



REPUBLIC OF GHANA

2017 RECONCILIATION REPORT

ON THE

PETROLEUM HOLDING FUND

SUBMITTED TO

PARLIAMENT

BY

KEN OFORI-ATTA
(MINISTER FOR FINANCE)

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PREFACE

IN FULFILMENT OF THE REQUIREMENTS OF SECTION 15 OF THE PETROLEUM REVENUE
MANAGEMENT ACT, 2011 (ACT 815), AS AMENDED (ACT 893)

Section 15 of the Petroleum Revenue Management Act, 2011 (Act 815), as amended (Act 893), hereafter, PRMA, mandates the Hon. Minister for Finance to reconcile the actual total petroleum receipts and the Annual Budget Funding Amount (ABFA) of the previous year and submit a written report to Parliament, not later than the end of the first quarter of the current year.

The 2017 Reconciliation Report on the Petroleum Holding Fund has been prepared in accordance with Section 15 of the PRMA, to provide a full year account of petroleum receipts and expenditure in 2017. The report covers the receipts into the Petroleum Holding Fund (PHF) and withdrawals from the PHF to the various designated accounts, in accordance with the Act.

In line with Section 15(3) of the PRMA, the report will be published in the Gazette and, at least, two state-owned daily newspapers. The publication will facilitate the process of accountability by providing information to the general public on the management and utilisation of Ghana's petroleum revenues received during the period.

As indicated in the 2017 Annual Report on the Petroleum Funds, the year 2017 marked a decade since oil and gas was discovered in commercial quantities in Ghana. The year also witnessed the arrival of the newly built Floating, Production, Storage and Offloading (FPSO) John Agyekum Kufour, which is being used for the Sankofa-Gye Nyame (SGN) Field oil and gas project. Production of crude oil from the SGN Field commenced in May, as was first gas production from the Tweneboa-Enyenra-Ntomme (TEN) Field. The SGN Field was subsequently commissioned in July by H. E. Nana Addo Dankwa Akufo-Addo.

The year 2017 also witnessed the favourable ruling by the International Tribunal for the Law of the Sea (ITLOS) in Ghana's Maritime boundary dispute with Cote D'Ivoire. The favourable ruling by ITLOS forestalled the loss of potential revenue from the disputed oil fields.

As part of efforts to increase Government's take from the petroleum exploitation, the Minister for Finance inaugurated the Multi-Agency Petroleum Revenue Committee (MAPERC) to coordinate the activities of state institutions in the oil and gas sector. The Committee comprises officials from the Ministries of Finance and Energy as well as Ghana Revenue Authority, Petroleum Commission, Ghana National Petroleum Corporation and Bank of Ghana.

His Excellency, the President of the Republic of Ghana, launched the Accelerated Oil and Gas Capacity Programme (AOGCP), in line with Government's intention to invest in the education of the Ghanaian youth. The AOGCP is intended build the capacity of Ghanaians to enable them participate in the upstream oil and gas sector.

In compliance with the PRMA, the Ministry, in consultation with Parliament, revised the Annual Budget Funding Amount (ABFA) priority areas for the 2017-2019 period. The new priority areas are as follows:

- i. Agriculture;
- ii. Physical Infrastructure and Service Delivery in Education;

- iii. Physical Infrastructure and Service Delivery in Health; and
- iv. Road, Rail and other critical Infrastructure Development.

The new priority areas will enhance social and infrastructure development in the country. As a result of Government's commitment towards transparency and accountability, Ghana, through GHEITI, won international recognition for its commitment to expanding the frontiers of transparency, including progress made towards lifting the veil off the actual beneficial owners of companies operating in the country. The recognition came in the form of an award from the Extractive Industries Transparency Initiative (EITI) International Board Chair.

We will continue in this direction by informing Ghanaians about the happenings in the upstream oil and gas sector and soliciting their views on ways that we can improve our reporting standards. We will continue to use the resources to the general benefit of Ghanaians.

KEN OFORI-ATTA
MINISTER FOR FINANCE

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ACRONYMS

ABFA	Annual Budget Funding Amount
AOGCP	Accelerated Oil and Gas Capacity Programme
BOG	Bank of Ghana
Bopd	Barrels of Oil per Day
CAP	Carried and Participating Interest
CDB	China Development Bank
EDC	Enterprise Development Center
EIS	Environmental Impact Statement
EPA	Environmental Protection Agreement
FOMC	Federal Open Market Committee
FPSO	Floating Production Storage and Offloading
GHF	Ghana Heritage Fund
GJFFDP	Greater Jubilee Full Field Development Plan
GNPC	Ghana National Petroleum Corporation
GOG	Government of Ghana
GPFs	Ghana Petroleum Funds
GPP	Gas Processing Plant
GSA	Gas Sales Agreement
GSF	Ghana Stabilisation Fund
ITLOS	International Tribunal for the Law of the Sea
LNG	Liquefied Natural Gas
MMScf	Million Standard Cubic Feet
MMScf/d	Million Standard Cubic Feet per day
MOF	Ministry of Finance
MTA	Mahogany, Teak and Akasa
NOC	National Oil Company
OCTP	Offshore Cape Three Points
PA	Production Agreement
PHF	Petroleum Holding Fund
PoD	Plan of Development
PRMA	Petroleum Revenue Management Act
SGN	Sankofa-Gye Nyame
TAG	TEN Associated Gas
TEN	Tweneboa-Enyenra-Ntomme
TRP	Turret Remediation Programme
WCGI	Western Corridor Gas Infrastructure
WCTP	West Cape Three Points

EXECUTIVE SUMMARY

Overview

The 2017 Reconciliation Report on the Petroleum Holding Fund (PHF) has been written to fulfil Section 15 of the PRMA. In each fiscal year, these provisions require the Minister for Finance to reconcile the actual total petroleum receipts and the Annual Budget Funding Amount (ABFA) of the previous fiscal year.

This report includes the following:

- actual inflows and outflows of the PHF in 2017; and
- allocations and use of the ABFA in 2016 and 2017.

The report also examines developments in upstream petroleum projects, changes in production and price levels, how the National Oil Company (NOC) has used its allocated amounts, and the performance of the Ghana Petroleum Funds (GPFs) over the period.

Production

Total production from the Jubilee Field in 2017 was 32,749,975 barrels, compared to 26,981,640 barrels for the same period in 2016, representing an increase of 21.4 percent. The increase in production is attributable mainly to the deferment of the Turret Remediation Project (TRP) from 2017 to 2018. The postponement of the TRP allowed partners to avoid the 10-week shut-down of the Jubilee FPSO, which had been factored into oil and gas projections for 2017.

Associated gas produced from the Tweneboa-Enyenra-Ntomme (TEN) Field as at 31st December, 2017, was 26,818.33 MMScf and 296 MMScf of gas was exported. The remaining produced associated gas was re-injected for reservoir pressure maintenance to support oil production and fuel gas for power generation on the TEN FPSO.

Production from the TEN Field as at 31st December 2017, was 20,452,577 barrels. Average annualised daily oil production for the period stood at 56,034 barrels, against a planned daily average of 50,000 bopd. Total production from the Field from inception (i.e. 17th August, 2016) to 31st December 2017, stood at 25,768,717 barrels.

Receipts

Total petroleum receipts for 2017 was US\$540.41 million (GH¢2,334.12 million), compared with US\$247.18 million (GH¢972.55 million) for 2016. The increase in receipts is mainly due to the steady increase in crude oil prices and increased production from the Jubilee and TEN Fields in 2017.

During the year under review, an amount of US\$555.33 million (US\$27.36 million was received in 2016) was distributed in 2017. At the end of 2017, an amount of US\$12.44 million received from corporate tax, surface rental and interest on unallocated funds was undistributed.

Distribution

GNPC was allocated a total of US\$182.04 million, made up of Equity Financing Cost (US\$103.44 million) and its share of the net Carried and Participating Interest (US\$78.60 million).

A total of US\$203.83 million (GH¢ 888.32 million) was transferred into the GPFs for 2017, compared with US\$42.16 million (GH¢166.65 million) for 2016. Out of the amount transferred, the GHF received US\$61.15 million (GH¢266.50 million), against US\$12.65 million (GH¢50.00 million) in 2016, while the GSF received US\$142.68 million (GH¢621.83 million), against US\$29.51 million (GH¢116.66 million) in 2016.

The Ghana Infrastructure Investment Fund (GIIF) received a total of US\$6.92 million, from the first TEN lifting in the first quarter of 2017. However, no further allocations were made to GIIF after this.

SECTION ONE: INTRODUCTION

1. The Ministry of Finance (MOF) coordinates the implementation of the Petroleum Revenue Management Act (PRMA), 2011 (Act 815), as amended (Act 893). As part of the implementation of the PRMA, MOF is expected to produce periodic reports, including the Annual Reconciliation Report on the Petroleum Holding Fund (PHF), to inform the public about the use of petroleum revenues.
2. Section 15 of the PRMA mandates the Minister for Finance to reconcile the actual total petroleum receipts and the Annual Budget Funding Amount (ABFA) of the immediate preceding year, and submit a written report to Parliament not later than the end of the first quarter of the current year. This Reconciliation Report on the Petroleum Holding Fund effectively captures the management and use of petroleum receipts for the entire financial year. This is necessary because the 2017 Annual Report on the Petroleum Funds covered January to September.
3. This report also presents an overview of developments in the upstream petroleum industry, utilisation of the National Oil Company's (NOC) allocation and, finally, the performance of the Ghana Petroleum Funds (GPFs) over the period.
4. The report is structured as follows:
 - Section One: Introduction;
 - Section Two: Developments in the Upstream Petroleum Sector in 2017;
 - Section Three: 2017 Actual Inflows to and Outflows from the Petroleum Holding Fund;
 - Section Four: Use of the Annual Budget Funding Amount;
 - Section Five: Utilisation of GNPC's 2017 Allocations;
 - Section Six: Performance of the Ghana Petroleum Funds in 2016 and 2017;
 - Section Seven: Audited Financial Statements of the Petroleum Funds; and
 - Section Eight: Conclusion.

SECTION TWO: DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR IN 2017

2.1 Developments in the Structure of the Upstream Petroleum Sector in 2017

5. The Minister for Energy approved the Greater Jubilee Full Field Development Project (GJFFDP) Plan of Development on 20th October, 2017. The expanded project is an amalgam of the Jubilee Field, Mahogany and Teak discoveries.
6. Fourteen (14) wells are to be drilled, completed and hooked up to the FPSO for the development and this is expected to result in incremental reserves of about 142 million stock tank barrels of oil and about 243 billion standard cubic feet for gas export. Development cost is estimated to be US\$1,893 million (Drilling and Completion: US\$1,274 million, Facilities base subsea: US\$507 million and Other Facilities: US\$112 million).
7. The Jubilee FPSO Turret Remediation Project (TRP) is progressing steadily. The interim spread mooring operation was successfully executed in February 2017, leading to the release of the three tug boats which aided the heading control for production and lifting operations on the FPSO Kwame Nkrumah. The capital costs associated with the turret remediation works are expected to be covered by the Joint Venture Hull and Machinery insurance policy.
8. The Jubilee Field FPSO will be converted from a turret mooring system to a spread mooring system. The implementation of the selected concept for the TRP, originally scheduled to commence in October 2017, was postponed to the first quarter of 2018. This resulted in an average annualized daily crude oil production of 89,726 barrels of oil per day (bopd) at the end of 2017, from the original projection of 68,000 bopd.
9. Jubilee production was augmented by output from the Sankofa Gye-Nyame (SGN) Field. The SGN FPSO, John Agyekum Kuffour, arrived in Ghanaian waters in April 2017, with first oil occurring on 20th May, 2017, three months ahead of schedule.
10. In addition to the SGN Field, petroleum production was boosted by TEN output, with 56,034 bopd, compared to a projection of 50,000 bopd. The TEN Field also produced its first gas in May 2017.
11. The final ruling of the Ghana-Cote d'Ivoire Maritime Boundary Dispute at the International Tribunal for the Law of the Sea (ITLOS) occurred on 23rd September, 2017. The court upheld the use of the Equidistance Method to determine the boundary, starting from the new Boundary Point 55 plus (BP55+). Consequently,

none of Ghana's active upstream petroleum projects were negatively impacted by the final ruling. This is a boost in the country's effort to optimise its hydrocarbon resources.

