

ANNEX 2

SPF Narrative Progress Report

Report period 31 /12/08 – 30/06/09

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

Organisation PWYP-Ghana

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Report Date 05/02/10

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Signature & date

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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	Outputs: Report of AGM, Adoption of a Constitution by PWYP-Ghana members, recruitment of Office Administrator. The institutional and organizational capacity of PWYP-Ghana has been enhanced, and its representation of Ghanaian CSOs on GHEITI is now more effective reflects in the quality of its input. Status: Completed.
Community mobilization and sensitization on oil for development	Advancing citizens' right to participation in decision-making in relation to Ghana's oil find.	Outputs: Terms of Reference for the community mobilisation and sensitisation exercise, Report of exercise; Use of outputs: Tabled community concerns in emerging oil and gas sector at various meetings with the Ministry of Energy, and the Ghana EITI Multi-stakeholder committee; carried out mass media-mediated advocacy for increased community participation in policy consultations; 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.

		Status: Completed.
National sensitization forum on oil and gas development	Broadening the scope of discussions and deepening the consultation process around Ghana's oil.	Outputs: Forum report / resolution. Use of outputs: Articulation of citizens concerns in oil and gas sector, including a call for a moratorium on further issuing of licenses until the necessary policy, legal, and regulatory frameworks are in place; Report shared with Ministry of Energy, and over 100 groups and institutions including NGOs, organized labour, gender and faith-based organizations , MDAs, DPs. Status: Completed
Review of the E.I.A. document (both maritime and terrestrial) on the Cape Three Points (CPT) oil production project	Assessment of the potential impacts of off-shore oil production and the adequacy of proposed remedial measures	Report of review workshop; position paper / communiqué. Not Carried out. The EIA document not yet ready.
Roundtable discussion to review Government's oil and gas policy document	Identification of gaps in the draft oil and gas policy and recommendations for improvement	Outputs: Report / recommendations from the meeting. Use of outputs: Report and recommendations shared with new (NDC) government, including Min. of Finance, Environmental Protection Agency, Attorney General's Department. Status: Completed
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. Not carried out, because of difficulty in accessing contract documents.
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. Not carried out, because government has not yet finalized work on the document.
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 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.
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. Not carried out, because the legal and regulatory framework documents and the fiscal regime are not yet ready.

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

- 2.1 The Coalition has over the period of the project implementation experienced a great deal of improvement in its organisational development and institutional strengthening efforts. It now has a fully furnished secretariat within ISODEC. It held its second Annual General Meeting during the period and adopted its work programme for the next three years. It also adopted a constitution to regulate its internal activities and external operations. It has recruited an Administrative Officer for its secretariat and in the process of compiling a database of its growing list of membership.
- 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 former NDC 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 A major challenge which this project seeks among other things to address is the lack of clarity on 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 was established by law as a commercial entity and so couldn't be a player and a referee in a game in which it has a stake. The coalition's advocacy for an independent regulator of the industry appears to have made the desired impact when the NPP 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. The new government was initially bent on reversing this great progress. Within a few months of assumption of office it withdrew the Bill from Parliament, under the pretext of studying the document and making some revisions before re-introducing it. 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.
- 2.4 The Coalition, 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. During the visit of the World Bank Vice President for the Africa Region to Ghana in the first quarter of 2009, the President of the Republic of Ghana, His Excellency John Evans Atta Mills expressed his government's commitment to extending EITI to the oil, forestry, and fisheries sectors. The President also pledged to make all oil contracts publicly accessible in furtherance of his transparency agenda.

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 improved 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 has 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.

PWYP-Ghana was one of the stakeholders consulted on proposals for the design of a fiscal regime for Ghana's emerging oil sector and has been asked by the EITI Multi-stakeholder Group to propose a new governance arrangement for Ghana's EITI, taking into account the proposed extension to oil and gas.

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

The general policy making environment in Ghana has seen some modest improvement in recent times. There seems to be some recognition of the right of citizens to consultations on policies that affect them either directly or indirectly. The major challenge here has to do with the scope and depth of the consultations. Consultations are often too narrow in scope and superficial in character.

The other major challenge has to do with the proper sequencing of events in the policy arena. 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. 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 6 months 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.

5 Grant and report related issues

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

The execution of the project has suffered some delay because, some of the activities were contingent on processes outside the control of PWYP-Ghana, such as drafting of policies and legislative documents.

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.