“Smart Development” Initiative

QUARTERLY PERFORMANCE REPORT
October - December 2008

Prepared for:
Energy Division—Energy Sector Governance Program
Office of Infrastructure & Engineering
Bureau for Economic Growth, Agriculture and Trade
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USAID Smart Development Initiative
CEE-UT Quarterly Performance Report
October - December 2008

For the reporting period of October-December 2008, CEE-UT can report substantive impacts and a milestone as culmination of efforts over the last two years. All impacts are based on USAID strategic objectives upon which SDI was built; these objectives and how SDI meets them are discussed further later in this report in the Objectives section.

- A milestone was achieved when in December 2008 Ghana Research and Advocacy Programme (G-RAP) awarded CEE’s SDI partner KITE a special projects grant of US$162,000 for the period of January to December 2009 to undertake research and advocacy in the oil and gas subsector by working with Parliament. This project builds upon SDI activities CEE-UT and KITE undertook over the last couple of years and uses the network established via these activities. For details, see the Impact section below and Attachments 1-3.

- A number of interests, including international companies and members of Nigeria's government, have approached CEE and UT regarding a variety of initiatives: (1) an Africa Energy Institute, based in Abuja, that would provide a mechanism for permanent, long term capacity building in Nigeria and West Africa through a forma arrangement with UT (CEE and PGE); (2) assistance with planning for economic stabilization and development including value capture from Nigeria's petroleum sector; (3) initiatives for stabilization in the Niger Delta region and other sensitive locations, including concepts developed by CEE and NNPC but not successfully funded (community based projects). These initiatives overlap with our USAID activities in the region and hence offer a chance to sustain and build on our past efforts.

- Although not part of SDI work plan and hence not funded by the USAID, CEE-UT’s Houston-based New Era program continues to attract participants from West Africa. Key delegates from Nigeria and Ghana attended the Executive New Era program in October; and a similar but customized program was held for 27 delegates from Petroleum and Natural Gas Senior Staff Association (PENGASSAN) in early November.

IMPACT

The most important impact was the award to our partner KITE by a local entity, Ghana Research and Advocacy Programme (G-RAP). The award is significant at US$162,000, covering a one-year period. But more importantly it is a first step in what KITE sees as a longer term effort to build on SDI.

- In our last quarterly report, we reported that KITE had been observing increased activity and interest around our SDI activities. Acting on these observations, KITE started developing a concept called Energy Sector Governance and Advocacy Programme, or ESGAP (see Attachment 1 for the draft concept note). KITE is building ESGAP as a natural continuation of our past activities.

- While KITE was working on the ESGAP concept, G-RAP (www.g-rap.org) advertised a call for expressions of interest in the national dailies in late November inviting Coalitions / Networks of civil society organizations interested in conducting research and doing advocacy in certain selected subject areas. One of the topical areas was the oil discovery in Ghana. KITE saw this as an opportunity to secure some funding to initiate ESGAP work. KITE submitted a proposal on Oil & Gas Sector Research and Advocacy Programme (see Attachment 2 for the proposal), using the loose coalition that had
been formed during SDI workshops in the last two years as the Oil and Gas Stakeholders Network (OGSN) – such a network was required by G-RAP. In late December, KITE was awarded the grant (see Attachment 3 for the announcement).

- We will work closely with KITE and help ensure successful results. The scope of the grant is a natural follow-up to our past activities, but reflects the increasing focus of Ghanaians on the governance of the oil sector. We were also invited for participating in various workshops on upstream fiscal regimes and best practices in revenue management.

- This KITE project will likely help deepen the impacts of previous efforts.
  - For example, the loose journalist network established through our past workshops can be more regularly engaged and educated so that they can improve their reporting on oil & gas sector developments and do so more frequently and consistently.
  - Also, as the network of participants from our past activities will be formalized under the OGSN, which can then be linked with the West African EITI programs such as NEITI and our national oil company research collaboration with the World Bank.
  - Perhaps, most importantly, this new effort will build more formal linkages and communication channels with the parliament and other elected officials, hence increasing the chance of influencing the policymaking process.

Many entities in West Africa have participated in or otherwise supported our SDI and independent activities in the region, including NNPC, EC and PURC in Ghana, WAPCO, and Chevron among others. In this last quarter, we have been approached by several new entities, including the Petroleum and Natural Gas Senior Staff Association (PENGASSAN), which is one of the most influential trade unions in Nigeria with more than 20,000 members. After attending the custom New Era program in Houston in November, PENGASSAN is considering future program opportunities in Nigeria. This would be a linkage that would strengthen and broaden our presence in Nigeria. As mentioned before, we are also evaluating initiatives such as the Africa Energy Institute, community benefits concepts and projects, and economic stabilization and development strategy that were brought to our attention by various interests. These are all exciting opportunities to further our SDI investment in the West Africa region.

