Examining Transparency and Accountability Within the Oil and Gas Sector: Impact Evaluation of Key Provisions of Ghana’s Petroleum Revenue Management Act (2011),

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Structure of presentation

1. Introduction
2. Context: issues, opportunities, policy relevance
3. Intervention
4. Theory of change
5. Evaluation questions, outcomes
6. Identification strategy
7. Baseline findings
8. Engagement and evidence uptake
9. Capacity building
10. Lessons, challenges and mitigation
11. Next steps and feedback session
1. Introduction

- Examining Transparency and Accountability within the Oil and Gas Sector: Impact Evaluation of Key Provisions of Ghana’s Petroleum Revenue Management Act (2011),
- Ishmael Edjekumhene, Principal Investigator
- Prof. Dan Inkoom
- Dr. Mohammed Amin Adam
- Dr. Franklin Oduro
- Charles Kofi Owusu

Collaborators:
- Dr. Maarten Voors (WU)
- Dr. Christa N. Brunnscweiler (UEA)
- Dr. Paivi Lulaja (NTNU)

Focal Point: Dr. Joseph Asенко, MoF.
2. Context: issues, opportunities, policy relevance

- Commercial discovery of hydrocarbon resources in Ghana in 2007. Decision taken by GoG (following a nationwide consultation) to manage petroleum revenue differently hence the passage of the PRMA (Act 815)

- Act 815 intended, inter alia, to ensure judicious utilization of revenues in a transparent and sustainable manner

- Important to evaluate the effectiveness of key T/A mechanism in the Act to establish how they are delivery on their mandates

- Evidence on how efficient and effective the PRMA has allocated petroleum revenue crucial to cut down waste, inform policy and avoid conflict/social unrest

- Evaluation targeted post-2016 election policy window to effect necessary changes in the framework for petroleum revenue mgt.

- Key stakeholders such as the Ministry of Finance, PIAC, District Assemblies, CSO have been actively involved since inception
Map of Ghana Showing its Sedimentary Basin
3. Intervention

“An Act to provide the framework for the collection, allocation and management of petroleum revenue in a responsible, transparent and sustainable manner for the benefit of citizens of Ghana in accordance with Article 36 of the Constitution” (Source: PRMA, 2011)

Key Stakeholders

• Ministry of Finance, National Development Planning Commission, Metropolitan, Municipal and District Assemblies, PIAC

Intended Beneficiaries

• Government and the citizens of Ghana
3. Intervention: Schematic of PRMA

4. Schematic Outline of Petroleum Revenue Management Bill

1. Quantity Assessment Committee
   - GNPC Regulator
   - GRA
   - Calibration & Measurement of oil

2. Pricing Formula or Guideline for tax purposes

3. Actual Revenue
   - Collection: Apply Fiscal Regime to assess royalties, relevant interest, applicable taxes and AOE: GRA GNPC, MOE, MoFEP

4. Annually Determine
   - (a) Forecast price and Quantity of Gov’t Take
   - (b) Determine Benchmark Revenue (BR)

5. Determine Annual Budget Funding Amount (ABFA) = a percent of the BR
   - Percent is set: (50%-70%)
   - Saving (SAV) = Actual Revenue - ABFA

6. GHANA PETROLEUM FUNDS:
   - Ghana Heritage Fund
   - Ghana Stabilization Fund

7. Processes and Institutions
   - Saving and Withdrawal rules
   - Investment Policy, Strategy & Mgmt Guidelines
   - Accounting and Transparency Guidelines
   - Auditing

Triggers for Expenditure smoothen - transfer from Stabilization Fund into Consolidated Fund for current spending.
Public Interest and Accountability Committee (PIAC) – 13 Member CSO-based Oversight Group

**PROFESSIONAL GROUPS**
- Ghana Journalists Association
- Ghana Bar Association
- Ghana Institute of Chartered Accountants
- Ghana Academy of Arts & Science
- Think Tanks

**PRESSURE GROUPS**
- Trade Union Congress
- Ghana Extractive Industries Transparency Initiatives (GHEITI)
- Association of Ghana Industries & Chamber of Commerce
- CSOs/CBOs

**TRADITIONAL/RELIGIOUS GROUPS**
- National House of Chiefs
- Association of Queen Mothers
- Christian Groups
- Federation of Muslim Groups
PIAC’s MANDATE