12. On 14th September, 2017, GNPC signed a Memorandum of Understanding (MOU) with ExxonMobil for Exploration and Production rights in the Deep Water Cape Three Points Block. In December 2017, negotiations were concluded and the draft Petroleum Agreement (PA) was presented to the Minister for Energy for onward submission to Cabinet for its consideration.

Ministry of Energy

13. The Ministry of Energy is responsible for the formulation, coordination, monitoring and evaluation of policies and programmes in the energy sector. The Ministry provides leadership in the achievement of key deliverables in the petroleum sector. For the year under review, the Ministry, working with key stakeholders:

- ensured the production of first crude oil from the SGN Fields in May 2017, ahead of the target date;
- developed guidelines for the bidding of exploration blocks;
- put in place a Gas Master Plan Implementation Committee; and
- coordinated activities of Team Ghana to secure a favourable ITLOS ruling in respect of the Ghana-Cote d'Ivoire Maritime Boundary Dispute.

14. To give effect to the Petroleum (Exploration and Production) Act, 2016 (Act 919), the Ministry of Energy laid before Parliament two (2) regulations: Health and Safety Regulations and the Data Management Regulations. The regulations came into force on 21st December, 2017.

15. The paragraphs below give highlights of the achievement of the Ministry's agencies in 2017. These are the Petroleum Commission, Ghana National Petroleum Corporation and Ghana National Gas Company.

Petroleum Commission

16. The Petroleum Commission effectively and efficiently implemented its mandate of regulating, managing and coordinating activities in the upstream petroleum sector in 2017, in accordance with the Petroleum Commission Act, 2011 (Act 821).
17. The Commission implemented the Local Content and Local Participation Regulations, 2013 (LI 2204). A significant number of Ghanaian companies have registered with the Commission to participate in the upstream petroleum industry in Ghana. The

rigorous promotion of Joint Ventures, in accordance with Regulation 43(1) of LI 2204, has enhanced participation of indigenous Ghanaian companies in the industry. In 2017, about US\$265 million worth of contracts were awarded to indigenous Ghanaian companies and Joint Venture companies involving Ghanaian partners by the two (2) main operators in the country (Tullow Ghana Ltd and ENI). Currently, over 75 percent of people working in the upstream petroleum industry are Ghanaians.

18. The Commission, in collaboration with its partners, successfully launched the Accelerated Oil and Gas Capacity Programme (AOGCP), in line with Government's intention to invest in the education of the Ghanaian youth. This is a national development priority to provide the relevant services and expertise to the oil and gas industry and other allied industries. The AOGCP will combine different capacity building initiatives to meet the demands of the industry, in line with national development objectives.
19. The Petroleum Commission, in collaboration with the Ministry of Energy and representatives from other relevant state agencies, developed the Draft Health, Safety and Data Management Regulations. The Regulations were successfully passed by Parliament in the last quarter of 2017 and will ensure fairness, transparency and regulatory predictability in the upstream petroleum sector and further ensure efficient conduct of upstream operations.
20. The Commission in 2017 took over the management of the Oil and Gas Enterprise Development Centre (EDC) in Takoradi, Western Region. Through the EDC, the Commission will equip local enterprises with skills and knowledge for effective and sustainable local content and local participation. Through this program, the Commission will solve the deficiency suffered by local companies constrained by limited resources.
21. The Commission also commenced the transcription of Upstream Data in 2017. This implies that prospective investors can visit the Commission's Data Centre to access Ghana's petroleum upstream data. The Commission also carried out its monitoring duties on all upstream activities. Together with stakeholders, the Commission commenced the development of a Common Qualification System to serve as a means for pre-qualifying local content activities in the industry. The system will ensure that capacities of local companies are categorised and the necessary capacity building programmes developed. The Commission has also completed the development of an electronic portal to bridge the information gap in the industry and enhance the participation of indigenous Ghanaian companies in the upstream sector.

22. Draft guidelines for the establishment of the Local Content Fund have been developed. The guidelines, once approved, will offer Ghanaian SMEs in the upstream petroleum sector flexible access to credit at concessionary rates and provide requisite financing for capacity building in the petroleum industry. The Controller and Accountant-General has opened a cedi account at Bank of Ghana into which international oil companies will pay contributions towards the Fund.

Ghana National Petroleum Corporation

23. GNPC continued to manage its interests in various petroleum licenses in Ghana's sedimentary basins. The Corporation, together with its partners, continued to produce crude oil and associated gas from the Jubilee and TEN Fields and commissioned first oil from the SGN Field.
24. Seismic acquisition contract was signed in 2017 to acquire 2D data in the Voltaian basin. Additionally, surface gas geochemistry sampling and analysis helped in accessing the hydrocarbon footprint in the basin.
25. As part of its gas aggregator role, GNPC signed a Gas Sale and Purchase Agreement with Gazprom Marketing and Trading Limited for the offtake of 250 MMScf/d of re-gasified Liquefied Natural Gas (LNG). This is part of efforts to boost power generation in the country. Under the terms of the Agreement, GNPC will not have a direct contractual obligation in LNG procurement and regasification. The venture entails a bundled LNG import terminal, fully funded by a consortium made up of Helios Investment Partners, Gasfin Development and Blystad Energy Management.
26. The Corporation also signed a Gas Management Service Agreement with West Coast Ghana Gas Limited for the administration of its LNG and gas management services.

Ghana National Gas Company

27. The Jubilee Partners supplied 30,836.5 MMScf of raw gas, translating into an annualised average daily gas export of 84.48 MMScf, to be processed at the Atuabo Gas Processing Plant (GPP). The processed gas was subsequently transported to the power plants and industrial markets.
28. The total monetary disbursement to the ICT (the Enhanced Surveillance Project) and Western Corridor Gas Infrastructure Project as at 31st December, 2017, was US\$1,084.41 million. Of this amount, the China Development Bank (CDB) has disbursed US\$921.74 million and Government of Ghana (GoG) has disbursed US\$162.66 million, as shown in Table 1.

Table 1: CDB and GOG Disbursements to WCGP and ICT as at 31st December 2017

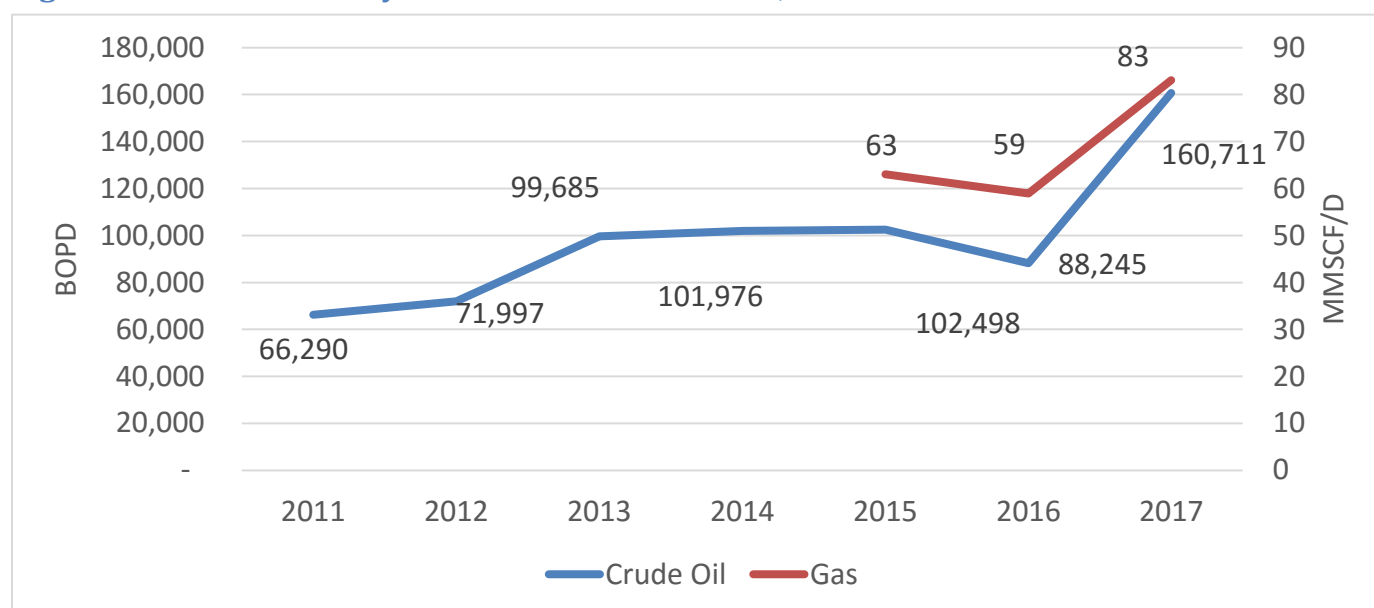
DATE	UTILISATION AMOUNT	CDB PORTION (85%)	GOG PORTION (15%)	SUBSIDIARY
	US\$			
By End-2016	979,893,519	832,909,491	146,984,029	WCGP & ICT
18-May-17	46,219,445	39,286,528	6,932,917	WCGP
18-May-17	7,613,548	6,471,516	1,142,032	ICT
31-Aug-17	29,877,917	25,396,229	4,481,687	ICT
15-Dec-17	20,800,613	17,680,521	3,120,092	ICT
Total	1.084.405.043	921.744.286	162.660.757	

Source: Ministry of Finance/Ghana National Gas Company

2.2 Projects and Production in 2017

29. The consolidated annualized average production of crude oil in 2017 was 160,711 bopd, compared with 88,245 bopd in 2016, as shown in Figure 1. Natural gas production also came to 83 MMScf/d in 2017, compared with 59 MMScf/d in 2016.

Figure 1: Annualised Daily Production of Oil and Gas, 2011-2017



Source: GNPC

Greater Jubilee Full Field Development Plan

30. Production from the Jubilee Field as at 31st December, 2017, was 32,749,975 barrels, compared to 26,981,640 barrels for the same period in 2016, representing an increase of 21.4 percent. Annualised daily production came to 89,726 bopd, up

from 73,720 bopd for the same period in 2016, as shown in Appendix Table 1. This brings the total production from inception to December 2017 to 221,660,786 barrels. The increase in production can be attributed to the temporal resolution of the damaged turret bearing on the Jubilee FPSO.