**OUTPUT**

There were no scheduled workshops during the last quarter of 2008. We expected to have a completed evaluation report on past workshops but we decided to allow more time for participants to submit their evaluations with as detailed answers as possible and for face to face or phone interviews to take place with as many participants as possible. We expect to finish the evaluation in the first quarter of 2009.

We worked on the scope and structure of the remaining leadership activity but there is no final design yet as we continue to evaluate various recent developments, including the input of new interests that approached us. Per previous discussion with our CTO and stakeholders in the region, the event will focus on Nigeria’s emerging gas market strategy as it has direct and significant implications on the rest of the region via WAGP and WAPP projects. Coordinating it with ECOWAS ministerial meeting in Abuja could help us capture a high level audience, albeit briefly. Another event we can possibly coordinate with is the 2nd Nigerian Association for Energy Economics conference. We expect to reach some decisions regarding this event in early 2009 and hold it in Abuja in April.
General

CEE-UT houses a page for the initiative within its website to publicly disseminate developments: [http://www.beg.utexas.edu/energyecon/IDA/Smart_Development/](http://www.beg.utexas.edu/energyecon/IDA/Smart_Development/). Website statistics in the past quarter are provided in Performance Indicators section below.

### OBJECTIVES

**USAID Strategic Objective and Intermediate Results**

The strategic objective of the Energy Division is to improve the quality of life, increase economic growth, and promote sustainable communities by increasing access to environmentally sound energy and improving environmental management. And the intermediate result is increased production and use of environmentally sustainable energy.

Areas of special interest include:

- Improving policy, legal, and regulatory frameworks to establish necessary conditions of energy service delivery;
- Increasing institutional ability to provide or deliver energy management services; and
- Increasing public understanding of, and participation in, decisions regarding delivery of energy services.

**CEE-UT Smart Development Initiative**

The CEE-UT *Smart Development* Initiative fits well with the USAID objectives. We believe that enhanced public education on the basic principles inherent in the energy value chains and associated economics and technologies can contribute greatly to improved energy sector performance worldwide. We have been working with various stakeholders in West Africa (primarily Ghana, Nigeria, Benin and Togo), including energy companies (state-owned and private), regulators, ministries, universities, NGOs and journalists both to improve general understanding of energy industry economics and technology and to assist with specific problem solving and project evaluation.

Under the previous Energy Sector Governance grant, we worked with energy sector stakeholders in Ghana and established the Resource Center for Energy Economics and Regulation (RCEER) housed within the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana – Legon. CEE-UT worked with RCEER to improve its capability to address public education and participation, as well as transparency needs for effective energy sector governance while also contributing to development industry analysis and regulations.

Shortly after its launch, the RCEER was hired by the Ministry of Energy to study the effects of deregulating petroleum product prices on the consumers. The RCEER followed a very successful model of combining its academic resources with outside experts and delivered the study in two months. The Ministry has used it and also shared it, as we understand, with the IMF among others. The Ministry organized a workshop on petroleum deregulation where RCEER presented material developed together with CEE-UT. Although not scheduled activities under our grant, this study and the workshop helped the RCEER gain visibility and respect within the Ghanaian energy community as well as the public. Ghana is one of the few countries where petroleum product price deregulation has been implemented successfully, helping the country limit the costs associated with current escalation in crude oil and product prices.
As part of the grant, the RCEER wrote a report on natural gas with two parts, a primer on fundamentals and a detailed guide to natural gas in Ghana; published a Guide to Electric Power in Ghana; held educational outreach activities associated with both of these products; developed university and professional course syllabi; initiated a database for the Ghanaian energy sector; and developed a sustainability plan. Much of what has been produced by the RCEER achieves goals established in our proposal for development of a “tool kit” that could launch and encourage the “smart development” process in Ghana.

The current cooperative agreement allowed us to provide additional technical assistance to RCEER and other partners in the region. The key topic of interest for the West Africa Mission has been the establishment of a natural gas market in Ghana, Benin, Togo and Nigeria associated with the West Africa Gas Pipeline. The pipeline’s completion was originally scheduled for December 2006 but has been postponed until late 2007 and again until the first quarter of 2008. At this point, only free flow gas is available due to an accidental rapture offshore Benin, delays in production in Nigeria, inappropriate quality of gas and delays in construction of the compression station.