- **Compliance Monitoring**
- **Provision of Platform for Public Debate**
- **Petroleum Revenues**
- **Independent Assessments**
4. Imputed Theory of Change of the PRMA

- Legislating or codifying the modalities and rules for the collection and utilization of petroleum revenues would result in greater transparency and accountability in the management of petroleum revenues which, all things being equal, would in turn translate into their (revenues) prudent/judicious and efficient allocation and utilization, culminating in optimal, equitable and sustainable social and economic development outcomes.
4. Theory of Change

- PIAC has the capacity (financial, human, etc) to effectively engage stakeholders and enforced compliance
- Annual budget will be able efficiently allocate revenues channeled into it
- The ABFA will help reduce discretionary spending
5. Evaluation questions, outcomes

• Study entails two types of evaluations
  • Process evaluation of the ABFA
  • Impact evaluation of the PIAC

**Process Evaluation question**
ABFA transparency and utilization

• What factors determine the distribution and allocation of ABFA funds?
• What is the process involved in fund disbursement? What type of projects have been funded? What is the success of implementation of the projects in terms of quantity and quality of the project?
• What is the degree of stakeholder participation in decision-making (citizens’ empowerment)? How have ABFA requirements ensured TA in the allocation and utilization of petroleum revenue?

**Evaluation Outcomes**

✓ Improved allocation efficiency
✓ Transparent decision making in revenue allocation
✓ Equitable distribution of petroleum revenues
✓ Improved participation by non-state stakeholders in decision making
Total Petroleum Production from 2010-2016

ANNUAL CRUDE OIL PRODUCTION
2010-2016

- 2010: 1,181,088 barrels
- 2011: 24,195,895 barrels
- 2012: 26,351,278 barrels
- 2013: 35,587,558 barrels
- 2014: 37,201,691 barrels
- 2015: 37,411,651 barrels
- 2016: 32,298,638 barrels

194,095,809 total number of barrels

Ghana Group has lifted 34,922,803 barrels representing ~18%
Total Petroleum Revenues and Distribution – 2011-2016

DISTRIBUTION OF PETROLEUM REVENUES
2011-2016

$3,499,005,394

Petroleum Revenue as a Percentage of Total Government Revenues
(million GH₵)

- **2011**: 9.55% (GH₵81.23m)
- **2012**: 11.58% (GH₵109.30m)
- **2013**: 11.46% (GH₵1,045.02m)
- **2014**: 11.51% (GH₵1,231.15m)
- **2015**: 9.97% (GH₵2,753.42m)
- **2016**: 9.79% (GH₵33,607.17m)
5. Process evaluation questions, outcomes

**Process Evaluation question**

ABFA transparency and utilization

PIAC

- What is the mandate of PIAC?
- How are PIAC’s operations monitored and by whom?
- Has PIAC contributed to T/A in the oil and gas sector and if so how?
- How does PIAC evaluate compliance with the Act by government and other stakeholders?

**Evaluation Outcomes**

- Increase in PIAC’s efficiency and effectiveness
- High level of responsiveness of government to investment decisions and arrangement
Impact Evaluation Questions, Outcomes

Questions

• Does information dissemination by PIAC increase citizen’s knowledge of petroleum revenue issues and their demand for transparency and accountability in the management of petroleum funds?

• Does citizenry demand for accountability through enhanced government-citizenry communication improve petroleum funds management?

Key Outcomes

• Increased Awareness

• Enhanced capacity of citizenry to participate in decision-making and to demand accountability and responsiveness from duty-bearers

• Increased institutional responsiveness
6. Identification strategy

• Two main data sources – baseline and endline surveys

• Randomised experiment covering 120 out of 216 districts throughout Ghana, around 3600 survey respondents in total (30 per district)

• PIAC runs two interventions (funded externally by GOGIG) in a 2x2 factorial design with one control group
  • Meetings attended by local District Assembly members, representatives of the district’s Unit Committees (UC) and other local stakeholders and common citizens
  • Dissemination of information via voice message and SMS with interactive element (ICT platform)
  • Combined meetings and ICT citizen information and engagement platform
## Study Design (2x2 Factorial)

