Energy Sector Governance Program Grant

“Smart Development” Initiative

MONTHLY REPORT – JUNE 2004

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Energy Division—Energy Sector Governance Program
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USAID Energy Sector Governance Program Grant in Ghana

UH IELE Monthly Report

June 2004

The following are the activities that the UH IELE conducted in the month of June.

- The UH IELE conducted two meetings with the four delegates from Ghana who attended the UH IELE international capacity-building program, *New Era in Oil, Gas & Power Value Creation*.
  - **May 29, 2004 – Working meeting with the key staff of the IELE Applied Research Team.** The four delegates from Ghana met with the IELE team consisting of Dr. Foss, Dr. Gülen and Ms. Makaryan. The goal of the meeting was to work out some details and lay out a draft conceptual framework based on the ideas proposed by the IELE. During the meeting, various issues were discussed on the working level, including: selection of the Local Education Partner (LEP) in Ghana, key agencies that should be involved, responsibilities of various key contacts, sustainability and the most appropriate approach to make the project successful.
  - **June 1, 2004 -- Africa Grant Roundtable discussion with the IELE Senior Advisors.** In addition to four delegates from Ghana, the meeting was attended by Dr. Foss, Dr. Gülen, Mr. Fisoye Delano, Ms. Makaryan (UH IELE), Mr. Alfred Boulos, JD (Boulos International, & Adjunct Professor, UH Law Center; Al was selected as an advisor to the Ghanaian energy ministry), Mr. Fred Gibson (retired, ChevronTexaco), Dr. Bhamy Shenoy (Consultant, IELE Senior Associate), and Dr. Ernst Leiss (UH professor of computer science). The goal of the meeting was to continue the discussion of the implementation strategies for the grant and receive feedback from the IELE advisors as well as to address larger, logistical and organizational issues surrounding the UH relationship with our Ghanaian partners.

- Based on the results of these two meetings, interactions with our Ghanaian colleagues throughout *New Era* and UH IELE’s trip to Ghana in March, the UH IELE drafted a Conceptual Framework for the "Resource Center” for *Resource Economics and Utility Regulation* at ISSER. The Framework proposed the mission of the Resource Center, its structure and core activities, work plan and deliverables. The draft is attached to this report.

- The UH IELE worked with UH Office of Contracts and Grants to establish appropriate contract/agreement for expenditure of grant funds on LEP efforts in Ghana. This agreement will be finalized when an agreement on the Conceptual Framework has been reached. This sub-contact will consist of a detailed budget and work plan commensurate with the established work plan by IELE under the grant cooperative agreement with USAID.

- The UH IELE communicated with our colleagues in Ghana and learned that they conducted a number of meetings to discuss the Conceptual Framework for the Resource Center proposed by the UH IELE. They expect to send their comments and suggestions by the end of July.
The UH IELE posted a brief overview of the results of the trip of the Ghanaian delegation to Houston on the project website http://www.energy.uh.edu/IDA/USAID.asp

Next steps
Actions expected in the months of July and August include:
- Continue discussions on the Conceptual Framework and reach of agreement on its structure, functions, budget and other working details;
- Set up the Advisory Board and Steering Committee for the “Resource Center”;
- Plan for and carry out the next event (most likely, a start-up meeting in Ghana to introduce the Center to the stakeholders).
“Resource Center” for Resource Economics and Utility Regulation
at ISSER
DRAFT Conceptual Framework

Background
In late 2003, The Institute for Energy, Law & Enterprise at University Houston Law Center (IELE) won the Energy Sector Governance Program Grant of the U.S. Agency for International Development (AID) with its proposal to create a “Smart Development” initiative through its annual training program, New Era in Oil, Gas & Power Value Creation. The IELE initiative would be designed to improve the capability of local educational and development institutions in emerging markets to address public education and participation, as well as transparency needs for effective energy sector governance. Through this Initiative, IELE intends to provide a Local Education Partner in Ghana, Africa with the tailored training, focused on energy value chain economics and supporting commercial frameworks, tools and ongoing mentoring necessary to develop its own community-based initiatives. The following graphic illustrates how the Initiative will work.

The intended results include an increased number of people across a number of disciplines and occupations (journalists, educators, private sector and general public) and within the ranks of the government with a better understanding of energy industry issues; and ongoing delivery of education and information dissemination through a local source developed with our assistance in order to multiply the number of "informed" citizens.