During the second half of 2005, the USAID Mission in Ghana used the TIPCEE project to develop a legal and regulatory framework for creating a natural gas market in Ghana. Dr. Asante, coordinator of RCEER, participated in the TIPCEE team. In the spring of 2006, the West Africa region started experiencing serious electricity shortages; the low level of water at Volta Dam in Ghana has been a main culprit. The completion of the WAGP and delivery of gas gained further importance and urgency to provide opportunity to bring in gas-fired power generation to supply the grid. However, officials had been slow to finalize frameworks for maximizing the benefits of gas once it arrives. Accordingly, our focus for FY06-FY07 was on natural gas and gas-power linkages. In 2007, we started working more directly and extensively with an RCEER Advisory Board member and an NGO, Kumasi Institute for Technology and Environment (KITE) as the regional programs needed more detailed logistical support and new content on communication with different audiences, community relations and public participation, and energy and environment interactions.

In FY08, natural gas and gas-power linkages across the region remain central to our activities that are designed to build critical support for energy infrastructure investment and regulatory oversight. In particular, we have been working with elected officials, professional staff assisting them, key news media, and leaders and long-term professional staff of the regional bodies (such as ECOWAS, WAPP, and others). We have seen some results in increased awareness among members of the parliament and some journalists as indicated by news coverage identifying real problems for the first time and increased inquiries we and our colleagues in Ghana have been receiving for more information and for more programs from elected officials, potential investors and professional staffs at various agencies. The discovery of oil in Ghana within the last six months and the realization of the potential for similar discoveries of gas are also helping to increase demand for our programs as Ghanaians are trying to develop professional capacity at their ministries, regulators and national oil company, GNPC. A particular emerging concern is ensuring the transparency of oil revenue management along the lines of EITI.

**Project Specific Activities**

Overall, there are five tasks in our cooperative agreement.

1. Continue work in Ghana with RCEER
2. Replicate the Ghana model elsewhere in Africa
3. Extend the Smart Development Initiative to Latin America
4. Conceptual and applied work to further define “Smart Development” variables and
5. Capacity building for USAID

Tasks are not meant for simultaneous and continuous effort; guidance from USAID and Missions determine our focus. Accordingly, our work plan for FY06-FY07 focused primarily on Task 1, but had significant overlaps across other Tasks, in particular Tasks 2 and 4. We continued with a similar focus in FY08.

Since late 2005, the regional considerations gained further support as mentioned before. In 2006, we focused on getting stakeholders in Ghana ready for natural gas and increased interactions with Nigeria. In 2007, we included delegates from Benin and Togo in our activities, which led to more interaction among sector professionals across the region to discuss issues associated with the WAGP. We also attracted participants from Côte D'Ivoire as the gas needs of the country raised their interest in the WAGP and associated developments in the region. In 2008, we continued with the same regional focus, expanding our target audiences to elected officials, their professional staff, key media and regional organizations.

PERFORMANCE INDICATORS

Selected Performance Indicators

Following recommendations of the Mid-Term Evaluation Smart Development Initiative report, CEE-UT tracks, wherever possible, results/impacts of program activities. A more comprehensive methodology/approach will be developed for the future reports. For this quarterly report, CEE-UT is using a standard set of program-level indicators, issued by USAID. These are eighteen which are currently used under the Economic Growth/Infrastructure/ Modern Energy Services portfolio, as follows.
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List of Attachments
1. KITE’s Energy Sector Governance and Advocacy Programme draft concept
2. KITE’s proposal to G-RAP
3. Announcement of the G-RAP award
ENERGY SECTOR GOVERNANCE AND ADVOCACY PROGRAMME

Concept Note

October 2008
**Background**

Generally, 'governance' involves how decisions are made, implemented, and enforced within a sector as well as how disputes are resolved. Good governance embodies transparency, accountability, efficiency, and the rule of law. It leads to relatively low levels of corruption; consistent, cost-effective levels of service provision; and responsiveness to changing conditions and public needs. Energy-sector governance has been defined as “the institutional scaffolding (i.e., transparent, predictable, and enforceable political, social, and economic rules) of public administration that enables transactions for energy products and services to be economically sustainable”.  