<table>
<thead>
<tr>
<th></th>
<th>No PIAC information dissemination forum</th>
<th>PIAC information dissemination forum</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No ICT citizen engagement platform</strong></td>
<td>“Pure” control 30 districts</td>
<td>PIAC information dissemination forum only 30 districts T1</td>
<td>60 districts with no ICT platform</td>
</tr>
<tr>
<td><strong>Citizen Information and Engagement Platform</strong></td>
<td>ICT citizen engagement platform 30 districts T2</td>
<td>PIAC information dissemination forum + ICT platform 30 districts T1+T2</td>
<td>60 districts with ICT platform</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>60 districts with no PIAC forum</td>
<td>60 districts with PIAC forum</td>
<td>120 districts</td>
</tr>
</tbody>
</table>
Randomization

Block randomization for selection of 120 out of 216 districts:
• Include all 6 oil and 26 mining districts;
• Remaining 88 districts randomly selected with probability proportional to population size.

Treatment allocation:
• Block randomization using oil and mining as blocking variables

Respondent choice within selected district:
• Biased towards duty bearers: 5 randomly selected Electoral Areas (EAs) within each district (rural/urban balance); in each EA we randomly select 1 DA member, who proposes 1 UC member, 1 traditional leader, 1 opinion leader; 2 randomly selected ordinary citizens (1 male, 1 female) ! 30 respondents per district.
Measurement Strategy

• We measure information retention, attitude and behavioral changes among treated population and compare with control group.
  • Information retention and attitudes measured by surveys
  • Behavioral changes measured by combination of surveys and directly observable outcomes

• Effects Measured at 3 Levels:
  • Among District Assembly members as representatives of the district authority (Level 1);
  • Among Unit Committee members as lowest-level official intermediaries between citizens and authorities, and among traditional leaders (chiefs) and other opinion leaders (Level 2);
  • Among general population (Level 3)
Expected Effects

• Increase knowledge and awareness of petroleum revenue management and monitoring

• Affect duty bearers and ordinary citizens capability and willingness to make demands of government in the management of petroleum revenues.

• At which level (if any) of the population will changes be strongest? We hypothesize that changes will be strongest at Level 1

• Strengthen and improve PIAC’s work and effectiveness thanks to better channels of citizen voice
# Study Districts

<table>
<thead>
<tr>
<th>CONTROL</th>
<th>T1</th>
<th>T2</th>
<th>T1&amp;T2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahafo Ano North</td>
<td>Sunyani West</td>
<td>Tano North</td>
<td>Asunafo North</td>
</tr>
<tr>
<td>Dormaa East new</td>
<td>Berekum</td>
<td>Dormaa</td>
<td>Asutifi</td>
</tr>
<tr>
<td>Gomoa East</td>
<td>Upper Manya Krobo</td>
<td>Denkyembo (New)</td>
<td>Ga Central</td>
</tr>
<tr>
<td>East Gonja</td>
<td>Central Gonja</td>
<td>Nanumba North</td>
<td>East Mamprusi</td>
</tr>
<tr>
<td>Sissala East</td>
<td>Hohoe</td>
<td>Keta</td>
<td>Central Tongu</td>
</tr>
<tr>
<td>Wassu Amenfi Central (New)</td>
<td>Tarkwa Nsuaem</td>
<td>Shama new</td>
<td>Bibiani/Agwiaso/Bekwai</td>
</tr>
<tr>
<td>Adansi South</td>
<td>Atwima Mponua</td>
<td>Atwima Kwanwoma</td>
<td>Obuasi</td>
</tr>
<tr>
<td>Kintampo South</td>
<td>Tain</td>
<td>Sene East</td>
<td>KEEA</td>
</tr>
<tr>
<td>Assin South</td>
<td>Mfantseman</td>
<td>Gomoa West</td>
<td>Asikuma/Odobra/Brakwa</td>
</tr>
<tr>
<td>Birim North</td>
<td>Ga East</td>
<td>Tema</td>
<td>West Mamprusi</td>
</tr>
<tr>
<td>Kumbungu (New)</td>
<td>Bole</td>
<td>Tamale</td>
<td>Bawku West</td>
</tr>
<tr>
<td>Bolgatanga</td>
<td>Afadjaton South</td>
<td>North Dayi</td>
<td>Ellembele</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bosomtwe</th>
<th>Bosome Freho</th>
<th>Sekyere South</th>
<th>Atwima Nwabiagya</th>
<th>Kwabre East</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adansi North</td>
<td>Sene West (New)</td>
<td>Sunyani</td>
<td>Jaman South</td>
<td>Agona East</td>
</tr>
<tr>
<td>Awutu Senya East (New)</td>
<td>Twifo-Ati Mokwa</td>
<td>East Akim</td>
<td>Birim Municipal</td>
<td>Akuapim South</td>
</tr>
<tr>
<td>Kwaebibirem</td>
<td>Ga South</td>
<td>Zabzugu</td>
<td>Kpandai</td>
<td>Gushegu</td>
</tr>
<tr>
<td>Karaga</td>
<td>Kassena Nankana West</td>
<td>Wa</td>
<td>Jasikan</td>
<td>Krachi East</td>
</tr>
<tr>
<td>Adaklu (New)</td>
<td>Ho West</td>
<td>Sefwi Akontobra</td>
<td>Ahanta West</td>
<td>Sefwi-Wiwoso</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kumasi</th>
<th>Agona West</th>
<th>Kwahu East</th>
<th>LA-Nkwantanang-Madina</th>
<th>Asante Akim South</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bekwai</td>
<td>Assin North</td>
<td>Fanteakwa</td>
<td>Ada East</td>
<td>Amansie Central</td>
</tr>
<tr>
<td>Nabdam</td>
<td>Jomoro</td>
<td>Kwahu South</td>
<td>Ga West</td>
<td>Asante Akim Central</td>
</tr>
<tr>
<td>Bakwu</td>
<td>Sekondi-Takoradi</td>
<td>New Juaben</td>
<td>Accra Metropolis</td>
<td>Amansie west</td>
</tr>
<tr>
<td>Garu-Tempante</td>
<td>Wassu Amenfi West</td>
<td>Birim South</td>
<td>Savelugu/Nanton</td>
<td>Nkoranza North</td>
</tr>
<tr>
<td>Aowin/Suaman</td>
<td>Wassu Amenfi East</td>
<td>Ashaiman</td>
<td>Mion (New)</td>
<td>Upper Denkyira East</td>
</tr>
</tbody>
</table>
Baseline Study Description – Pilot and Baseline Surveys

