach copy of product output

Outline outputs during this period	What specific policy issues does this target	What advocacy outputs were informed by your research / Activity
Institutionalization & Organisational Development	Strengthening PWYP-Ghana and enhancing its capacity to engage	Report of AGM, Adoption of a Constitution by PWYP-Ghana members – <b>Completed. Output Beneficiaries: PWYP-Ghana membership.</b>
Baseline survey of Cape Three Points communities	Establishing a basis for future assessment of impacts of oil and gas development on these communities	Terms of Reference, Report on exercise and baseline data – <b>ToR now being developed</b>
Community mobilization and sensitization on oil for development	Advancing citizens' right to participation in decision-making in relation to Ghana's oil find.	Terms of Reference, Report of mobilization / sensitization workshop - <b>Completed. Output Beneficiaries: Report shared with over 100 participants (including MDAs, EU delegation, IFC, CSOs) at the launch of an ISODEC-Oxfam report on challenges facing preparations for Ghana's oil boom.</b>
National sensitization forum on oil and gas development	Broadening the scope of discussions and deepening the consultation process around Ghana's oil.	Forum report / resolution. <b>Completed Report shared with over 100 participants drawn from CSOs including organized labour, gender and faith-based organizations, MDAs, DPs.</b>
Review of the E.I.A. document (both	Assessment of the potential impacts of off-shore oil production and the	EIA analysis report / recommendations. <b>EIA document not ready yet. Activity</b>

maritime and terrestrial) on the Cape Three Points (CPT) oil production project	adequacy of proposed remedial measures	<b>has therefore not been carried out.</b>
Roundtable discussion to review Government's oil policy document	Identification of gaps in the draft oil policy and recommendations for improvement	Report / recommendations from the meeting. <b>Carried out, but will require some follow-up work as the new government intends to re-open the policy process for more consultations. Report and recommendations shared new government, including Min. of Finance, Environmental Protection Agency, Attorney General's Department.</b>
Technical roundtable to discuss & review oil contracts	Ensuring that contract terms are fair, equitable, and in the best interest of Ghana.	Report of proceedings / recommendations. <b>Not carried out.</b>
Review of the fiscal regime of Ghana's oil and gas industry	Identifying opportunities for the maximization of benefits to Ghana	List of recommendations for improving the fiscal regime. <b>Consultations to mobilize CSOs input into the design of the fiscal regime organized. The review will be done after government finalizes work on the document.</b>
Review of the legal & Regulatory framework of Ghana's oil industry	Identifying the strength and weaknesses in the regulating framework, and advancing recommendations for strengthening existing mechanisms.	Workshop report / recommendations. ISODEC has carried <b>out some work in this area (in collaboration with the West Africa Resource Watch), but will require some follow-up activities as government is set to revise the draft bill. The activity therefore remains outstanding.</b>
Hold a roundtable dialogue with GhEITI, Parliamentary Select Committee and civil society on the findings / recommendations of the study on the legal / regulatory framework of the oil industry as well as the fiscal regime of Ghana's oil industry.	Galvanizing stakeholder support for necessary reforms in the regulatory and fiscal regimes	Roundtable report / joint communiqué. <b>Not carried out.</b>

## 2. What is the organisations success in undertaking this special project

2.1 The Coalition's success in undertaking this special project has been overwhelming. Through G-Rap's support, PWYP-Ghana now has a dedicated office within ISODEC. Order has been placed for two desktop computers, and a colour laser printer to equip the office. The Coalition has successfully held its Annual General Meeting, adopted its work programme for the next three years, and adopted a constitution to regulate its internal activities and external operations. It has organized a recruitment interview, and about to appoint an Administrative Officer for its secretariat. This level of institutional strengthening has paid off in the quality of the Coalition's engagement during the period under review.

2.2 Under this project PWYP-Ghana organised a CSO roundtable on Ghana's draft oil policy in September 2008. The roundtable drew participation from a wide range of CSOs, including faith-based organization, organised labour, media, and youth groups. The current Deputy Minister for Energy (responsible for oil and gas), Dr. Kwabena Donkor, then in opposition, also took part in the deliberations. Among the issues raised, was the absence of an express declaration of intent to subject the emerging oil sector to the principles and criteria of EITI, and also, the absence of a commitment to contract disclosure. We believe, these concerns, which dominated discussions at the roundtable, and the lobby activities that followed, have in a way, contributed to the new government's decision to extend EITI to cover the emerging oil sector and to make all oil contracts public.