31. The next phase of the FPSO TRP will involve the conversion of the turret mooring system to permanent spread-mooring system. This entails an operation to lift and stabilize the turret, rotate the optimum heading of 206 degrees and permanently spread-mooring the FPSO. A nine week shut-down has been earmarked for the FPSO turret bearing stabilisation and rotation in the first, second and fourth quarters of 2018. Three (3) shut-downs are expected in 2018. The first shut-down commenced on 1st February, 2018, for a period of 19 days. The second shut-down is expected to commence on 7th May, 2018, for another 19 days and the third shut-down in November 2018. The remaining scope will not require a total shut-down of the FPSO. It is anticipated that the FPSO permanent mooring work scope will be completed by end-2019.
32. A total of 44,231 MMScf of associated gas was produced in 2017. After gas reinjection to maintain reservoir pressure, 30,540 MMScf was exported to the GPP at Atuabo and the remainder utilized on the FPSO for power generation. The monthly breakdown of gas supplied to the GPP is shown in Appendix Table 2.
33. As at 31st December, 2017, the Ghana Group had lifted six (6) cargoes, totaling 5,742,876 barrels from the Jubilee Field. The average achieved price for the six (6) cargoes was US\$54.43 per barrel, compared to the Benchmark Revenue price of US\$56.14 per barrel. The Ghana Group share makes up 17.8 percent of the total lifting of 32,311,961 barrels from the Field for the period.
34. The adjoining oil and gas discoveries of Teak and Mahogany will be developed together with the main Jubilee Field to form the Greater Jubilee Full Field Project. This is expected to extend plateau production. The development plan was re-submitted to the Minister for Energy for approval on 18th September, 2017, and was approved on 20th October, 2017.

Tweneboa-Enyenra-Ntomme Field

35. Production from the TEN Field as at 31st December, 2017, was 20,452,577 barrels. Average annualised daily oil production for the period stood at 56,034 barrels, against a planned daily average of 50,000 bopd. Total production from the Field from inception (i.e. 17th August, 2016) to 31st December 2017, stood at 25,768,717 barrels.

36. The Ghana Group lifted four (4) cargoes of 4,038,375 barrels in 2017. The average realised price for the four (4) cargoes was US\$52.51 per barrel. The Ghana Group share makes up 20.4 percent of the total liftings of 24,677,912 barrels from the Field for the period.
37. Associated gas produced from the TEN Field as at 31st December, 2017, was 26,818.33 MMScf and 296 MMScf of gas was exported. The remaining produced associated gas was re-injected for reservoir pressure maintenance to support oil production and fuel gas for power generation on the TEN FPSO.
38. The operators successfully executed the TEN gas export tie-in in March 2017 and temporarily exported a total of 296 MMScf to the Atuabo GPP to substitute the Jubilee foundation gas volumes exports during the shut-down of the Jubilee FPSO to replace the flare tip.
39. A fuel supply and gas storage agreement was also executed in August 2017 to allow for the importation of excess gas (not consumed by the Atuabo GPP) from Jubilee to be stored in the TEN Field, due to the current gas injection challenge on the Jubilee Field.
40. The TEN Associated Gas (TAG) Gas Sales Agreement (GSA) was negotiated and signed-off between GNPC, as Buyer of the TAG, and the TEN partners, as Sellers, on 6th December, 2017.

Sankofa-Gye Nyame Field

41. The FPSO John Agyekum Kufuor arrived in Ghanaian waters on 10th April, 2017. Following the installation of the subsea equipment and FPSO, the two units were hooked-up in readiness for commissioning and first oil production. The project attained first oil on 20th May, 2017, three months ahead of schedule, with two oil producer wells. Total oil production from the Field since inception to 31st December, 2017, stood at 5,457,073 barrels. First gas is expected to be achieved by the end of second quarter 2018.

Voltaian Basin Project

42. GNPC continues to intensify its exploration activities on the inland Voltaian Basin. In 2017, the Voltaian Basin Project completed the following tasks:
- a. On 2nd October, 2017, GNPC completed negotiations and signed the 2D seismic acquisition contract with BGP-BAY Geophysical Ltd for the Voltaian Basin Project. During the negotiations, both parties agreed that BGP-BAY would undertake 2D seismic processing and interpretation at no further cost to GNPC;
 - b. On 3rd October, 2017, an Explosives & Detonators Contract was negotiated

- and signed between GNPC and Maxam Limited for the supply of explosives for the 2D Seismic Data Acquisition;
- c. The Corporation successfully completed and submitted the Environmental Impact Statement (EIS) to the Environmental Protection Agency (EPA) and all the 24 districts in the project area; and
 - d. The Corporation commenced surface gas geochemistry sampling and analysis. This is to enable the determination of the hydrocarbon footprint in the basin. The 2D Seismic acquisition commenced in March 2018 to officially kick-start the exploration activities in the onshore basin.

Saltpond Field Decommissioning Project

43. The Saltpond Field Petroleum Agreement was terminated on 18th August, 2016, by the then Minister for Petroleum, who instructed GNPC to decommission the Field. In 2017, GNPC commenced the pre-decommissioning process and submitted an evaluation report to the Central Tender Review Committee (CTRC) to seek approval for the engagement of a project management consultant. The CTRC granted GNPC approval. The process of procuring the Decommissioning Project Management Consultant is underway.

SECTION THREE: 2017 ACTUAL INFLOWS TO AND OUTFLOWS FROM THE PETROLEUM HOLDING FUND

3.1 Inflows to the Petroleum Holding Fund in 2017

44. According to the fiscal regime of the Petroleum Agreements, Government is entitled to oil royalties on gross production equivalent to 5 percent from the Jubilee and TEN Fields and 7.5 percent from the SGN Field. The Petroleum Agreements also grant Ghana Carried and Participating Interests (CAPI) of approximately 13.64 percent and 15 percent in the Jubilee and TEN Fields, respectively. The CAPI for SGN is 20 percent. Corporate Income Tax on upstream and midstream petroleum companies is 35 percent, as shown in Table 2.

Table 2: Crude Oil Fiscal Regime for Jubilee, TEN and SGN Fields

FIELD	ROYALTY	CAPI	CIT
Jubilee	5%	13.64%	35%
TEN	5%	15%	35%
SGN	7.50%	20%	35%

Source: Various Petroleum Agreements

45. The receipt of the proceeds from these and other sources of petroleum revenue is regulated by the PRMA, as amended. The PRMA establishes the PHF as a designated Public Fund to receive all petroleum receipts, as defined in the Law,

and provides the framework for the collection, allocation and management of the petroleum funds.

46. In 2017, GNPC lifted ten parcels of crude oil (i.e. the 36th to 41st Jubilee as well as the 2nd to 5th TEN liftings) on behalf of the State, and transported a total of 30,836.5 MMScf of gas to GNGC. Total crude oil lifted was 9,781,251 barrels (i.e. 5,742,876 barrels of Jubilee oil and 4,038,375 barrels of TEN oil), compared to 5,856,921 barrels (i.e. 4,860,462 barrels from the Jubilee Field and 996,459 barrels from the TEN Field) for 2016.

47. The overall lifting volume was 67 percent higher than that of the previous year: the Jubilee lifting was 18.2 percent higher in 2017 than in 2016. The TEN lifting for 2017 was for the full year, while the 996,459 barrels in the previous year was lifted in December 2016. Although SGN joined the producing fields in 2017, there was no lifting from that Field because what would have been the State's share of CAPI is being used to defray the cost GNPC's 5 percent additional participating interest.

48. A total of US\$501.30 million (GH¢2,162.89 million) accrued from six parcels of crude oil from Jubilee in 2017 – the 35th (lifted in December 2016) to the 40th lifting – and four parcels from TEN – the 1st TEN lifting (also lifted in December 2016) to the 4th lifting as shown in Table 3.

Table 3: Details of Crude Oil Proceeds on Lifting Basis for 2017

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
Item	Unit	JUBILEE						TEN				TOTAL
		35th Lifting	36th Lifting	37th Lifting	38th Lifting	39th Lifting	40th Lifting	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
Date of Lifting	dd/mm/yy	27-Dec-16	9-Mar-17	13-May-17	3-Jul-17	8-Sep-17	25-Oct-17	8-Dec-16	20-Mar-17	18-Jun-17	6-Oct-17	
Receipt Date	dd/mm/yy	26-Jan-17	7-Apr-17	12-Jun-17	2-Aug-17	10-Oct-17	24-Nov-17	7-Jan-17	19-Apr-17	19-Jul-17	6-Nov-17	
Volume of lift	barrels	984,163	947,806	948,931	952,938	953,094	947,648	17-Mar-28	996,588	995,657	1,038,748	9,762,032
Selling Price	US\$	53.51	54.23	48.18	46.53	56.61	57.57	51.19	49.19	45.37	51.47	
Value of lift	US\$	52,660,594	51,400,467	45,721,393	44,335,440	53,956,558	54,559,886	51,008,736	49,020,171	45,175,945	53,461,243	501,300,433
	GH¢	224,802,809	216,313,726	198,984,076	194,029,622	236,189,435	240,740,041	215,639,432	204,183,716	197,432,433	234,577,243	2,162,892,533

Source: Ministry of Finance/Bank of Ghana

49. Total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for 2017 was US\$540.41 million (GH¢2,334.12 million), as shown in Table 4. This compares with the receipt of US\$247.18 million (GH¢972.55 million) for 2016. There were no gas receipts in 2017, as a result of the Volta River Authority's non-payment of gas supplied it by the Ghana Gas Company Limited.

Table 4: Sources of Petroleum Receipts, 2017

ITEM	UNIT	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Jubilee Royalties	US\$	14,661,507	27,040,197	12,343,658	30,212,621	84,257,983
Jubilee Carried and Participating Interest	US\$	37,999,087	70,081,664	31,991,782	78,303,822	218,376,356
TEN Royalties	US\$	13,249,022	12,732,512	11,734,012	13,886,037	51,601,583
TEN Carried and Participating Interest	US\$	37,759,714	36,287,659	33,441,933	39,575,206	147,064,512
Surface Rentals	US\$	262,917	344,165	238,347	724,399	1,569,828
Corporate Income Tax	US\$	-	22,073,745	-	14,883,877	36,957,622
PHF income	US\$	78,728	107,118	148,276	245,157	579,278
Gas Royalties	US\$	-	-	-	-	-
Gas Carried and Participating Interest	US\$	-	-	-	-	-
Interest on Late Payment on TEN 3	US\$	-	-	4,274	-	4,274
Total Petroleum Receipts	US\$	104,010,975	168,667,059	89,902,282	177,831,120	540,411,436
	GH¢	441,892,131	717,710,845	393,177,825	781,336,128	2,334,116,929

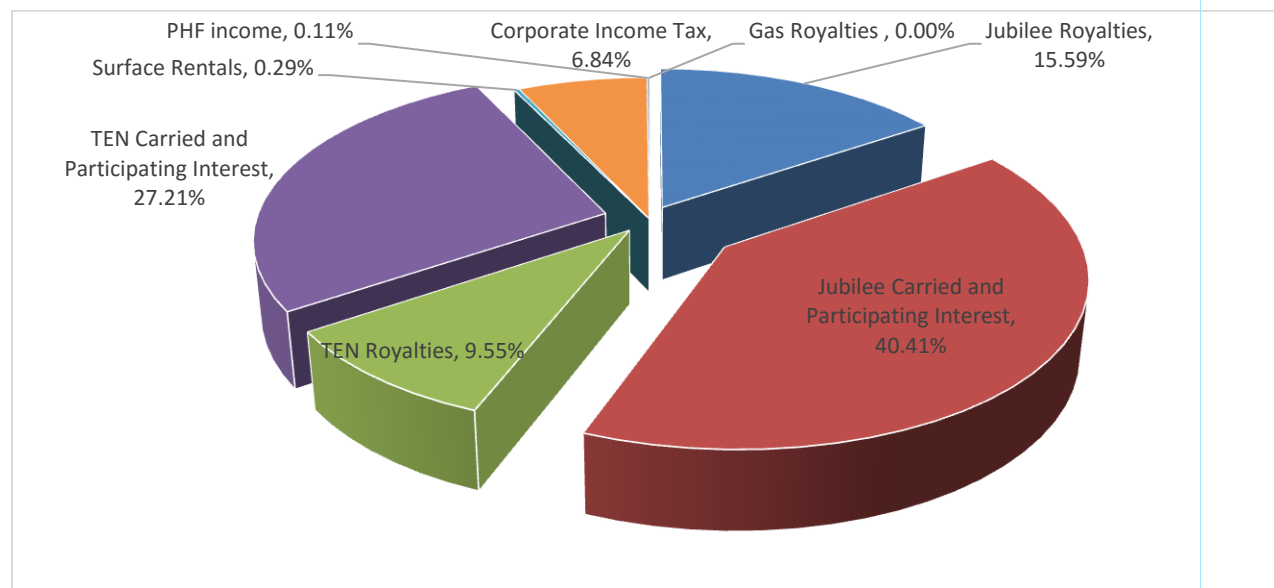
Source: Ministry of Finance/Bank of Ghana

50. The petroleum receipts exclude US\$13.52 million inadvertently paid by the International Oil Companies into the Ghana Revenue Authority account: Anadarko and Petro SA paid US\$12.73 million and US\$0.76 million, respectively, as corporate income tax, while Springfield E & P paid a surface rental of US\$30,884.25. These payments are yet to be transferred into the PHF.