Advocacy on the other hand represents the strategies devised, actions taken and solutions proposed to influence decision-making on public policy to create a positive outcome for intended beneficiaries. Advocacy is about fostering the creation of policies and/or regulations where they are needed when none exist, reforming harmful or ineffective policies where they exist and ensuring that good policies are implemented and enforced.

This Energy Sector Governance and Advocacy Programme (ESGAP) is intended to foster good governance in all sub sectors (i.e. electricity, oil and gas, biomass, etc.) through a series of capacity building and advocacy interventions as a contribution to socio-economic sustainability and the achievement of MDGs.

**Rationale**

- Even though energy does not have a dedicated MDG, it is widely recognized that access to reliable and affordable energy is critical for socio-economic development and a prerequisite to the achievement of the MDGs.
- The energy sector absorbs a significant share of public expenditure hence a poorly performing energy sector represents a significant drain on public-sector finance limiting the ability of government to make the necessary investments in social programs and a direct draw back on Ghana’s efforts at achieving the MDGs and GPRSII.
- There is a difficulty in attracting domestic and foreign investment capital into Ghana due to the unattractiveness of the sector caused by poor governance and management.
- An attempt at promoting good governance through energy sector reforms has only succeeded in creating formal regulatory bodies and the promulgation of laws and regulatory instruments, which are largely not enforced.
- The energy crisis experienced in Ghana in 2007, coupled with the lack of investment in the sector and the escalating indebtedness of the utilities all point to the fact that the energy sector will face serious challenges unless concrete steps are taken towards addressing these fundamental problems.
- The recent discovery of oil in Ghana makes the need for a better governed energy sector even more pertinent as lack of transparency and accountability in the oil industry has been a major source of political and social upheaval in many oil producing developing countries.
- The complete absence of civil society voice in the affairs of the sector is a source of concern (civil society needs to know who is responsible for what as

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well as its obligations to the sector) and calls for interventions that will empower and ensure engagement of civil society

Programme Objectives:
To promote/facilitate good governance in Ghana’s energy sector to, ensure efficient and effective service delivery and socio-economic development and sustainability.

Specific Objectives:
- to ensure effective utilization of resources and accountability to stakeholders
- to ensure quality service delivery and management of the energy sector
- to empower various levels of stakeholders (i.e. households, industries, professional bodies, the media, etc) to participate in the management of the Sector by being actively engaged, asking relevant questions and holding individuals and institutions responsible for their performance as well as honoring their obligations to the sector.

Description of Programme Activities:
- Work with stakeholders to establish a monitoring and evaluation system that tracks public performance, the implementation and/or enforcement of policies and established regulatory practices so as to hold institutions and individuals accountable to stakeholders.
- Regularly conduct evidence-based research on key energy sector issues to inform and influence policies and practices in the energy sector. The results of the research will be disseminated using formats that are simple and easy to understand even by non-technical audiences.
- Facilitate sensitization of key energy sector actors/institutions (such as policy-makers, regulatory bodies and utilities) on good governance and socio-economic development:
  - assess and determine the focus and scope of sensitization interventions,
  - conduct a series of policy dialogues with the energy sector institutions/experts and key stakeholders from across sectors.
  - create a variety of interaction platforms including the organization/facilitation of conferences/workshops at the national level
- Empower/Equip civil society groups such as the media, NGOs/CBOs, Consumer Associations, trade union associations etc. with requisite knowledge and information to enable them to facilitate effective national participation in energy sector governance and socio-economic development. Specifically, the Program will seek to accomplish the following:
  a. Provide access to repositories of information and resources (such as databases, libraries and websites)
  b. Develop simple and user-friendly brochures, leaflets, newsletters, etc that provide easy to read and grasp one-stop access to current information on the development/issues in the energy sector.
c. Embark on Media Advocacy as a tool for awareness raising and policy change. Specific activities will include:
   i. Issuing of press releases and background/position papers
   ii. Organising press conferences/media events and responding to journalists’ inquiries and information requests
   iii. Granting of interviews on key/topical energy issues
   iv. Responding to misleading, questionable, unethical and unsustainable policies and practices in the energy sector
   v. Empowering interested journalists to act as spokespersons and/or write authoritatively on relevant energy issues

d. Empower civil society through building the capacity of a variety of key stakeholder groups such as the Trade Union Congress (TUC), various SME and SMME associations, the AGI, PTAs, district assemblies, etc. to intelligently engage and assist in the management of the sector.

  • Support consumers to contribute to a well-functioning sector by honoring their obligation and even as they hold others responsible for their duties.