- Pilot studies carried out in April-May 2016 in two districts to refine questionnaire and survey protocol, and complete training of field teams.
- Baseline survey carried out between June-August 2016 by two teams with 6 RAs each.
- 3600 respondents targeted; 3536 final respondents (98.3%)

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>%</th>
<th>Baseline</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Assembly members</td>
<td>600</td>
<td>16.7</td>
<td>561</td>
<td>15.9</td>
</tr>
<tr>
<td>Unit Committee members</td>
<td>600</td>
<td>16.7</td>
<td>608</td>
<td>17.2</td>
</tr>
<tr>
<td>Traditional leaders</td>
<td>600</td>
<td>16.7</td>
<td>389</td>
<td>11</td>
</tr>
<tr>
<td>Opinion leaders</td>
<td>600</td>
<td>16.7</td>
<td>764</td>
<td>21.6</td>
</tr>
<tr>
<td>Common citizens</td>
<td>1200</td>
<td>33.3</td>
<td>1214</td>
<td>34.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3600</strong></td>
<td></td>
<td><strong>3536</strong></td>
<td></td>
</tr>
</tbody>
</table>
Baseline Study Description – External Validity in Theory

• External validity is expected to be poor by design
  
  • Oversampling of DA and UC members, traditional leaders and opinion leaders.
    • Our sample likely has more men, is more educated, better informed, probably richer, and certainly older than population average.

• This is not an issue for the RCT (internal validity crucial point), but necessitates adjustment in estimations with baseline survey by using appropriate sampling weights
  
  • Sampling weights adjust for gender, DA and UC members, and income proxies (radio, TV and mobile phone ownership)
Baseline Study Description: – External Validity means comparison with Afrobarometer Round 6 (2014)