51. The share of CAPI of total crude oil and gas receipts increased from 64.3 percent in 2016 to 67.6 percent in 2017. The Corporate Income Tax share of total receipts, however, decreased from 12.0 percent in 2016 to 6.8 percent in 2017. Although the tax receipt in 2017 was 25 percent higher than in 2016 in absolute terms, its ratio to the total petroleum receipts was lower because of the increase in production volumes. Royalties constituted 25.1 percent of the total petroleum revenue in 2017, compared with 23.4 percent in 2016.

52. There were no receipts from gas royalties in 2017, compared with a receipt of US\$0.38 million (0.15 percent of total receipts) in the previous year. Surface Rental, PHF Interest and Interest on late payment on the third TEN lifting proceeds made up the remaining 0.40 percent, a slight increase from the 0.28 percent recorded in the comparative period, as shown in Figure 2.

Figure 2: Composition of Total Petroleum Receipts, 2017



Source: Ministry of Finance/Bank of Ghana

Note: Gas Royalties, Gas Carried and Participating Interest, and Interest on Late Payment for the 3rd TEN lifting have not been included in Figure 2, due to their relatively insignificant share.

53. Actual receipts for 2017 (except gas receipts) showed a positive variance of US\$24.74 million, compared with the 2017 Budget estimate, as shown in Table 5. An amount of US\$4.3 million and US\$70.72 million provided in the 2017 Budget for gas royalty and CAPI, respectively, were not realised. Corporate Income Tax of US\$36.96 million (GH¢161.84 million), as well as PHF Income and Interest on Late Payment, which were not budgeted for, were received during the period under review. Royalties received from the Jubilee Field was 35.5 percent below budget, due to the non-receipt of gas Royalty. This was offset by Royalty receipts from the TEN Field, leading to a 4.1 percent increase in overall Royalties over the projection.

Table 5: Analysis of 2017 Petroleum Receipts (US\$)

Item	Budget	Actual	Variance
	A	B	C = B - A
	US\$		
Royalties	130,554,723	135,859,566	5,304,843
Carried and Participating Interest (CAPI)	308,589,307	365,440,868	56,851,560
Surface Rentals	1,496,558	1,569,828	73,270
Corporate Income Tax	-	36,957,622	36,957,622
PHF income	-	579,278	579,278
Interest on Lifting Proceeds Late payment	-	4,274	4,274
Gas Royalties	4,314,515	-	(4,314,515)
Gas Carried and Participating Interest	70,719,141	-	(70,719,141)
Total	515,674,244	540,411,436	24,737,191

Source: Ministry of Finance/Bank of Ghana

54. Similarly, receipts from Jubilee CAPI was 29.2 percent below budget (due primarily to the non-receipt of gas CAPI). This was offset by receipts from the TEN Field, leading to an overall increase in CAPI receipts of 18.4 percent above budget for both fields. Surface Rental receipts also exceeded the budget by 4.9 percent. In spite of no receipts from gas Royalty and gas CAPI, the overall net position was a favourable variance of US\$24.74 million, made possible mainly by additional receipts from the TEN Field.

55. Table 6 indicates a marked increase in overall petroleum revenue in 2017, compared with 2016. This was mainly due to an increase in price from an annual average of US\$46.99 per barrel to US\$53.49 per barrel and, an increase in lifting volumes from 5,856,921 barrels to 9,781,251 barrels, as a result of the increase in production from the Jubilee and TEN Fields.

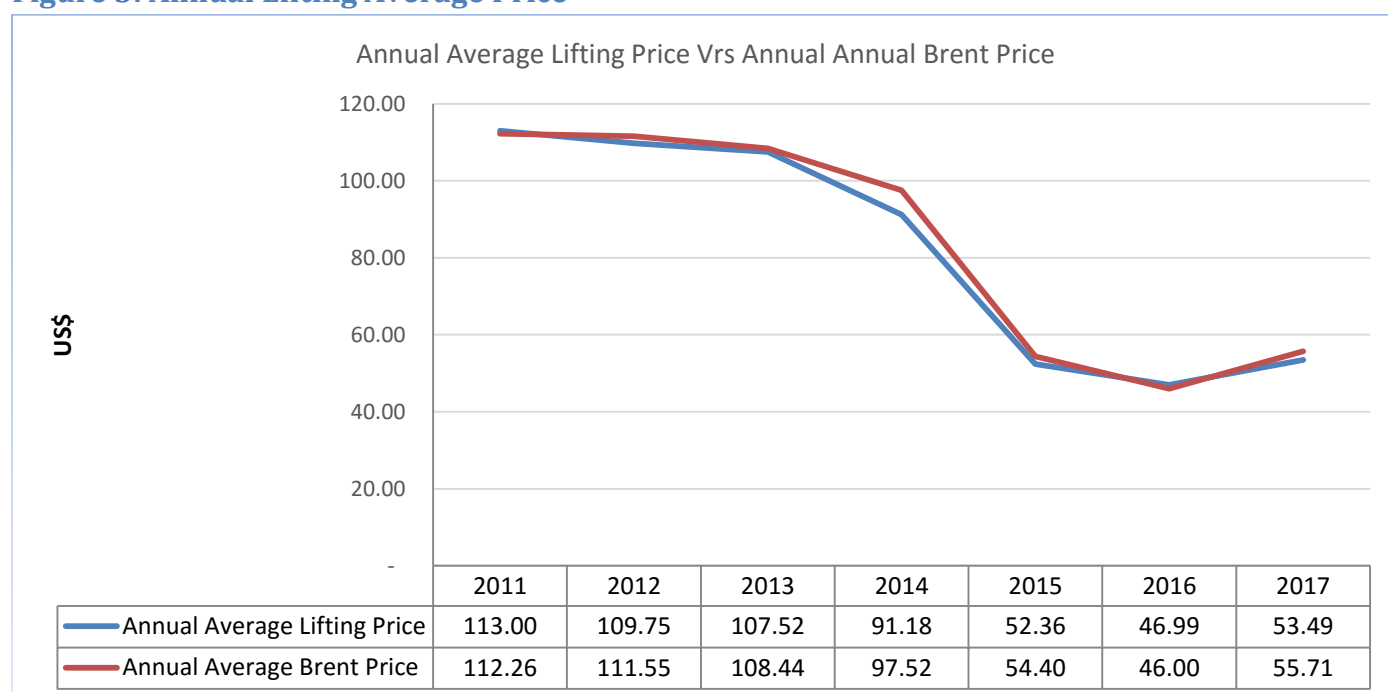
Table 6: Analysis of Petroleum Receipts, 2016-2017

ITEM	UNIT	2016	2017	VARIANCE
Jubilee Royalties	US\$	57,851,211	84,257,983	26,406,772
Jubilee Carried and Participating Interest	US\$	149,936,376	218,376,356	68,439,980
TEN Royalties	US\$	-	51,601,583	51,601,583
TEN Carried and Participating Interest	US\$	-	147,064,512	147,064,512
Surface Rentals	US\$	465,030	1,569,828	1,104,798
Corporate Income Tax	US\$	29,546,823	36,957,622	7,410,799
PHF income	US\$	73,149	579,278	506,130
Gas Royalties	US\$	379,554	-	-379,554
Gas Carried and Participating Interest	US\$	8,923,252	4,274	-8,918,978
Total Petroleum Receipts	US\$	247,175,394	540,411,436	293,236,042
	GH¢	972,547,412	2,334,116,929	1,361,569,516

Source: Ministry of Finance/Bank of Ghana

56. Figure 3 shows price movements from 2011 to 2017.

Figure 3: Annual Lifting Average Price



Source: GNPC/Bank of Ghana

3.2 Outflows from the Petroleum Holding Fund in 2017

57. The PRMA requires that not more than 70 percent of Government's net petroleum receipts is designated as ABFA and not less than 30 percent designated as GPFs. Out of the amount transferred into the GPFs, the GHF receives not less than 30 percent, with the rest transferred into the GSF.

58. The 2017 petroleum receipts were allocated based on the provisions of the PRMA, as amended. Total revenue distributed was US\$555.33 million (US\$27.36 million was accounted for as a 2016 receipt). At the end of 2017, an amount of US\$12.44 million received from Corporate Income Tax, Surface Rental and PHF Interest was not distributed, due to the time of the receipt. GNPC (the NOC) was allocated a total of US\$182.04 million, made up of Equity Financing Cost (US\$103.44 million) and its share of the net Carried and Participating Interest (US\$78.60 million), as shown in Table 7.