**Expected Outputs**

  • Energy governance and performance score card and matrix. The scorecard should include pro-poor indicators that reflect the energy sector's contribution to the attainment of the MDGs
  
  • A critical mass of well-informed civil society constituency capable of demanding accountability and transparency from public institutions in the energy sector;
  
  • Increased sense of consumer responsibility to fulfill their obligations towards the public utilities as well as use resources effectively;
  
  • Improved responsiveness and accountability of energy sector entities;
  
  • A number of interaction fora/media established including a web-based knowledge resource portal on energy governance
OIL AND GAS SECTOR RESEARCH & ADVOCACY PROGRAMME

Proposal

November, 2008
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BACKGROUND AND CONTEXT

Ghana is as an emerging player on the Oil and Gas scene in Africa following recent discovery of oil by the consortium of Kosmos, Tullow and Anadarko in the West Cape Three Points and the Deepwater Tano concessions. Oil and Gas production in Ghana is expected to bring along numerous industries with their attendant benefits to the Ghanaian economy and contribution to broader societal well-being.

In spite of the potentially significant benefits of Oil and Gas production to the economy, it is common knowledge that the fragrant abuse of the environment, lack of transparency and accountability in the appropriation of revenues, as well as community upheaval are found in oil producing countries. The stark reality is that many oil rich countries on the African continent squander their wealth, enriching a minority, while corruption and mismanagement leave the majority impoverished.

The lack of transparency in the administration of Oil and Gas revenue is gradually gaining notice as a contributory factor to the social and political upheavals experienced in Oil and Gas producing countries. Current key challenges facing Oil and Gas producing countries in Africa include the following:

- Poor accountability of Oil and Gas resources
- Inadequate stakeholder participation in decision making and management of the Oil and Gas sector
- Lack of public awareness and understanding of Oil and Gas sector policy decisions that offer opportunities for improving livelihoods

Experience on the continent shows that lack of information, the complexity of available data, and government repression are also some of the major factors that combine to leave most citizens of oil rich countries in the dark about how much their government is earning and how it is spending such revenue. Consequently, a special responsibility falls on “Civil Society” to demand transparency and accountability from government on how it is managing the Oil and Gas sector to respond to public needs.

The Oil and Gas Research & Advocacy Programme

Judging from the experience of Oil and Gas producing countries in Africa, there is scepticism that the oil find could pose a threat to Ghana’s national security and stability if oil sector is not managed properly. Taking a cue from the experiences of Nigeria and other oil producing countries, the proposed programme, “Oil and Gas Sector Research & Advocacy Programme” (OGSRAP) seeks to work with all relevant stakeholders to confront the associated challenges to enable the country reap maximum benefit from Ghana’s oil find. The Programme also aims to reduce all potential social and environmental risks a result of the oil find to the barest minimum. Among other things, OGSRAP seeks to help citizens overcome the challenges enumerated above to effectively participate in the management and decision making process in the Oil and Gas sector.

The OGSRAP will focus on programs/activities in Ghana that influence decision-making as well as foster the creation of policies and/or regulations that will enhance pro-poor sustainable development in the local communities and the nation as a whole.
The essence of the proposed Oil and Gas Sector Research & Advocacy Programme is to:

1. Engage stakeholders and the wider civil society by providing them with regular technical and easy-to-understand information on the sector.

2. Provide stakeholders a platform for expert dialogue on issues of concern such as management and sustainable development in the sub-sector

**The Oil and Gas Stakeholders Network**

Since 2006 KITE and the Center for Energy Economics (CEE), The University of Texas at Austin, with the support of USAID, have been organising a series of workshops in Ghana and Nigeria aimed at facilitating investments and best practices in the Oil and Gas sector of the sub-region. To ensure the evolution of a vibrant natural gas market place in Ghana these workshops addressed issues on Oil and Gas infrastructure investment, access to information, and policy and regulatory frameworks required to balance businesses and community/customer interests among others.

Representation at these meetings included government, parliament, private sector, customer groups, news media organisations and research institutions including the universities. The Oil and Gas Stakeholders Network is one of the main outcomes of these meetings. The “Network” is Civil Society driven and aims to help address the social, environmental and economic impacts of oil production in Ghana. The “Network” recognises the need to make government and transnational oil companies accountable for their actions to ensure sustainable development and societal well-being.

The “Network” was originally created to ensure that the benefits of the natural gas that was expected to come in through the WAGP is fully maximised. The recent oil find made the “Network” shift its focus to addressing the core issues of transparency, accountability, public participation and sustainable development in the Oil and Gas subsector.