<table>
<thead>
<tr>
<th></th>
<th>AB 2014</th>
<th>KITE 2016</th>
<th>p-value</th>
<th>KITE 2016 common citizens</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (female = 1)</td>
<td>0.50*</td>
<td>0.22</td>
<td>0.000</td>
<td>0.50*</td>
<td>0.798</td>
</tr>
<tr>
<td>Age</td>
<td>48.31</td>
<td>46.09</td>
<td>0.000</td>
<td>39.88</td>
<td>0.000</td>
</tr>
<tr>
<td>Radio ownership</td>
<td>0.78</td>
<td>0.93</td>
<td>0.000</td>
<td>0.9</td>
<td>0.000</td>
</tr>
<tr>
<td>TV ownership</td>
<td>0.62</td>
<td>0.85</td>
<td>0.000</td>
<td>0.81</td>
<td>0.000</td>
</tr>
<tr>
<td>Mobile phone ownership</td>
<td>0.82</td>
<td>0.97</td>
<td>0.000</td>
<td>0.94</td>
<td>0.000</td>
</tr>
<tr>
<td>Frequency of discussion of political affairs with family and friends</td>
<td>0.94</td>
<td>1.13</td>
<td>0.000</td>
<td>0.96</td>
<td>0.291</td>
</tr>
</tbody>
</table>

* Deliberately aimed for gender balance. Overall population share of females is 51.2 (census 2010).
## Sample Balance: Summary of Test Results (1)

<table>
<thead>
<tr>
<th></th>
<th>Means</th>
<th>F-test P-value</th>
<th>Pairwise t-tests P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Control All</td>
<td>Control T1</td>
</tr>
<tr>
<td><strong>Knowledge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received info on oil &amp; gas or mining revenue use in Ghana or in my area in past year.</td>
<td>0.32</td>
<td>0.310 0.293 0.33</td>
<td>0.566</td>
</tr>
<tr>
<td>How would you characterise your knowledge about what happens to revenues from oil and gas production?</td>
<td>0.364</td>
<td>0.373 0.355 0.409</td>
<td>0.46</td>
</tr>
<tr>
<td>Has heard about PRMA, ABFA, or PIAC.</td>
<td>0.465</td>
<td>0.436 0.451 0.471</td>
<td>0.607</td>
</tr>
<tr>
<td></td>
<td>Means</td>
<td>F-test P-value</td>
<td>Pairwise t-tests P-value</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------</td>
<td>---------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td></td>
<td>T1</td>
<td>T2</td>
<td>(T1+T2)</td>
</tr>
<tr>
<td>Satisfaction with oil &amp; gas revenue management.</td>
<td>0.769</td>
<td>0.903</td>
<td>0.758</td>
</tr>
<tr>
<td>Satisfaction with mining revenue management.</td>
<td>0.704</td>
<td>0.863</td>
<td>0.74</td>
</tr>
<tr>
<td>Traditional leaders and local politicians and officials have right to share of resource revenues as compensation for services.</td>
<td>4.432</td>
<td>4.609</td>
<td>4.292</td>
</tr>
<tr>
<td>You have right to benefit from the oil and gas revenues Ghana receives.</td>
<td>3.912</td>
<td>3.929</td>
<td>3.879</td>
</tr>
<tr>
<td>You have right to demand information about oil, gas or mining revenues from responsible national officials and leaders.</td>
<td>3.809</td>
<td>3.852</td>
<td>3.787</td>
</tr>
<tr>
<td>You have right to demand better handling of oil, gas and mining revenues from responsible national officials and leaders.</td>
<td>3.807</td>
<td>3.838</td>
<td>3.793</td>
</tr>
<tr>
<td>Discussed usage of revenues from oil, gas and mining with family, friends or colleagues in past year.</td>
<td>0.228</td>
<td>0.200</td>
<td>0.188</td>
</tr>
<tr>
<td>Contacted somebody in past year to ask about how revenues from oil, gas or mining are handled in Ghana or in area.</td>
<td>0.065</td>
<td>0.078</td>
<td>0.058</td>
</tr>
<tr>
<td>DA member: has discussed revenues from oil, gas or mining during internal meetings in past year.</td>
<td>0.038</td>
<td>0.135</td>
<td>0.079</td>
</tr>
<tr>
<td>UC member: has discussed revenues from oil, gas of mining during internal meetings in past year.</td>
<td>0.137</td>
<td>0.169</td>
<td>0.159</td>
</tr>
<tr>
<td>Chief: has discussed revenues from oil, gas of mining with other traditional leaders in past year.</td>
<td>0.277</td>
<td>0.232</td>
<td>0.299</td>
</tr>
</tbody>
</table>
7. Baseline findings: Some Descriptives – Current Knowledge about Oil & Gas Revenues
7. Baseline findings: Knowledge of Oil & Gas Institutions (PIAC, ABFA, etc)
7. Baseline findings: **Obstacles to Knowledge among different groups**
7. Baseline findings: *Satisfaction of handling of Resource Revenues in Ghana*
7. Baseline findings: Citizens’ Rights Perception