Table 7: Distribution of 2017 Petroleum Receipts

ITEM	UNIT	JUBILEE						TEN				TOTAL
		35th Lifting	36th Lifting	37th Lifting	38th Lifting	39th Lifting	40th Lifting	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
Transfer to GNPC	US\$	14,437,587	11,126,940	22,392,489	12,872,478	14,180,667	14,731,988	21,900,634	21,046,842	22,896,321	26,453,620	182,039,565
o/w Equity Financing cost	US\$	4,339,801	-	17,849,899	4,678,490	3,571,994	4,173,017	15,103,886	14,515,063	18,376,773	20,830,082	103,439,007
o/w Crude oil Net Carried and Participation Interest	US\$	10,097,786	11,126,940	4,542,590	8,193,988	10,608,672	10,558,971	6,796,748	6,531,779	4,519,548	5,623,537	78,600,558
ABFA and GPFs	US\$	38,223,007	40,627,515	23,612,677	31,462,963	40,222,112	42,741,304	56,452,311	27,973,328	44,554,528	27,423,100	373,292,845
o/w Annual Budget Funding Amount	US\$	2,848,051	28,439,260	-	11,176,499	28,155,478	14,209,190	39,516,617	13,925,408	31,188,170	-	169,458,674
o/w Ghana Petroleum Funds	US\$	35,374,956	12,188,254	23,612,677	20,286,464	12,066,634	28,532,114	16,935,693	14,047,920	13,366,359	27,423,100	203,834,171
o/w Ghana Stabilisation Fund	US\$	24,762,469	8,531,778	16,528,874	14,200,525	8,446,643	19,972,480	11,854,985	9,833,544	9,356,451	19,196,170	142,683,920
o/w Ghana Heritage Fund	US\$	10,612,487	3,656,476	7,083,803	6,085,939	3,619,990	8,559,634	5,080,708	4,214,376	4,009,908	8,226,930	61,150,251
Total Payments	US\$	52,660,594	51,754,455	46,005,166	44,335,440	54,402,778	57,473,293	78,352,945	49,020,171	67,450,850	53,876,720	555,332,411
	GH¢	228,418,598	217,353,183	200,425,533	195,160,175	240,008,738	253,549,177	334,517,022	210,695,393	296,128,169	237,819,922	2,414,075,909

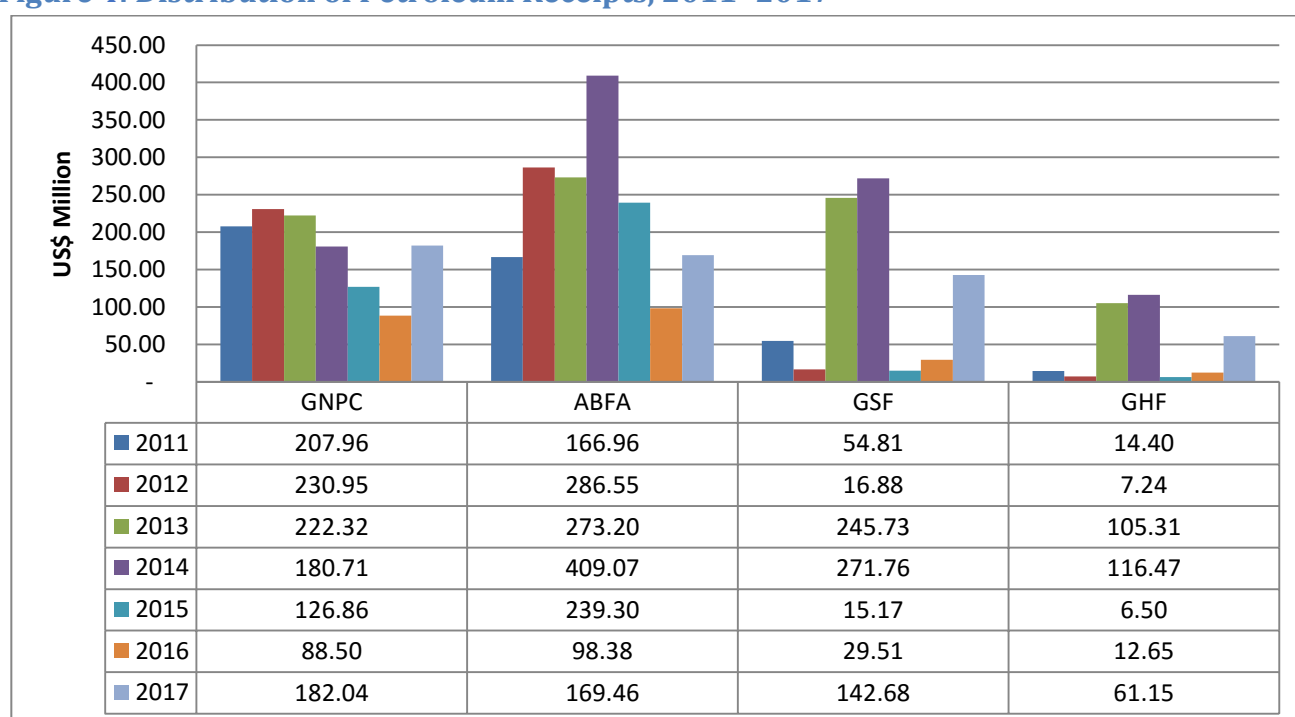
Source: Ministry of Finance/Bank of Ghana

59. A total of US\$203.83 million (GH¢888.32 million) was transferred into the GPFs for 2017, compared with US\$42.16 million (GH¢166.65 million) in 2016. Out of the amount transferred, the GHF received US\$61.15 million (GH¢266.50 million), against US\$12.65 million (GH¢50.00 million) in 2016, while the GSF received US\$142.68 million (GH¢621.83 million), against US\$29.51 million (GH¢116.66 million) in 2016. The total amount transferred in 2017 from petroleum liftings and related proceeds to the ABFA was US\$169.46 million (GH¢733.21 million).

60. The Ghana Infrastructure Investment Fund (GIIF) received a total of US\$6.92 million, from the first TEN lifting in the first quarter of 2017. As indicated earlier, GNPC received a total of US\$182.04 million (GH¢792.55 million) in respect of Carried and Participating Interest US\$78.60 million (GH¢341.57 million) and Equity Financing Cost of US\$103.44 million (GH¢450.98 million), compared with a total amount of US\$88.50 million (GH¢348.48 million) received in 2016. The

utilisation of funds allocated to GNPC is shown in Section 5. The allocation of petroleum receipts to the designated destination accounts since 2011 is shown in Figure 4.

Figure 4: Distribution of Petroleum Receipts, 2011- 2017



Source: Ministry of Finance/Bank of Ghana

61. The 2017 Budget established a quarterly allocation of US\$42.36 million to the ABFA. The performance of actual ABFA inflows, against the quarterly budget projections is shown in Table 8.

Table 8: 2017 ABFA Allocation and Variance Analysis

Period	Budget	Actual	Variance	Budget	Actual	Variance
	US\$			GHC		
Qtr1	42,364,669	42,364,669	-	193,733,629	181,044,201	(12,689,428)
Qtr2	42,364,669	42,364,669	-	193,733,629	179,282,196	(14,451,433)
Qtr3	42,364,669	42,364,669	-	193,733,629	185,982,905	(7,750,724)
Qtr4	42,364,669	42,364,669	-	193,733,629	186,898,787	(6,834,842)
Total	169,458,674	169,458,674	-	774,934,517	733,208,089	(41,726,428)

Source: Ministry of Finance/Bank of Ghana

62. Section 12 of the PRMA permits a withdrawal from the GSF to cushion the Budget against the effects of unanticipated petroleum revenue shortfalls in each quarter. There were no withdrawals from the GSF in 2017 because the ABFA targets for all the four quarters were met. However, in terms of Ghana cedis, the four quarters missed the targets on account of the relative stability of the cedi against the United States dollar.

SECTION FOUR: USE OF THE ANNUAL BUDGET FUNDING AMOUNT

63. This section presents the status of the utilisation of the ABFA receipts for the 2016 and 2017 fiscal years, in line with the requirements of Section 15(2a) of the PRMA, which requires the Minister for Finance to report on the utilisation of the ABFA for the immediately preceding two years to the year the Reconciliation Report on the Petroleum Holding Fund is prepared.

64. Parliament, in November 2013, approved the following four (4) priority areas for the utilisation of ABFA proceeds for 2014-2016.

- i. Expenditure and Amortisation of Loans for Oil and Gas Infrastructure;
- ii. Agriculture Modernization;
- iii. Roads and Other Infrastructure; and
- iv. Capacity Building (including in Oil and Gas).

65. The priority areas were selected in line with Section 21(1) of the PRMA, which requires the Minister for Finance to prioritise not more than four areas for the use of the ABFA, in the absence of a long term national development plan, with the view to maximizing the impact of petroleum revenues.

66. In 2017, however, the priority areas for utilisation of the ABFA were revised to reflect Government's medium term development strategy and the medium term policy objectives of the 2017 Budget Statement and Economic Policy. The Priority areas were revised in line with Section 21(6) of the PRMA, as shown in Table 9.

Table 9: Revision of the Priority arrears for the spending of the ABFA

No.	2014-2016 Priority Areas	2017-2019 Priority Areas
1	Expenditure & Amortisation of Loans for Oil and Gas Infrastructure	Physical Infrastructure and Service Delivery in Health
2	Agriculture Modernisation	Agriculture
3	Road and Other Infrastructure	Road, Rail and other critical Infrastructure Development
4	Capacity Building (Including Oil and Gas)	Physical Infrastructure and Service Delivery in Education

Source: Ministry of Finance

4.1 Programmed and Actual Utilisation of the ABFA in 2016

67. Total programmed ABFA expenditure for the 2016 fiscal year was GH¢1,009.01 million. Of this amount, GH¢302.70 million was programmed for Goods and Services, while GH¢706.31 million was programmed for capital spending (CAPEX). This amount was revised in the mid-year review of the 2016 Budget to accommodate both the price and output declines that impacted heavily on petroleum receipts during the year. The total programmed ABFA for Goods and Services and CAPEX were revised downwards by 39.2 percent, to GH¢184.04 million and GH¢429.42 million, respectively, as shown in Table 10.

Table 10: 2016 Programmed and Revised Annual Budget Funding Amount

Item of Expenditure	2016 Budget	2016 Revised Budget	Variance	Variance (%)
	GH¢			
ABFA Goods & Services	302,703,317	184,038,292	118,665,024	39.2%
ABFA CAPEX	706,307,739	429,422,682	276,885,057	39.2%
Total ABFA	1,009,011,055	613,460,974	395,550,081	39.2%

Source: Ministry of Finance

68. Actual ABFA receipts amounted to GH¢388.85 million, while utilisation amounted to GH¢311.12 million. Utilisation of the ABFA by the priority areas was in line with the provisions of the PRMA. Table 11 provides a summary of utilisation by the priority area, with the details shown in Appendix Table 3.

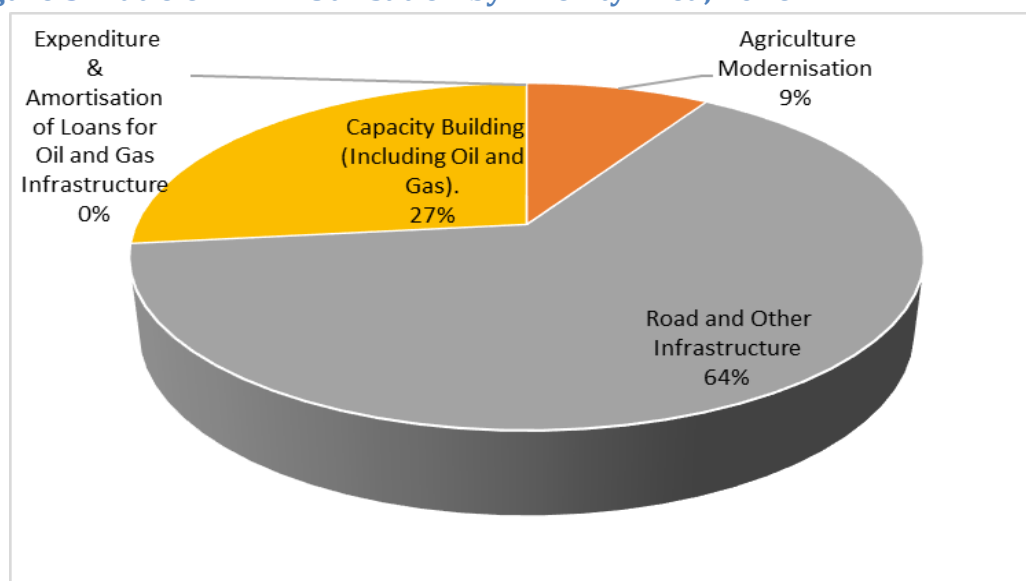
Table 11: 2016 ABFA Utilisation by Priority Area

Priority Area	Utilisation (GH¢)
Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	-
Road and Other Infrastructure	199,447,492.13
Agriculture Modernisation	27,671,280.88
Capacity Building (including Oil and Gas)	83,037,283.91
Total Spending in Priority Areas	310,156,056.92
Transfers to the Public Interest and Accountability Committee	967,000.00
Total ABFA Spending	311,123,056.92

Source: Ministry of Finance

69. Total spending for Road and Other Infrastructure amounted to GH¢199.45 million. Of this amount, GH¢48.15 million was spent on the construction, rehabilitation and upgrading of roads and highways across the country. An additional amount of GH¢43.46 million was spent on energy infrastructure, mainly for the supply of steel and wooden poles, pole top accessories, and other electrical materials under the National Electrification Scheme. Furthermore, GH¢23.48 million was utilised for Water Infrastructure in respect of the construction of drainage facilities, sea defence and coastal protection works. An amount of GH¢2.0 million was utilised for the redevelopment and construction of railway lines, railway stations, and the supply of rolling stock.
70. Additionally, GH¢14.31 million was utilised in respect of the CDB matching fund requirements for the provision of ICT infrastructure, while total transfers into the GIIF Account amounted to GH¢68.05 million.
71. Total spending on Agriculture Modernisation amounted to GH¢27.67 million. The amount was mainly in respect of payments for Government's fertiliser subsidy programme and the development and rehabilitation of irrigation infrastructure.
72. Total spending on Capacity Building (including Oil and Gas) amounted to GH¢83.04 million. These were mainly transfers to the Scholarship Secretariat for the payment of scholarship claims. Figure 5 shows ABFA utilisation by the priority areas as a ratio of total utilisation.

