**PUBLIC SECTOR REFORM SECRETARIAT**

**OFFICE OF THE PRESIDENT**

**GHANA OPEN GOVERNMENT PARTNERSHIP (OGP) FOURTH NATIONAL ACTION PLAN (NAP-4)**

**IMPLEMENTATION STATUS OF COMMITMENTS ON THE FISCAL RESPONSIBILITY ACT AND PETROLEUM SALES**

**MONITORING TEMPLATE**

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|  | **2.3. THE FISCAL RESPONSIBILITY ACT 2018** | | | | | | | |
| **COMMENTS/MILESTONES** | **INDICATOR** | **DEFINITION** | **BASELINE 2021** | **END TARGET 2023** | **PROGRESS AS AT END JUNE, 2023** | **MEANS OF VERIFICATION** | **REMARK (NEXT STEPS)** | **RESPONSIBILITY** |
| **Commitment 2.3.1:** To ensure that the Fiscal Rules in the Fiscal Responsibility Act which was suspended July 2020 is restored by June 2023 | Fiscal Responsibility Act restored by June 2023 | (a) the overall fiscal balance on cash basis for a particular year shall not exceed a deficit of five percent of the Gross Domestic Product for that year; and  (b) an annual positive primary balance shall be maintained. | No. | No | The Fiscal Rules are suspended till 2025 | 2023 Budget Statement Appendix 3A page 189; Memorandum items (overall balance, cash, discrepancy – Percentage of GDP) clearly state the path of restoration to 5% of GDP by 2025.  Section 2 of the fiscal responsibility Act states the rules. | Per the recent fiscal framework, the Fiscal Rules are expected to be restored by 2025 where the fiscal deficit on cash basis is projected at 5% with a positive primary balance.  However, the primary balance is expected to be positive from 2025. | **Responsible MDAs**  Ministry of Finance,  **Other State Actors**  Economic Management Team, Fiscal Responsibility Council  **Collaborating Institutions**  Institute for Fiscal Studies (IFS), Institute for Economic Affairs (IEA), ISSER; University of Ghana, the Department of Economics, University of Ghana Center for Democratic Development (CDD) and Institute for Democratic Governance (IDEG) |
| **Milestones Activities**  **2.3.1.1**  Government to announce at annual budget readings progress towards restoration of the Act. | Progress towards restoration of the Fiscal Responsibility Act captured in budget readings.  (Yes, No): The budget is medium term and reports on projected deficit and primary balance for the indicative years as well. |  | No | Yes | Primary Balance (Cash) percent of GDP is -GH¢35.4b and -4.4% of GDP as at end June, 2023 | 2023 Mid-Year fiscal policy statement. Appendix 2A page 105 | On course to restoring Fiscal Rules by 2025 |
| **2.3.1.2: Announcement of** full restoration of the Rules before the end of December 2023 | Fiscal Responsibility Act fully restored by the end December 2023  (Yes, No)  Fiscal Rules suspended till end 2025 |  | No | No | Primary Balance (Cash) percent of GDP is -GH¢35.4b and -4.4% of GDP as at end June, 2023 | 2023 Mid-Year fiscal policy statement. Appendix 2A page 105 | On course to restoring Fiscal Rules by 2025 |
|  | **2.5 PETROLEUM SALES** | | | | | | | |
| **COMMENTS/MILESTONES** | **INDICATOR** | **DEFINITION** | **BASELINE 2021** | **END TARGET 2023** | **PROGRESS AS AT END JUNE, 2023** | **MEANS OF VERIFICATION** | **REMARK (NEXT STEPS)** | **RESPONSIBILITY** |
| **Commitment 2.5.1**: Most of Ghana’s petroleum revenue comes from two long-term sales contracts with Russian Trader Litasco and Chinese owned Unipec Asia. The Government commits to make these long-term Petroleum sales contracts open by December 2022 | Long-term Petroleum sales contracts open and transparent  (Yes, No) | The indicator encapsulates Government intention to make long-term petroleum contracts transparent | No |  | Petroleum sales has been entrusted with the National Oil Company (i.e., the Ghana National Petroleum Corporation-GNPC). It will be important to state that GNPC is responsible for the sale of crude oil produced by Ghana and her partners (International Oil Companies-IOCs).  The revenues obtained from the sale of crude oil produced by the Ghana Government/GNPC is deposited into the Petroleum Holding Fund Account at the Bank of Ghana to be distributed in accordance with the Petroleum Revenue Management Act, 2011 (Act 815) and its Amendment Act. 2015 (Act 893) | PRMA Section 1 and 2. The Minister for Finance is responsible for the **management** of the petroleum revenue and not the sales, contracts etc. Those issues are managed by Petroleum Commission, GNPC and the Ministry of Energy. | We will recommend to the OGP to officially consult, the Ministry of Energy, GNPC for relevant information, explanation, and documentation in connection with all oil contract sales.  The Petroleum Commission can also be of help in this matter. | **Responsible Institutions**  Ministry of Finance  **Other State Actors**  Ministry of Energy  Ghana National Petroleum Corporation (GNPC)  **Collaborating Institutions**  Ghana Extractive Industries Transparency Initiative (GHEITI)  Natural Resource Governance Institute (NRGI)  Africa Centre for Energy Policy (ACEP) |
| **Milestones Activities**  **2.5.1.1**: Minister of Finance and Minister of Energy to engage Ghana National Petroleum Cooperation on modalities for making sales contract public by June 2023 | The Minister for Finance and Minister for Energy have engaged National Petroleum Corporation to make sales contracts public  (Yes, No) | The indicator captures measures taken by the Ministry of Finance to make petroleum sales transparent | No |  | Since Ministry of Energy is in charge of policy issues regarding oil production in Ghana and also GNPC falls under them (Ministry of Energy), it will be prudent to engage both parties (Ministry of Energy and GNPC to assist in this matter. | PRMA Section 1 and 2. The Minister for Finance is responsible for the **management** of the petroleum revenue and not the sales, contracts etc. Those issues are managed by Petroleum Commission, GNPC and the Ministry of Energy.  *All the modalities used by GNPC in the process of selling crude oil to Litasco of Russia and Unipec Asia are with the Ministry of Energy and GNPC.* | Officially write to the Ministry of Energy and GNPC for any assistance/ clarification. |
| **2.5.1.2:** Minister of Finance makes sales contract public after necessary consultations by June 2023 | The Minister of Finance takes measures to make petroleum sales contracts public after necessary consultation  (Yes, No) | The indicator captures measures taken by the Ministry of Finance to make petroleum sales transparent | No |  | Making sales of crude oil contract public is a policy issue and therefore a responsibility of both the Ministry of Energy and GNPC. Ministry of Finance does not have that mandate. | ***Comment:***  *Officially write to both GNPC and the Ministry of Energy for explanation/clarification.* | These are policy issues and therefore it will be good to engage the Ministry of Energy and GNPC for any explanation/ clarification |