![Individual behavior chart](chart.png)

- Discussed use of revenues from oil, gas and mining with family, friends or colleagues - full sample.
- Discussed use of revenues from oil, gas and mining with family, friends or colleagues - common citizens.
- Discussed use of revenues from oil, gas and mining with family, friends or colleagues - DA and UC members.
- Contacted somebody to ask how revenues from oil, gas or mining are handled in Ghana or area - full sample.
- Contacted somebody to ask how revenues from oil, gas or mining are handled in Ghana or area - common citizens.
- Contacted somebody to ask how revenues from oil, gas or mining are handled in Ghana or area - DA and UC members.
7. Baseline findings: *Bahaviour – Leaders’ Actions on Resource Revenues*

![Leader behavior chart]

- **Never**: Discussed revenues from oil, gas or mining during internal meetings - DA.
- **Once**: Discussed revenues from oil, gas or mining during internal meetings - UC.
- **2-3 times**:
- **More than 3 times**: Discussed revenues from oil, gas or mining during meetings with other traditional leaders - chiefs.
Summary and Preliminary Conclusions

• Six years after oil & gas production began, we find that people are on average still poorly informed.
  • Women tend to (say they) know less than men;
  • Duty bearers, especially elected representatives, are better informed; Lack of information is biggest obstacle to knowledge, rather than lack of interest.

• High degree of dissatisfaction among all groups with current management of resource revenues.

• All respondents agree they have wide-reaching rights to information and benefits, but few have taken advantage of these rights.
  • Very few have taken action, and those few are mostly duty bearers.

• However, transparency may not be entirely illusory: some evidence that respondents with better knowledge take more action.
Engagement and Evidence Uptake

• Rigorous evidence still being generated
• However preliminary results/evidence from process evaluation used to engage stakeholders – CSOs, including PIAC, the government (MoF, NDPC) on how to ensure better targeting of ABFA in next prioritisation window (2017-2019)
• Preliminary findings disseminated at workshop with all relevant stakeholders in attendance
• Communique issued after the workshop, copies sent to the MoF and published in several national dailies
• Team invited by MoF findings at 2017 budget hearings
• Process stalled as result of 2016 Elections
• Communique submitted to new administration
• Four priority areas selected but indications are that fewer projects are to be funded in the 2017 budget
Engagement and Evidence Uptake (2)

- PIAC already excited at the opportunity the project afforded it to get closer to the citizenry – scaling up its engagement from 10 regional level engages in 6 years to 60 district level engagements in 2 months

- Indicated interest in sourcing more fund this year to continue with district level engagements

- Comparison between the results from T1 and T2 will provide evidence to PIAC regarding the cost effectiveness of various engagement platforms

- Final results from the process evaluation to communicated during the 2nd half of 2017 to help informed ABFA project selection in the 2018 budget

- Final results from the entire study will disseminated during the first quarter of 2018
Review use of oil cash

By Elvis DARKO, Accra

THREE civil society groups have charged government to put Ghana’s portion of petroleum revenue allocated for spending through the national budget every year to optimal use so as to help bring about the needed socio-economic development of Ghana.

They decried the current practice whereby the Annual Budget Funding Amount (ABFA), has been spread so thinly across sectors/subsectors thereby watering-down its potential impacts on the socio-economic development of the country.

In their view, the CSOs expressed worry that the ABFA has, so far, failed to achieve the three-pronged objective it was set up to achieve.

The three objectives are: to maximize the rate of economic development, ensure equality of economic opportunities and achieve even and balanced development of the regions as stipulated in Section 21(b) of the Petroleum Revenue Management Act (PRMA).

The Kumasi Institute of Technology and Environment (KITE), the Africa Centre for Energy Policy (ACEP) and the Centre for Democratic Development, Ghana (CDD-Ghana) made the call in a Communiqué issued at the end of a policy dialogue.

The CSOs noted with concern that the thin spreading of the ABFA has persisted over the past 3 years even though the Public Interest and Accountability Committee (PIAC) has since 2014 been drawing the Minister of Finance’s (and for that matter government’s) attention to such less-impactful and inefficient way of using petroleum revenue.