Figure 5: Ratio of ABFA Utilisation by Priority Area, 2016



Source: Ministry of Finance

4.2 Programmed and Actual Utilisation of the ABFA in 2017

73. A total amount of GH¢796.32 million was programmed for utilisation in 2017. Of this amount, GH¢238.89 million was programmed for Goods and Services, while GH¢557.42 million was programmed for CAPEX, as shown in Table 12.

Table 12: 2017 ABFA Allocation and Variance Analysis

Period	Budget	Actual	Variance	Budget	Actual	Variance
	US\$			GH¢		
Qtr1	42,364,669	42,364,669	-	193,733,629	181,044,201	(12,689,428)
Qtr2	42,364,669	42,364,669	-	193,733,629	179,282,196	(14,451,433)
Qtr3	42,364,669	42,364,669	-	193,733,629	185,982,905	(7,750,724)
Qtr4	42,364,669	42,364,669	-	193,733,629	186,898,787	(6,834,842)
Total	169,458,674	169,458,674	-	774,934,517	733,208,089	(41,726,428)

Source: Ministry of Finance

4.3 ABFA Utilisation by the Priority Areas

74. Provisional information compiled from the Ministry of Finance and the CAGD, indicate that of the total ABFA receipts in 2017, an amount of GH¢332.29 million was utilised. Table 13 provides a summary of utilisation by Priority Area. Details are attached in the appendices of this report.

Table 13: ABFA Utilisation by Priority Area (January – December, 2017)

S/N	Priority Area	Actual Utilisation (in GH¢)
1	Agriculture	49,070,181
2	Physical Infrastructure and Service Delivery in Education	202,379,893
3	Physical Infrastructure and Service Delivery in Health	8,660,363
4	Road, Rail & Other Critical Infrastructure Development	70,838,133
5	Public Interest and Accountability Committee	1,345,078
6	Grand Total	332,293,648

Source: CAGD and Ministry of Finance

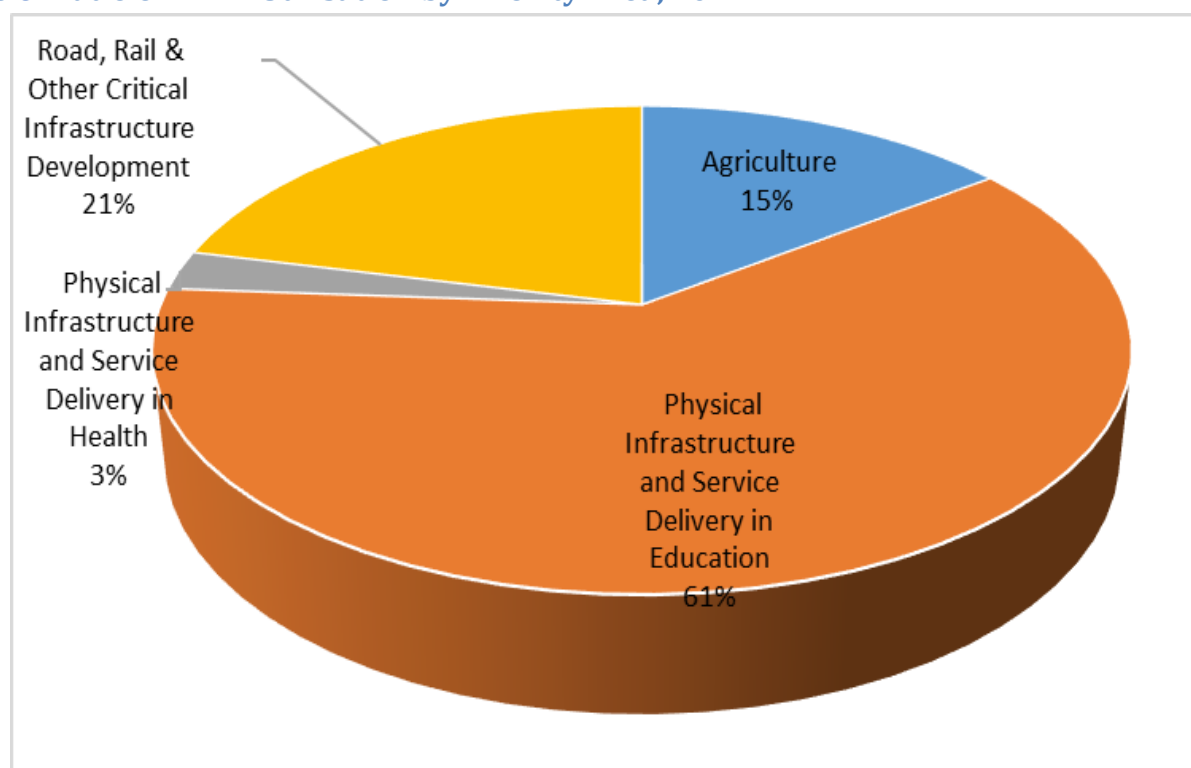
75. Total spending on Agriculture amounted to GH¢49.07 million. Of this amount, GH¢40.67 million was spent on the development and rehabilitation of irrigation infrastructure in the Volta, Western, Central, Upper West, Greater Accra and Ashanti Regions. An amount of GH¢2.45 million was disbursed as counterpart funding for the implementation of the Northern Rural Growth Programme and the Ghana Agriculture Sector Investment Project, with GH¢2.61 million being paid towards the construction of the Fisheries College at Anomabo in the Central Region. Total Spending towards agriculture, as shown in Figure 6, accounted for 14.8 percent of total utilisation at end-December 2017.
76. Total spending on Physical Infrastructure and Service Delivery in Education amounted to GH¢202.38 million. This accounts for 61.2 percent of the total ABFA utilisation for the period. The amount is made up of GH¢196.38 million paid to support the implementation of Government's flagship Free Senior High School Policy and GH¢6.0 million paid to the Scholarship Secretariat in respect of scholarship claims.
77. A total amount of GH¢8.66 million, accounting for 2.6 percent of total utilisation, was spent on the provision of Physical Infrastructure and Service Delivery in Health. The amount includes the payment of GH¢3.69 million for the rehabilitation of the Tamale Teaching Hospital and the Korle-Bu Teaching Hospital's School of Hygiene. Also, an amount of GH¢0.72 million was utilised for the construction of offices for the National Drugs Programme, while GH¢0.62 million was spent on the construction of boreholes under the Water Sector Improvement Programme in the Brong Ahafo and Northern Regions. Additionally, GH¢1.0 million was paid as matching fund requirements for the expansion of the Radiotherapy and Nuclear Medicines Projects at the Korle-Bu and Komfo Anokye Teaching Hospitals, respectively. The remaining GH¢2.62 million was utilised on the construction, completion, and maintenance of health infrastructure across the country.
78. Total spending on Road, Rail and Other Critical Infrastructure amounted to GH¢70.84 million. The amount represents 21.4 percent of the total utilisation. The payments were for the rehabilitation of selected roads in Accra and Tamale South in the amount of GH¢8.8 million; surfacing of Afuam-Nsakina-Bokobor feeder roads in the amount of GH¢6.0 million; and upgrading of New Longoro-Kintampo-Zambrama roads in the amount of GH¢13.13 million, among others. A total amount of GH¢5.14 million was spent on the bitumen surfacing of the Tanoso-Bomaa-Tepa feeder road, and the construction of roads and provision of infrastructural amenities for the University of Health and Allied Sciences at Sokode in the Volta Region. In addition to these, an amount of GH¢2.04 million was spent on the provision of consultancy

services and feasibility studies for the expansion of the railway line from Kumasi to Paga (Central Spine).

79. The amounts utilised also includes an amount of GH¢29.22 million (US\$6.92 million) transferred to GIIF in January 2017.

80. A total amount of GH¢1.35 million was transferred to the Public Interest and Accountability Committee (PIAC) to implement its programmed activities for the year.

Figure 6: Ratio of ABFA Utilisation by Priority Area, 2017



Source: Ministry of Finance

ABFA Transfers to GIIF and Utilisation

81. The cumulative ABFA transfers to GIIF as at 31 December 2017 stood at US\$75.40 million, as shown in Table 14.

Total 14: Total ABFA Transfers to GIIF, 2015-2017

YEAR	TOTAL TRANSFER (US\$)	CUM. TOTAL (US\$)
2015	51,271,666	51,271,666
2016	17,215,698	68,487,364
2017	6,915,408	75,402,772

Source: Ministry of Finance/GIIF

82. GIIF has so far disbursed US\$30 million, in senior debt, as partial funding for the Ghana Airport Company Limited's Capital Investment Program, at a total project cost of US\$400 million.

SECTION FIVE: UTILISATION OF GNPC'S 2017 ALLOCATIONS

83. GNPC received a total amount of US\$182.04 million for the year 2017, made up of the following:

- Jubilee Equity Financing (share of development & production cost) – US\$34.61 million;
- TEN Equity financing (share of development & production cost) – US\$68.83 million;
- 30% share of net proceeds of Jubilee crude revenue –US\$55.13 million; and
- 30% share of net proceeds of TEN crude revenue – US\$23.47 million.

84. Cash balance brought forward from 2016 was US\$68.03 million, bringing the total cash available for 2017 to US\$250.07 million. Out of the total amount received and balance brought forward from 2016, a total amount of US\$171.04 million was utilised, leaving a cash balance on hand of US\$79.03 million, earmarked towards pending project milestone disbursements, especially the onshore Voltaian Basin project. The detailed utilisation amount is shown in Table 15.

