

ANNEX 2

SPF Narrative Progress Report

Report period July-September 2010

Contract Ref. No. Contract No. 03/SPF/6/IEA

Organisation The Institute of Economic Affairs

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Report Date 30th September 2010

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Signature & date 4th October 2010

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Signature & date 6th October 2010

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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/project
<p>1. Roundtable discussion on Public Presentation “How Ghana Plans to Manage its Petroleum Revenues: A Step Towards Transparency, Accountability and Governance Standards”</p> <p>Held on the 12th of October 2010.</p>	<p>Ghana’s Petroleum Revenue Management:</p> <ul style="list-style-type: none"> • Processes and Procedural Rules for revenue assessment, collection. • Accountability and Reporting processes. • Assignment of institutional responsibilities to the Ghana Revenue Authority, Ministry of Finance and Economic Planning, Bank of Ghana, Auditor-General, and Parliament. • Requirements for auditing, reporting and transparency guidelines. • The requirement of the role of public oversight in the use and management of petroleum revenues. 	<p>A well informed Parliament on salient features of the Bill and the key issues to look out for when the Bill is tabled for debate in the House.</p> <p>Over thirty Members of the Mines & Energy and Finance Committees of Parliament participated in the workshop. It is expected that they will make informed contributions when the Bill comes up for discussion in the House.</p> <p>A well informed and knowledgeable media who will hopefully steer and provoke informed discussions on the major media networks nationwide.</p> <p>Finally it is expected that the recommendations proposed by IEA and informed stakeholders during the discussion will be taken on board during Parliamentary discussions so as to strengthen and enrich the Bill.</p> <p>The presentations will be published and circulated to Parliamentarians and key stakeholders before discussions commence on the bill.</p>

<p>2. Stakeholders meeting on the Constitutional Amendments Proposals: "Ownership, Protection and Use and Management of Extractive Natural Resources"</p> <p>Held on the 15th of October 2010</p>	<p>Based on the Natural Resources Charter, the Petroleum Revenue Management Bill and the Petroleum Exploration and Production Bill), the work sought to review chapter 21 of the 1992 Constitution to strengthen the following provisions which we thought were either absent or inadequately dealt with, and in so doing provide strong institutional framework and Constitutional backing to the two bills before Parliament. The specific provisions of interest were:</p> <ul style="list-style-type: none"> • Citizens and Ownership Rights • Ownership Restrictions • Fiduciary Duty of the State • Natural Resource Funds • Public Oversight • Transparency • Environmental Protection 	<p>The meeting was very constructive and provided an opportunity for The IEA to share with key CSOs and policy institutions its proposals for strengthening the chapter on Natural Resources in the Constitution. The meeting also afforded Representatives of major CSOs and G-RAP Partners the opportunity to share their perspectives and recommendations. In the end all stakeholders reached consensus on issues to be considered in preparing finalizing the draft chapter on Natural Resources.</p> <p>One of the significant achievements is that of ownership of the process by key stakeholders including the Political Parties. Having a strong and divergent group reach consensus and speak with one voice on key issues to be factored into the Constitution will no doubt send a signal to the Constitution Review Commission and encourage them to consider the proposals made.</p>
<p>3. The IEA made a presentation at the special sitting of the Constitutional Review Committee..</p> <p>The meeting was to present proposals on Articles 257, 268 and 269 of the Constitution as part of the Constitution Review Process. The proposals presented if adopted will lead to a Constitution that ensures ownership, accountability and transparency in the management of the Natural Resource Sector.</p> <p>Held on the 18th of October 2010</p>	<p>The meeting was to present proposals on Article 257, 268 and 269 of the Constitution as part of the Constitution Review Process. The proposals presented if adopted will lead to a Constitution that ensures ownership, accountability and transparency in the management of the Natural Resource Sector as well as the protection of the environment and the environmental amenities fundamental to human development.</p>	<p>The team met with the nine-member Commissioners of the Constitution Review Commission and the Executive Secretary and briefed them on proposals/recommendations aimed at promoting accountability and transparency within the Natural Resource Sector. Following the presentation Commissioners asked several questions. This allowed the team a further opportunity to convince the Commission of the importance of having a strengthened chapter aimed at ensuring the prudent management of the Natural Resource Sector. The feedback received so far gives indication that the Constitution Review Commission will take on board the proposals made.</p>
<p>Data Collection and Survey work</p> <p>This was carried out over a three (3) months covering July-September 2010</p>	<ul style="list-style-type: none"> • Over the period the four member team conducted desk research of secondary and comparative data on fiscal regimes in sub-Sahara Africa. • Interviews were held with 	

	<p>relevant stakeholders and government institutions assigned responsibility in the assessment, collection, use and management of petroleum revenues.</p> <ul style="list-style-type: none"> • The team also obtained the production profile and data from GNPC and international partners. 	
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2. What is the organisation's success in undertaking this special project? (Quantitative and Qualitative indicators)

The public presentation held on Tuesday 12 October 2010 was very well attended. The Hall was filled to capacity. Over one hundred and fifty persons representing the Executive, Parliament (namely members of the Finance and Energy Committees Parliament), Political Parties, Civil Society Organizations, Private sector agents and media practitioners. Indeed the Deputy Minister for Finance, Hon. Seth Terkper attended without an invitation. The discussion was aired by major TV networks, covered by print media, and the subject of Morning Talk-Show programs across the country. This roundtable helped to enrich discussion on this subject and provided clear recommendations for consideration by Parliament. Indeed over thirty MPs from the Finance and Energy & Mines Committees of Parliament participated including The Chairman of the Finance Committee, Hon. James Klutse Avedzi who chaired the programme. Dr Osei Akoto Ranking Member of the Finance Committee co-chaired the meeting.

3. Stakeholder Perception

How has the credibility and legitimacy of your RAO/coalition changed in the eyes of GoG and the Ghanaian public? What is your interpretation? Is there a reference to this evidence of change?

There has been a better understanding of how Ghana plans to manage its petroleum revenues as well as the risks and challenges ahead. This observation is based on the discussions that followed the presentation among participants.

4. What is your perception on the general policy making environment in Ghana with regards to this specific issue

Despite the fact that discussions on this subject are rife on almost all media networks very often discussions and statements made are not backed by research. This forum and other similar initiatives to follow will provide key stakeholders in the industry relevant recommendations backed by research.

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 Institute is happy with the style of management by the G-RAP team. The relationship has been based on true partnership. This has often produced the best results.

6. Proposed Next Step

What issues will you continue working on as an outcome of this project?

Finalize the manuscript for the 2 presentations and prepare simple easy to read public monographs. These will be disseminated widely through existing IEA networks and outlets of communication to stakeholders.

The Institute hopes to continue to monitor the management of the Oil and Gas Sector by developing a set of indications which it will be used to monitor this sector. Half yearly reports will be issued. We believe that this strategy will ensure accountability and transparency in the management of the sector.