**Programme Description**

**Goal**

The goal of the Oil and Gas Research and Advocacy programme is to foster good governance in the Oil and Gas subsector so as to help ensure maximisation of oil benefits, promotion of social equity as well as the prevention of social upheavals.

**Objectives**

The objectives of the proposed “OGSRAP” are as follows:

- To build capacity of Civil Society and other relevant stakeholders with requisite knowledge and information to participate in decision-making and to hold Oil and Gas sector institutions accountable for their actions and performance

- To influence policy formulation and public views on issues in the Oil and Gas sector to enhance sustainable development
To provide the general public and stakeholders with accurate and reliable technical and/or easy-to-understand information on issues like fiscal regime and policy frameworks, and how the sector is being managed to meet public needs

To provide stakeholders a platform for expert dialogue on issues of concern such as management and sustainable development in the sub-sector

**Strategy/Methodology**

These objectives will be reached through the implementation of programs/activities during the programme period that influence decision-making as well as foster the creation of policies and/or regulations in the Oil and Gas sector that will enhance societal well being. The programme will be implemented by the secretariat (Kumasi Institute of Technology, Energy and Environment) with support in terms of capacity and technical guidance provided by both local and international members of the “Network”. At the end of the programme period, the Network will continue to use the platform provided by “OGSRAP” to advocate for pro-poor sustainable development in the Oil and Gas sector.

The “OGSRAP” effort would be implemented using participatory methods whereby the “Network” works closely with the following stakeholder groups:

- Civil Society (NGOs and CBOs)
- Consumer associations,
- Association of Ghana Industries
- The media
- Trade Union Associations.
- Traditional Authorities and Opinion leaders in the local community
- Representatives of local government at both national and local levels
- Public officials (both national and local)
- Members of parliament from all parties to ensure capacity to debate and legislate effectively
- Other groups as may be later identified in the course of work

The activities of OGSRAP would entail dealing with public officials, research and analysis of the sector’s fiscal regime and policy framework as well as building and maintaining advocacy network, and effective media work.

The use of participatory methods will ensure stakeholders understanding and participation in the activities of “OGSRAP”. The participatory approach is expected to bring values and aspirations of the members of the “Network” into the process from the beginning and will guarantee that social, economic and environmental issues of sustainability are effectively addressed in programme design, implementation, monitoring and evaluation.

To ensure the effective participation of members of the “Network” and relevant stakeholders in the activities of “OGSRAP”, a capacity building component is included in “OGSRAP”. This is focused on increasing the skills and abilities of “Network” members and staff of the Secretariat (KITE) with the requisite knowledge on the Oil and Gas sector issues for effective implementation of the programme.
“OGSRAP” will include an advocacy component. This will essentially involve a consultative mechanism by which support could be provided to government agencies in ways that lay a foundation for increased policy focus on societal needs in the Oil and Gas sector.

The success of “OGSRAP” will depend to a large extent on how well stakeholders perceive “OGSRAP” as making a contribution to meeting their immediate needs as well as broader development goals. For this reason, the methodological framework of “OGSRAP” includes a communication, dissemination and outreach plan that will be informed by analysis of the sub-sector’s fiscal regime, policy framework and other relevant issues.

**Implementation Plan**

This programme is expected to be completed within a period of 36 months commencing in, 2009. The estimation of the duration for this programme is based on the assumption that oil production is not expected until 2010. During the period before production and realisation of oil revenue, the programme will focus on capacity building, undertaking research and analysis of the sector’s fiscal regime and policy framework and influencing policy focus on societal needs.

This will help the network to challenge and make input into the choice of model for managing the Oil and Gas sector of the country. Research and analysis of fiscal regimes, sector policies, and management models of other oil producing countries will help OGSRAP identify relevant information on these issues. Basically, the OGSRAP will seek to ask the following questions:

- What are the best models and best practices for Oil and Gas sector management?
- Which model will benefit the ordinary Ghanaian?
- What fiscal agreements exists between the government and the existing exploring companies?
- What needs to be done subsequent to agreements on yet to be explored oil blocks?
- How can the policy machinery of government and other tools be used to ensure that Ghana derives optimum benefits from the sector?
- How can transparency and accountability be best ensured to obtain buy-in and optimum engagement from society? The current management of the oil affairs by a special unit in the President’s office may have to be reviewed in that respect.