Table 15: Utilisation of GNPC's Share of Jubilee Petroleum Revenue in 2017

JANUARY - DECEMBER 2017			
SRN	RECEIPTS FROM JUBILEE & TEN FIELDS	AMOUNT (US\$)	EXPENDITURE AS % OF RECEIPTS
1	Level A Receipts (Equity Financing)- Jubilee	34,613,202.33	19.0%
2	Level B Receipts (30% of Net Proceeds)- Jubilee	55,128,945.99	30.3%
3	Level A Receipts (Equity Financing)- TEN	68,825,804.79	37.8%
4	Level B Receipts (30% of Net Proceeds)- TEN	23,471,612.16	12.9%
5	Total Amount Received:- (A)	182,039,565.26	100.0%
SRN	USES OF AMOUNTS ALLOCATED:-		
6	Jubilee Equity Financing Cost	40,391,528.74	22.2%
7	TEN Equity Financing Cost	63,361,421.84	34.8%
8	Exploration & Development Projects	19,074,825.37	10.5%
9	Staff Cost	13,921,676.97	7.6%
10	Admin. Capital Expenditure	679,310.22	0.4%
11	Capital Projects	7,911,044.39	4.3%
12	General Operational Expenditure	13,908,206.77	7.6%
13	Down Stream Project	4,854,648.25	2.7%
14	SOPCL	170,539.83	0.1%
15	GOG Gas Related Payments-Enclave Roads	6,763,377.33	3.7%
16	Total Expenditure:- (B)	171,036,579.70	94.0%
17	Net Position:- (C = A - B)	11,002,985.56	6.0%
18	Add: Cash B/Fwd (01.01.2017) (D)	68,027,679.79	
19	Total Cash-Available:- (E = C + D)	79,030,665.35	

Source: GNPC

85. The details of GNPC's expenditure on other petroleum projects are presented in Table 16.

Table 16: GNPC's Expenditure of Petroleum Receipts on Other Petroleum Projects

Exploration & Development Projects	Amount (US\$)
OCTP ENI Project	2,620,645.32
North & South Tano Petroleum Project	1,903,991.45
Voltatian Basin Petroleum Projects	3,500,137.08
South Deepwater Tano Petroleum Projects	1,480,025.74
Hess	2,287,031.62
Ultra Deep Water [Keta Heritage]	564,002.86
Tano - Heritage	564,002.86
A - Z Petroleum	564,002.86
Explorco	1,786,693.07
Maritime Boundary Special Project	3,804,292.50
Total Non Jubilee Project Expenditure	19,074,825.37

Source: GNPC

SECTION SIX: PERFORMANCE OF THE GHANA PETROLEUM FUNDS IN 2016 and 2017

6.1 Developments in the United States and European Economies

86. In the first half of 2017, economic activity in the United States continued to expand at a moderate pace. The labour market tightened further, although job gains slowed as the economy neared full employment with the unemployment rate falling to 4.4 percent in June 2017. Business fixed investment appeared to have firmed up, supported by a rebound in the energy sector, and inflation continued to run below the Federal Open Market Committee (FOMC)'s 2 percent long run objective. Based on its assessment of realised and expected progress towards its objectives of 2 percent inflation and maximum employment, the FOMC increased the Federal funds target range from 1.00 percent to 1.25 percent.
87. Inflation continued to run below the FOMC's longer run objective of 2 percent held down by declines in prices of non-energy imported goods in quarter one of 2017. In the course of quarter two, inflation weakened further, held down by idiosyncratic factors, including sharp declines in prices of wireless telephone services and prescription drugs. Recent softness in inflation may potentially persist due to limited resource utilisation. The year-on-year CPI index fell from 2.1 percent in December 2016 to 1.6 percent in June 2017.
88. In the first half of 2017, the European Central Bank (ECB) kept the key interest rates unchanged in the pursuit of its price stability objective. The rate on the deposit facility was maintained at -0.40 percent; the rate on the main refinancing operations was kept at 0.00 percent and the rate on the marginal lending facility was also held at 0.25 percent.
89. The performance of the Ghana Petroleum Funds' portfolios improved in the first half of 2017, relative to the second half of 2016. Total return on investment of GHF for the first half of was 2.09 percent, compared to -2.99 percent in the second half of 2016. The GSF returned 0.54 percent in the first half of 2017, compared to 0.24 percent in the second half of 2016. On a year-to-date basis, the performance of the Ghana Petroleum Funds was mixed. GHF year to date return was 2.09 percent in the first half of 2017, compared to 1.79 percent in the second half of 2016. However, GSF declined from 0.58 percent in the second half of 2016 to 0.54 percent in the first half of 2017. Performance was mixed due to the flattening of the US Treasury yield curve in the first half of 2017. At the end of the first half of 2017, total net realised income of the Ghana Petroleum Funds since inception was US\$23.39 million compared to U\$18.91 million in the second half of 2016.

90. In the second half of 2017, economic activity in the US continued to expand at a solid pace. The labour market tightened further, business fixed investment picked up, household spending expanded at a moderate rate and inflation continued to run below the FOMC's 2 percent long run objective. Based on its assessment of realised and expected progress towards its objectives of 2 percent inflation and maximum employment, the FOMC increased the Federal funds target range to 1.25 percent to 1.5 percent.
91. Inflation continued to run below the FOMC's longer run objective of 2 percent. A combination of transitory and persistent factors was perceived to be holding down inflation. Persistently weaker-than-expected inflation may have led to a decline in longer term inflation expectations. In the course of the third quarter of 2017, the year-on-year CPI rose 36.7 percent from 1.6 percent in June 2017 to 2.2 percent in September 2017. It weakened by 5.6 percent to end quarter four at 2.1 percent.
92. In Europe, the ECB kept the key interest rates unchanged in the pursuit of its price stability objective. The rate on the deposit facility was maintained at -0.40 percent; the rate on the main refinancing operations was kept at 0.00 percent and the rate on the marginal lending facility was also held at 0.25 percent. The ECB noted that the monetary policy measures have continued to preserve very favourable financing conditions that are still needed for a sustained return of inflation rates towards levels that are below, but close to 2 percent.
93. In the second half of 2017, the difference between the US 10-year Treasury Note yield and the 2-year note yield narrowed to a level last seen in September 2007. The spread narrowed from 91.8 basis points (bps) in June 2017 to 84.5 bps in September and narrowed further to 51.8 bps in December 2017. This resulted in a flatter profile of the term structure of interest rates. Among the reasons accounting for this were increases in the target range for the Federal funds rate, lower longer term inflation expectations and lower term premiums. The yield of the US 10-year Treasury note rose 10.17 bps from 2.3 percent in June 2017 to end-December 2017 at 2.4 percent, while the yield of the 2-year note rose 50.13 bps from 1.4 percent in June to end the second half of 2017 at 1.9 percent.

6.2 Portfolio Performance of the Ghana Petroleum Funds

94. Total return on investment of the GHF for the second half of 2017 was 2.96 percent, compared to 2.09 percent in the first half of 2017. The GSF total return for the second half of 2017 was 0.96 percent, compared to 0.54 percent in the first half of 2017, as shown in Table 17. The total return on the GHF increased by 87 bps, compared to a 42 bps increase in the GSF total return, reflecting the flattening yield curve discussed above.

Table 17: Portfolio Returns on GSF and GHF

Reporting Period	Current Returns		Total Returns year to date	
	Stabilisation (%)	Heritage (%)	Stabilisation (%)	Heritage (%)
	2015		2015	
15-Jun	0.33	-0.54	0.33	-0.54
15-Dec	-0.01	0.74	0.74	0.48
	2016		2016	
	Stabilisation (%)	Heritage (%)	Stabilisation (%)	Heritage (%)
	2017		2017	
16-Jun	0.33	4.93	0.33	4.93
16-Dec	0.24	-2.99	0.58	1.79
	2017		2017	
	Stabilisation (%)	Heritage (%)	Stabilisation (%)	Heritage (%)
	2018		2018	
17-Jun	0.54	2.09	0.54	2.09
17-Dec	0.47	0.84	0.96	2.96

Source: Bank of Ghana

95. In the second half of 2017, the GPFs returned a total net realised income of US\$4.82 million, compared to US\$4.48 million in the first half of 2017 and US\$2.70 million in the first half of 2016, as shown in Table 18. Of the second half return, GSF contributed 32.76 percent or US\$1.58 million to total net income, compared to US\$0.40 million in the second half of 2016, whilst the GHF contributed 67.24 percent or US\$3.24 million, compared to US\$2.30 million in the first half of 2016. In 2017, total net realised income for the GPFs was US\$9.30 million, compared to US\$5.77 million for 2016.

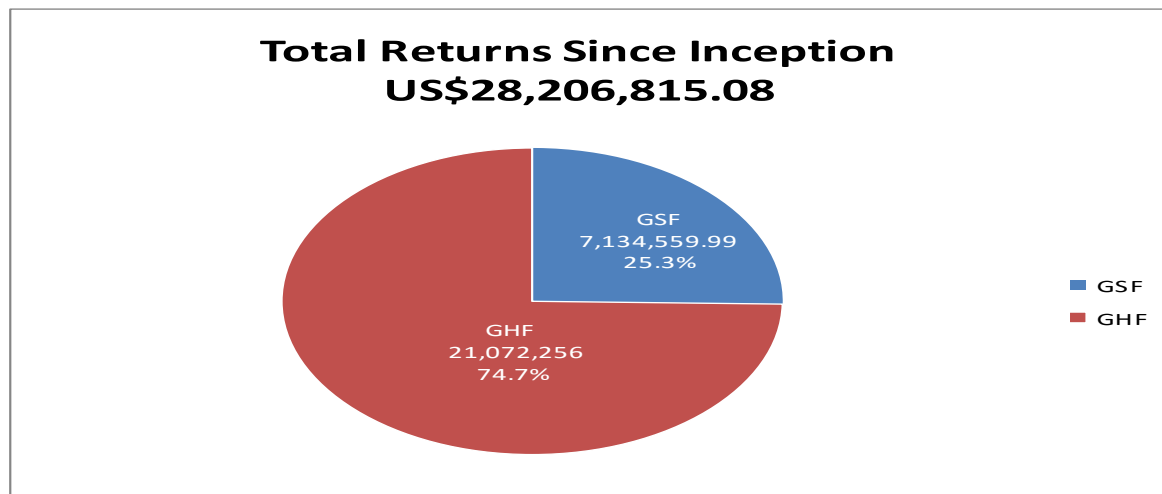
Table 18: Returns on GSF and GHF

ITEM	2016			2017		
	BANK CHARGES (US\$)	GROSS INCOME (US\$)	NET INCOME (US\$)	BANK CHARGES (US\$)	GROSS INCOME (US\$)	NET INCOME (US\$)
H1	(11,429)	3,081,333	3,092,762	(12,270)	4,491,474	4,479,204
Ghana Heritage Fund	(8,834)	2,642,824	2,633,990	10,386	3,449,173	3,438,787
Ghana Stabilisation Fund	(2,595)	438,509	435,914	1,885	1,042,302	1,040,417
H2	(12,166)	2,712,724	2,700,558	15,177	4,835,546	4,820,369
Ghana Heritage Fund	(9,523)	2,306,084	2,296,561	11,240	3,252,572	3,241,332
Ghana Stabilisation Fund	(2,643)	406,641	403,998	3,938	1,582,975	1,579,037
YEAR TO DATE	(23,595)	5,794,058	5,770,463	27,447	9,327,021	9,299,573
Ghana Heritage Fund	(18,357)	4,948,908	4,930,551	21,625	6,701,744	6,680,119
Ghana Stabilisation Fund	(5,238)	845,150	839,912	5,822	2,625,276	2,619,454

Source: Bank of Ghana

96. Since inception (November 2011) to the end of 2017, the GPFs has accumulated total net realised income of US\$28.21 million, as represented in Figure 7. The GHF and GSF contributed 74.7 percent and 25.3 percent, respectively.