An IELE team consisting of Dr. Michelle Michot Foss, Executive Director, Dr. Gürcan Gülen, Research Associate and Ms. Anna Dragsbaek, Researcher visited Ghana in late March 2004 for grant scoping. They were accompanied by Dr. Kevin Warr, technical officer for the grant from USAID, in most of their meetings. The Public Utilities Regulatory Commission (PURC) has been a major supporter of the effort and facilitated many of the meetings for the IELE team. During this visit, they developed in-depth
understanding of the energy sector in Ghana via numerous meetings with different stakeholders in the sector and, with input from PURC, identified the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Legon as the most likely LEP. It was clear, however, that a strong linkage to Kumasi National University of Science and Technology (KNUST) was highly desirable for most professionals in the Ghanaian energy sector, as well as linkages to various stakeholders, such as Kumasi Institute of Technology and Environment (KITE) and the Energy Foundation, would be vital for success.

In May 2004, four delegates from Ghana representing ISSER, PURC, Ministry of Justice and KITE attended the New Era program in Houston. The delegates observed and experienced the platform to be adopted in Ghana. In addition, the IELE team and Ghanaian delegates had two meetings, one attended by advisors of the Institute who are knowledgeable about West Africa and capacity building programs in general. As a result, both sides agreed to pursue the establishment of a “resource center” at ISSER, with explicit participation of KNUST (most likely through the school of engineering), to construct the appropriate LEP for this experimental grant. The following serves as the draft conceptual outline for the center/LEP.

The Mission of the “Resource Center”

The mission of the Resource Center is to become an independent resource for data, research, policy analysis, training and public education on energy and utility economics, regulation, and energy sector policy and development in Ghana and, ultimately, the greater region of West Africa.

The Core Activities of the “Resource Center”

The goals of the Resource Center are to:

- Collect, store, process and disseminate energy and utility sector data and knowledge;
- Conduct research to support energy and utility sector development and governance;
- Develop energy and utility economics curriculum for both university and professional audiences; and
- Educate the public on energy economics, energy policy, energy and socioeconomic development issues by publishing reports and holding educational outreach activities.

Proposed Organizational Structure for the Resource Center

The Resource Center will be organized to draw upon the expertise of energy sector specialists from various organizations, including universities, public institutions, NGOs and industry. The initial structure of the Resource Center is expected to have the following components: an Advisory Board, three members of which will form a steering committee, Center Coordinator, and Center Assistant.
Advisory Board

An Advisory Board will be formed of the representatives of the key institutions (stakeholders) in Ghana’s energy sector. Eventually, the Board may include up to 10 representatives from energy and environmental ministries, universities, non-governmental organizations, and national/international industry. In the beginning, however, representation from the Energy Ministry, Public Utilities Regulatory Commission (PURC), Volta River Authority (VRA), Energy Commission (EC) and Energy Foundation (EF) should be sufficient.

The Board will provide high-level supervision and direction to the Resource Center initiatives to ensure the Center’s relevance for the energy sector. The Board will review and approve the Resource Center strategic plan, annual work plan and budget developed by the Steering Committee. A member of the Advisory Board will be selected to serve as Chairperson. During the Resource Center establishment phase, Mr. (Chairman of PUC) will serve as Chairperson. The UH IELE will be a part of the Advisory Board for the duration of the USAID grant and its possible continuation, and for any follow up sponsored activities as independent funding for the center begins to evolve.

The Advisory Board will hold quarterly meetings to review the progress of the Resource Center activities. The first meeting of the Advisory Board will be held in July, 2004. During the first meeting, the Advisory Board will review the Conceptual Plan and make any suggestions regarding the Resource Center structure, work plan and preliminary budget proposed by the Steering Committee.