**Expected Outcomes/Results**

The action is expected to bring about the following concrete results within three years of implementation:

**Outcome 1:** Enhance Civil Society participation in decision making in the Oil and Gas sector of Ghana by training 100 actors on relevant themes

**Outcome 2:** Influence policy and institutional framework in the Oil and Gas sector for sustainable development

**Outcome 3:** Improve awareness of pro-poor sustainable development issues in the Oil and Gas sector of Ghana
Proposed Activities

Activities required for Output 1 (1-21months)

The objective of this component is to improve the ability of staff of the Secretariat (KITE) and “Network” members to organise and drive the programme. It also seeks to equip Civil Society organisations and other actors with the requisite knowledge to effectively participate in decision making in the Oil and Gas sector. The expertise and experience of KITE and international stakeholders such as the Center for Energy Economics (CEE), of the University Texas in the Oil and Gas sector of the West African sub region will be applied to build the capacity of members of the “Network” and other likeminded organisations.

The specific activities for activity 1 are:

i. Organise and conduct training programmes: Series of training seminars will be organised on relevant themes in the Oil and Gas sector for members of the “Network” and key players such policy makers, chiefs and opinion leaders, the media, trade associations and Civil Society groups.

ii. Sensitize stakeholders: media events will be organized to create awareness and sensitize the general public and stakeholder groups on the need and how to participate in decision making, implementation and management processes in the Oil and Gas sector

Activities required for Output 2 (5-36months)

It is necessary to convince policy makers to put in place the necessary policies and institutional frameworks to ensure sustainable development in the Oil and Gas sector. To realize this outcome, the “OGSRAP” will initiate and sustain multilevel policy and institutional reform dialogue with sector ministries and other relevant agencies

i. Building and maintaining an effective “Network”: The programme will build an effective Network to strengthen the programme’s political clout and acceptance by all relevant ministries and agencies

ii. Strategic sector assessment: The programme will assess policies, fiscal, social and environmental issues relating to the Oil and Gas industry to examine areas requiring policy and institutional reforms

iii. Engage Public Officials: “OGSRAP” will engage public officials from the relevant sector ministries and agencies on the outcome of its research/assessment through the use of workshops, presentations, targeted publications and media advocacy campaigns

Activities required for Output 3 (1-36months)

The programme will translate findings from its research activities (including policy, fiscal and institutional assessments) into understandable forms such as user-friendly brochures, leaflets, newsletters, etc. for the public, the media, and policymakers. The findings will be
communicated to the appropriate audience through the use of workshops, roundtable discussions, presentations and targeted publications.

The communication and outreach activities will include.

i. Issuing of press releases and background/position papers
ii. Organising press conferences/media events and responding to journalists’ inquiries and information requests
iii. Granting of interviews on key sustainable development issues in the Oil and Gas sector
iv. Responding to misleading, questionable, unethical and unsustainable policies and practices in the Oil and Gas sector
v. Identifying and disseminating interesting and relevant news stories on sustainable development issues in the Oil and Gas sector
vi. Building the capacity of selected/identified journalists and providing them with access to information to enable them act as spokespersons and/or write authoritatively on relevant Oil and Gas sector issues
## The Logical Framework

<table>
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<tr>
<th>Intended outcome</th>
<th>Intended output</th>
<th>Indicative activities</th>
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| **Outcome 1:** Enhance Civil Society participation in decision making in the Oil and Gas sector of Ghana | - Improved capacity of organisations such as parliament, the media, Civil Society, consumer associations, chiefs and opinion leaders of local communities and trade union associations to participate in decision-making in the Oil and Gas sector | - Organise and conduct series of training programmes on relevant themes for 100 actors  
- Sensitize stakeholders on the need and how to participate in decision making, implementation and management processes in the Oil and Gas sector through seminars and media events such as newspaper publications, radio and television advertisement and documentaries |
| **Outcome 2:** Influence policy and institutional framework in the Oil and Gas sector for sustainable development | - Policy makers convinced of necessary policy reforms and institutional frameworks needed in the Oil and Gas sector for pro-poor sustainable development | - Build and maintain an effective “Network” for recognition by all relevant ministries and agencies  
- Undertake researches for facts to meaningfully engage policy makers  
- Continuous dialogue with relevant government institutions on pro-poor sustainable development issues in the Oil and Gas sector  
- Make alternative policy proposals to government on pro-poor sustainable development issues |
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<tr>
<th>Intended outcome</th>
<th>Intended output</th>
<th>Indicative activities</th>
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| Outcome 3: Improve awareness of pro-poor sustainable development issues in the Oil and Gas sector of Ghana | Establish an effective platform for engaging public officials and relevant stakeholders on pro-poor sustainable development issues in the Oil and Gas sector | ▪ Organise periodic seminars both at the local and national level to share research findings and collate ideas from stakeholders  
▪ Organise seminars at the local and national level to influence public opinion on key sustainable development issues in the Oil and Gas sector  
▪ Issuing of press releases and background/position papers  
▪ Organising press conferences/media events and responding to journalists’ inquiries and information requests  
▪ Granting of interviews on key sustainable development issues in the Oil and Gas sector  
▪ Responding to misleading, questionable, unethical and unsustainable policies and practices in the Oil and Gas sector  
▪ Identifying and disseminating interesting and relevant news stories on sustainable development issues in the Oil and Gas sector  
▪ Building the capacity of selected/identified journalists and providing them with access to information to enable them act as spokespersons and/or write authoritatively on relevant Oil and Gas sector issues |
Gender Action Plan