2.3 Another issue that engaged the attention of the Coalition during the period under review was the lack of clarity about the regulatory arrangements in the emerging oil and gas sector. It appears the regulatory functions are split among a number of agencies: Ministry of Energy, Ghana National Petroleum Company, National Petroleum Authority, and Energy Commission. The situation, in the coalition's view, comes with the risk of role conflict in the event of functional overlaps. Besides, assigning some regulatory functions to GNPC on the basis of its accumulated technical competence, though understandable, flies in the face of international best practices. GNPC, established by law as a commercial entity couldn't be a player and a referee in a game in which it has a stake. The Coalition therefore has been calling for the separation of GNPC's commercial and regulatory functions. The call appears to have been heeded when the immediate past government introduced into parliament, a bill purporting to set up a National Petroleum Regulatory Authority, with the intent of passing it into law under a certificate of urgency, before leaving office, an idea that was scuttled by the re-run of the last presidential elections. Advocacy action to get the law passed with some revisions is on-going. The new government says it is studying the draft bill and might make substantial revisions. For the coalition, the concern is how to ensure the independence of the future regulator, such that it is able to resist undue executive influence in championing the national interest. This no doubt has implications for how it is to be funded, and the security of tenure of its head, and key staff. The current provision has the Chief Executive Officer of GNPC represented on the Board of the Authority. This again, creates a conflict of interest situation, as the Authority is supposed to be regulating the GNPC as well.

### **3 Stakeholder Perception**

**How has the credibility and legitimacy of your RAOs changed in the eyes of GoG and the Ghana public? What is your interpretation? Is there a reference to this evidence of change?**

PWYP-Ghana's credibility and legitimacy in the eyes of GoG and the Ghanaian public has soared over the period under review. This is borne out by the fact that, the coalition is consulted almost on a regular basis on almost all government policy initiatives. The coalition was for example one of the stakeholders consulted on proposals for the design of a fiscal regime for Ghana's emerging oil sector. The Coalition also, since its inception, has made the case for the extension of the Extractive Industries Transparency Initiative (EITI) to the oil, forestry, and the fisheries sectors, and this has been accepted by the EITI Multi-stakeholder Steering Committee. It has also been mandated to submit proposals for the revision of Ghana's EITI Terms of Reference, haven't faulted the first two

reports on the grounds of inappropriate Terms of Reference. The Coalition's opinion has often been sought by media houses on government policies in the natural resource sectors.

#### **4 What is your perception on the general policy making environment in Ghana**

The general policy making environment in Ghana can, and must be improved. PWYP-Ghana has found out that, after 100 years of commercial mining, Ghana is yet to have a fully operational mining policy. The previous government started the process of developing one, but it remains a draft. The trouble has as much to do with the proper sequencing of events in the policy arena as it has to do with the policy formulation processes themselves. Rationally, a country needs policies to guide its actions in respect of how it governs its economic and social sectors. The usefulness of the policy lies in the fact that, it will articulate its vision in terms of what role it expects the sectors to play in the overall national development programme. Then out of the policy laws are formulated to operationalize the policy. On the basis of the laws appropriate regulations are drawn to enforce compliance. These must be done in sequence and not haphazardly. It is therefore a misnomer that, Ghana enacts a mining code before contemplating a policy. Again, with barely 1½ years to the production of Ghana's first barrel of oil, the country is yet to finalize a policy, enact new laws, develop regulations and set up a regulatory institution for the oil and gas sector. Things have been and continue to be slow indeed,

#### **5 Grant and report related issues**

##### **5.1 What issues do you wish to raise relating to the Grant or to G-RAP management?**

None for now.

##### **5.2 What parts of the report are confidential or cannot be shared without prior consent?**

No part of this report is confidential. No prior consent is therefore required to cite or reproduce any part of it.