Steering Committee
Advisory Board members from ISSER, KNUST and UH IELE will form a Steering Committee. The UH IELE will be a part of the Steering Committee for the duration of the USAID grant and any follow up sponsored activities. The Steering Committee will oversee the quality and effectiveness of the Resource Center day-to-day operations in accordance with the general guidelines of the Advisory Board. The Steering Committee will:

- Develop a strategic plan defining short- and long-term goals of the Resource Center and strategy towards achievement of these goals. The strategic plan will be submitted to the Advisory Board for review and approval.
- Develop annual work plans and budgets which will be submitted to the Advisory Board for review and approval.
- Nominate a Resource Center Coordinator. As the Resource Center is hosted at ISSER, Resource Center Coordinator will be an ISSER staff member.
- Ensure spending of allocated funds in accordance with the approved budget.
- Guide the Resource Center Coordinator in carrying out the responsibilities
- If necessary, propose changes in the work plan, organizational structure and budget to the Advisory Board for approval.
- Report to the Advisory Board on the progress of activities. Evaluate program effectiveness and develop recommendations on research and program needs
- Develop public participation strategies to ensure adequate outreach and publicity of the project activities.
- Develop a sustainability plan which will define activities to attract support from potential donors (national and international industry, donor agencies) and plans to establish partnerships with similar centers or associations worldwide.

**Resource Center Coordinator**

The Resource Center Coordinator will coordinate the Resource Center activities. Under general direction of the Steering Committee, the Coordinator will:

- Work with the Steering Committee members to develop a strategic plan, work plans and budget.
- Organize and coordinate Advisory Board meetings, workshops, trainings, and public outreach activities.
- Develop and implement public participation strategies; coordinate dissemination of information about the Resource Center and its activities to media and Resource Center counterparts through press releases, articles, interviews; serve as main contact for media, community and other groups.
- Prepare progress reports and submit them monthly to the Steering Committee and quarterly to the Advisory Board.
- Maintain records and submit monthly financial reports to the Steering Committee and quarterly reports the Advisory Board.
- Serve as a liaison between agencies and advisors involved in the project implementation.
- Coordinate the work of advisors to ensure timely and proper implementation of the projects.
Direct work of Program Assistant.

Center Assistant
- Collect energy and utility sector data and information.
- Develop a database for structured access of this data and information.
- Act as research assistant in Center publications and workshops.
- Maintain database of contacts.

Outside Advisors
Many similar centers around the world, including the UH IELE, have a group of outside advisors, or senior fellows, who are interested in these centers and willing to help in center activities. They may write or edit parts of reports, participate in workshops, and provide guest lectures in classes or seminars among many other things. Ghana certainly has a wealth of experienced professionals in different parts of the energy sector. Among the organizations that could be tapped for these individuals are:
- Public Utilities Regulatory Commission of Ghana
- NGOs such as the Energy Foundation, Kumasi Institute of Technology and Environment (KITE), Institute for Economic Affairs, Center for Economic Policy Analysis, and Council for Scientific and Industrial Research
- Ministry of Energy
- Volta River Authority (VRA)
- Electricity Company of Ghana (ECG)
- Energy Commission of Ghana
- Ghana National Petroleum Company

Proposed Resource Center Activities and Timeline
While it will be the responsibility of the Steering Committee to develop and for the Advisory Board to approve the Resource Center Work Program, the following are the example activities that emerged from discussions May 29 and June 1 for the first year of Resource Center operation.

Work Program and Deliverables
June 2004 – March 2005

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target Due Date</th>
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<tbody>
<tr>
<td>1. Kick-off Meeting of the Resource Center and Overview of the Natural Gas and Electric Power Value Chain (HOLD THESE TOGETHER)</td>
<td>July 2004</td>
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<td>2. Preparation of a “Natural Gas Primer”</td>
<td>August – September 2004</td>
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<td>3. Educational Forum on Natural Gas (upon completion of the “Natural Gas Primer”)</td>
<td>September 2004</td>
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<tr>
<td>5. Educational Forum “Electric Power in Ghana” (upon</td>
<td>January 2005</td>
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<tr>
<td>Activity</td>
<td>Target Due Date</td>
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<td>completion of the “Guide to Electric Power in Ghana”)</td>
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<tr>
<td>7. Educational Forum on Ghana Value Chain Model</td>
<td>February 2005</td>
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<td>8. Develop energy and utility economics curriculum for training programs (both regular university-level and short-term focused training for professionals) to be offered by the Resource Center at UG-Legon and KNUST, and other locations where there may be a need for such programs.</td>
<td>July 2004 – March 2005</td>
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<td>9. Develop an energy industry database as the resource to be offered to stakeholders</td>
<td>July 2004 – March 2005</td>
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<tr>
<td>10. Develop a sustainability plan and proposals for funding (corporate investors, development agencies)</td>
<td>July 2004 – March 2005</td>
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