The programme recognizes the importance of ensuring gender equity for achieving pro-poor, sustainable development in the Oil and Gas sector. Subsequently, a gender action plan will be developed and integrated as a cross cutting issue in all programme activities. The programme will provide balanced Gender representation on the programme Steering Committee. In the execution of this programme, women and other vulnerable groups will be especially encouraged to actively participate in the activities of the programme.

Institutional framework

Management of this programme shall be by the Secretariat of the “Network” (KITE). The Secretariat shall be responsible for supervising the Implementing Agency. The overall planning, implementing and day-to-day management of the Programme will be the responsibility of the Secretariat. The Secretariat will work with and coordinate activities of its collaborators and “Network” partners.

The Secretariat will be accountable to a Programme Steering Committee and G-RAP for the production of outputs and use of resources. The Secretariat will also be accountable to the Steering Committee for quality, timeliness and effectiveness of the programme activities it carries out.

The Programme implementation shall be overseen by the Steering Committee - a committee of advisors will serve as the Steering Committee. The committee will be composed of individuals from target stakeholder groups.

Monitoring and reporting

The programme will facilitate the development of a monitoring and evaluation system to ensure that programme activities achieve the desired output. This will be done through the development of performance indicators and the establishment of a system for measuring and correcting performance.

The monitoring, reporting and evaluation systems of the proposed programme will be designed to meet the specific monitoring and reporting needs requirements of G-RAP. The programme reporting will include: i) quarterly progress reports and ii) the final report. Copies of these reports will be disseminated to the members of the Steering Committee and external/local partners. The G-RAP will be expected to organize an independent evaluation after the completion of the programme.
ATTACHMENT 3

G-RAP AWARDS SPECIAL GRANT TO KITE FOR RESEARCH AND ADVOCACY PROGRAMME ON GOOD GOVERNANCE IN GHANA’S OIL INDUSTRY

Ghana is as an emerging player on the Oil and Gas scene in Africa following recent discovery of oil by the consortium of Kosmos, Tullow and Anadarko in the West Cape Three Points and the Deepwater Tano concessions. Oil and Gas production in Ghana is expected to bring along numerous industries with their attendant benefits to the Ghanaian economy and contribution to broader societal well-being.

Experience on the continent shows that lack of information, the complexity of available data are some of the major factors that combine to leave most citizens of oil rich countries in the dark about the management of the sector. Consequently, there responsibility there is the need to empower the public to engage and demand transparency and accountability in the management of its Oil sector.

In November 2008, KITE, working with local and international partners such as the Center for Energy Economics, the University of Texas at Austin presented a proposal to the Ghana Research and Advocacy Programme (G-RAP) to undertake research and advocacy in the Oil and Gas subsector by working with Parliament. In December, 2008 G-RAP Programme Board awarded KITE, a special projects grant of US$162,000 for the period January to December 2009 to undertake this assignment.

The goal of the proposed project is to foster good governance in the Oil and Gas subsector so as to help ensure maximization of oil benefits, promotion of social equity as well as the prevention of social upheavals.

KITE recognizes that enhancing the capacity of Parliament to effectively debate and legislate on the Oil and Gas sector will improve good governance and pro-poor sustainable development in the Oil and Gas subsector. For this reason the proposed project will aim to:

1. Enhance the capacity of Parliament to effectively debate and legislate on the Oil and Gas sector of Ghana by training Members of Parliament on relevant themes

2. Influence sector legislation and policy to focus on and good governance by working with Parliament

3. Improve awareness and capacity of the legislature to deal with pro-poor issues in the Oil and Gas sector of Ghana