The CSOs further revealed that the Ministry of Finance (MoF) has allocated the ABFA to all the 16 regions of Ghana with the least amount being given to Upper West, Upper East, Northern and Volta regions.

The CSOs also complained about the lack of clarity and limited information on ABFA-funded projects/programmes, which renders their monitoring and evaluation nearly impossible.

According to them, this also violates Section 48(b)(2) of the PRMA.

Recommendations
The CSOs have therefore made recommendations towards ensuring better utilisation of the ABFA from 2017 and beyond.

The civil society groups want projects and programmes funded with the ABFA over the past six years (2011-2016) evaluated and the outcome used to inform the selection of new priorities or the retention of existing priority areas for the next three years.

To give sufficient time for the evaluation of the ABFA-funded projects to be carried out, the CSOs asked the Minister of Finance to defer the selection of the priority areas for the next funding cycle (2017-2019) from November 2016 to the first quarter of 2017 when the full budget would be presented to the next parliament.

In their view, the scope of future programme areas listed in Section 21(3) of the PRMA should be reviewed and/or revised in order to achieve this objective.

The added that upon review or revision, fewer priority areas should be selected for the next cycle of ABFA funding and resources allocated to fewer projects/programmes within each priority areas so as to accelerate the rate of economic development and
CSOs demand overhaul of ABFA projects

Projects funded with the Annual Budget Funding Amount (ABFA) of oil revenue in the past must be revised while the selection of new ones be informed by priority areas in the economy, civil society organisations (CSOs) have demanded.

The organisations, which include the Kumasi Institute of Technology and Environment (KITE), the Africa Centre for Energy Policy (ACEP) and the Centre for Democratic Development, Ghana (CDD-Ghana), are calling on government to put to optimal use, the ABFA, which is the portion of the country's petroleum revenue allocated for spending through the national budget every year.

At a recent policy dialogue organised by the Kumasi Institute of Technology and Environment in collaboration with ACEP and CDD-Ghana, the group said it has noted with worrying concern how the ABFA has failed to achieve its three-pronged objectives of maximising the rate of economic development, ensure equality of economic opportunities, and achieve even and balanced development throughout the country as stipulated in section 21(b) of the Petroleum Revenue Management Act.

In a communiqué copied to the B&FT, the group decried the current practice where the ABFA has been spread thinly across sectors/sub-sectors, watering-down its potential impact on the socio-economic development of the country.

They demanded that beginning 2017, all programmes funded by oil revenue be evaluated and the outcome used to inform new priority areas or the retention of existing one for the next three years.

They further noted that the meagre spreading of ABFA has persisted over the last three years, even though the Public Interest and Accountability Committee has since 2014 been drawing government attention to the inefficient usage of petroleum revenue.

Going forward, the groups said the future priority areas of the fund should be 'narrow' and 'tight' so as to leave title room for ambiguity and that the ABFA should be used to fund specific flagship projects like the construction of a railway line to link the southern and northern parts of the country.

Other recommendations demand that projects selected must be fully funded by ABFA so as to enable effective evaluation, as well as increase government's attention to the agriculture sector.

The group also wants new projects for the next three years to be aligned to the 40-year National Development Plan developed by the National Development Planning Commission.
9. Capacity building

• Research team initially local based with little experience in rigorous impact evaluation

• Formed partnership with experienced evaluators – Maarten Voors, Christa Brunnschweiler, Paivi Lulaja to help build capacity of local researchers

• Attended workshops organized by Evidence in Governance and Politics (EGAP) workshop to further build capacity

• In-house capacity already developed to design and high quality evaluations

• Eight Research Assistants trained
10. Lessons, challenges and mitigation

• Inadequacy of available budget due to the change impact evaluation design
  • Initial study set up to take place in total of 90 **VILLAGES**
  • End up conducting the impact evaluation in 120 **DISTRICTS**
  • Additional funds had to be found to supplement **US$67,000** survey cost available for the baseline

• Started engaging partners and other funding agencies to help plug the gap.

• PIAC could not get some of the DA and UC members to attend the engagements

• Not sufficient DA, UC to be included in T1T2

• Select all DA, UC covered in the baseline and add non-baseliners who received T1
10. Next steps

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