Figure 7: Total Realised Returns since Inception (Nov 2011 To Dec 2018)



Source: Bank of Ghana

97. The GPFs reserves at the end of the second half of 2017 was US\$697.84 million (GHF was US\$344.79 million and GSF was US\$353.05 million), compared with US\$591.35 million (GHF was US\$311.05 million and GSF was US\$280.30 million) in the first half of 2017, as shown in Table 19 (a detailed breakdown is shown in Appendix Table 4).

Table 19: Accumulated Reserve of the Ghana Petroleum Funds

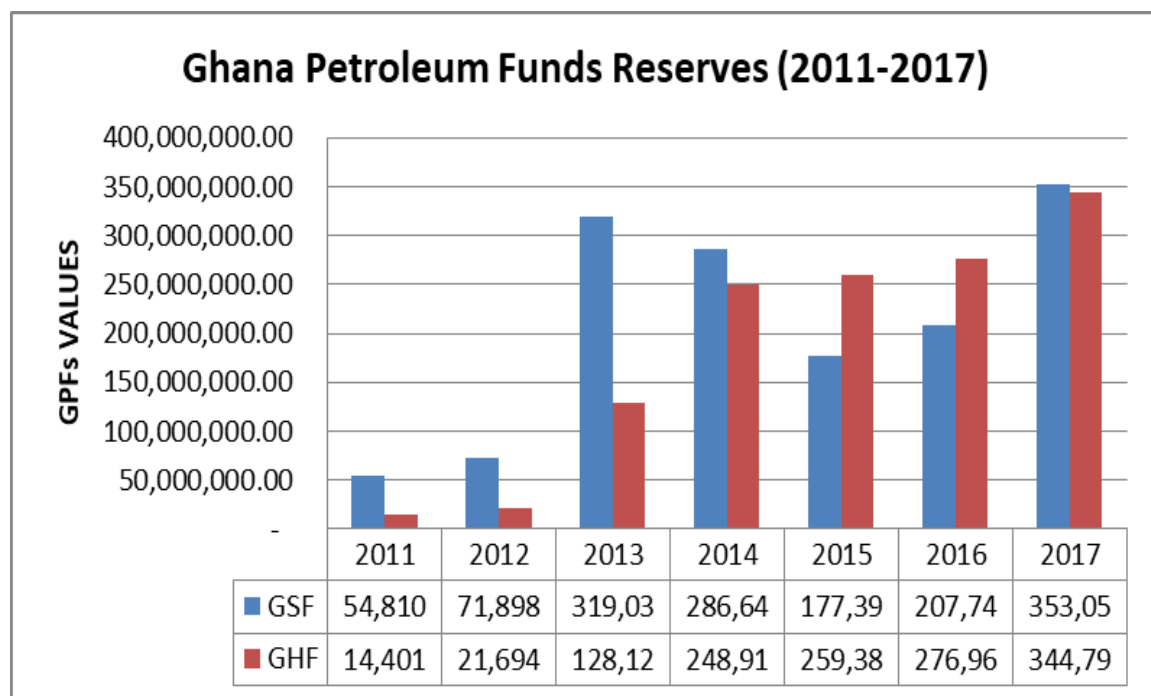
FUND NAME	Allocation Since (Inception) 29- Dec- 17 (US\$)	Realised Income in 2017 (US\$)	Total Allocation and Net Income Since Inception (US\$)	Withdrawals to Date (US\$)	Closing Value of GPFs: End-Dec. 2017 (US\$)
Ghana Heritage Fund	323,720,406	21,072,256	344,792,662	-	344,792,662
Ghana Stabilisation Fund	776,552,964	7,134,560	783,687,523	(430,635,486)	353,052,037
Total	1,100,273,370	28,206,815	1,128,480,185	(430,635,486)	697,844,699

Source: Bank of Ghana

98. Figure 8 shows the accumulation of reserves in the Ghana Petroleum Funds. The reserves of the GSF has grown from US\$54.81 million in 2011 to US\$353.05 million in 2017. An amount of US\$430.64 million was been withdrawn from the GSF between 2014 and 2015 as excess over the cap in accordance with Section 23(3) and (4) of the PRMA. There were no withdrawals from the GSF in 2016 and 2017

and this has increased the pace of accumulation of reserves. The Ghana Heritage Fund has also grown from US\$14.40 million in 2011 to US\$344.79 million in 2017.

Figure 8: Ghana Petroleum Funds Reserves



Source: Bank of Ghana

SECTION SEVEN: AUDITED FINANCIAL STATEMENTS OF THE PETROLEUM FUNDS

99. The 2016 audited report on the management of the Petroleum fund was published in the 2017 Annual Report on the Petroleum Funds, in line with section 48 of the PRMA. The 2017 audited report is yet to be published by the Auditor General.

SECTION EIGHT: CONCLUSION

100. The 2017 Reconciliation Report on the Petroleum Holding Fund is a follow up to the 2017 Annual Report on Petroleum Funds, in line with Section 15 of the PRMA. This report gives a full year account of how much petroleum revenues were collected into the PHF, how the funds were distributed, managed and expended.

101. Unlike 2016, where overall petroleum receipts fell short of target, the 2017 petroleum receipts exceeded the Budget target, even though some revenue

projections (like gas receipts) failed to materialise. This was mainly due to the steady increase in crude oil prices as well as an increased oil production in 2017.

102. The ABFA receipts for 2017 met the yearly threshold in the 2017 Budget. The revenues in excess of the ABFA threshold were transferred to the GPFs, in line with the PRMA.
103. Other transfers, comprising allocation to GNPC and the GPFs, were effected in line with the PRMA.
104. As Ghana marks a decade of oil and gas discovery in commercial quantities, we wish to assure Ghanaians that revenues from the petroleum exploitation will be managed and used efficiently for the benefit of all Ghanaians.

APPENDIX TABLE 1: 2017 CRUDE OIL PRODUCTION

MONTH	JUBILEE	TEN	OCTP	TOTAL
JAN	1,851,668	1,302,460		3,154,128
FEB	2,434,849	1,472,768		3,907,617
MAR	3,134,460	1,713,193		4,847,653
APR	2,893,021	1,268,394		4,161,415
MAY	2,109,557	1,928,789	146,878	4,185,224
JUN	2,809,470	931,776	349,177	4,090,423
JUL	3,097,560	1,933,666	360,852	5,392,078
AUG	3,143,344	1,939,095	553,822	5,636,261
SEP	2,828,256	1,763,337	744,593	5,336,186
OCT	2,862,944	1,789,917	775,721	5,428,582
NOV	2,735,552	2,127,681	1,274,281	6,137,514
DEC	2,849,294	2,281,501	1,251,748	6,382,543
TOTAL	32,749,975	20,452,577	5,457,073	58,659,625
AVERAGE	89,726	56,034	14,951	160,711

Source: GNPC

APPENDIX TABLE 2: 2017 GAS DELIVERED

Month	Jubilee	TEN
January	1,570.30	
February	242.4	
March	2,299.60	
April	2,383.30	
May	2,048.20	238.4
June	2,313.50	0
July	2,675.70	10.3
August	3,432.70	0
September	3,230.30	10
October	3,540.35	
November	3,333.40	
December	3,470.41	37.64
Total	30,540.16	296.34

Source: GNPC

APPENDIX TABLE 3: 2017 ANNUAL BUDGET FUNDING AMOUNT (GH¢)

PRIORITY AREA/PROJECT DESCRIPTION	GOODS & SERVICES	CAPITAL EXPENDITURE	TOTAL	STATUS OF IMPLEMENTATION (%)
1.0 AGRICULTURE	4,484,157.11	44,586,024.09	49,070,181.20	
MINISTRY OF FOOD & AGRICULTURE	4,484,157.11	41,978,614.96	46,462,772.07	
Irrigation Infrastructure	2,030,602.11	38,637,669.82	40,668,271.93	
Payment for Rehabilitation of Irrigation Project at Keyime and Ohawu-AKA in the Volta Region	-	2,037,858.73	2,037,858.73	100.0
Payment to cover the Development of Irrigation Infrastructure at Atidzive-Ayiteykope	-	302,022.87	302,022.87	100.0
Payment for the Rehabilitation of Irrigation Project at Pliyiri in the Upper West Region	-	5,270,079.78	5,270,079.78	72.6
Development of Irrigation Infrastructure at Mprumem in the Central Region	-	7,117,361.94	7,117,361.94	60.0
Payment to cover for Delayed Interest on Development of Irrigation Infrastructure at Atidzive-Ayiteykope	-	1,646,975.44	1,646,975.44	100.0
Payment for construction of civil works at Adiembra Irrigation Dam under Small Farm Irrigation Project	-	237,048.10	237,048.10	100.0
Construction of civil works at Nobeko Irrigation Dam under Small Farm Irrigation Project	-	98,368.67	98,368.67	100.0
Rehabilitation of Irrigation Dam at Dawa in the Greater Accra Region	-	169,490.38	169,490.38	100.0
Payment for Rehabilitation of Irrigation Dam at Tanchira	-	426,797.37	426,797.37	100.0
Payment to cover Construction/Civil Works at Aponapon Irrigation Dam under SFIP	-	47,569.69	47,569.69	100.0
Payment for the Construction of Irrigation Infrastructure at TAMNE in the Upper East Region	-	20,731,591.20	20,731,591.20	74.3
Payment to cover Construction Supervision of Civil Works at Mprumem Irrigation Project	750,483.29	-	750,483.29	
Payment for Design and Construction Supervision of Civil Works at Tamne Irrigation Project	279,380.76	-	279,380.76	
Payment to cover Construction/Civil Works at Kokroko Irrigation Dam under the Small Farm Irrigation Project	-	64,633.21	64,633.21	100.0
Payment to cover for Prefeasibility Studies at Kamba Irrigation Project	419,347.02	-	419,347.02	
Payment for the rehabilitation of Irrigation project at Silibele in the Upper East Region	-	373,482.08	373,482.08	70.9
Payment for Consultancy Service for the Design & Construction Supervision of Civil Works at Amate Irrigation Scheme	581,391.04	-	581,391.04	
Payment to cover for Construction of Civil Works at Kaniago Irrigation Dam under SFIP	-	114,390.36	114,390.36	100.0
Greenhouse Project	-	-	-	
GCS Warehouse Receipt System (Rehabilitation of Warehouses & Silos)	-	3,340,945.14	3,340,945.14	
Rehabilitation of 4NO. Warehouse and Construction of offices and Laboratories at Duase, Kumasi	-	572,243.82	572,243.82	60.0
Rehabilitation of Warehouse with ancillaries at Tamale and Yendi	-	1,578,923.98	1,578,923.98	55.0
Rehabilitation of Warehouse with ancillaries at Wenchi and Sunyani	-	1,189,777.34	1,189,777.34	55.0
Counterpart Funding for Agriculture Sector Investment Programme	2,453,555.00	-	2,453,555.00	
Counterpart Fund for the Implementation of the Northern Rural Growth Programme	2,000,000.00	-	2,000,000.00	
Counterpart Fund for the Ghana Agriculture Sector Investment Project	453,555.00	-	453,555.00	

PRIORITY AREA/PROJECT DESCRIPTION	GOODS & SERVICES	CAPITAL EXPENDITURE	TOTAL	STATUS OF IMPLEMENTATION (%)
MINISTRY OF FISHERIES AND AQUACULTURE	-	2,607,409.13	2,607,409.13	
Fisheries and Aquaculture Inputs and Infrastructure	-	2,607,409.13	2,607,409.13	
Payment for the Construction of Fisheries College at Anomabo Hostel Block	-	542,742.90	542,742.90	55.0
Payment for the Construction of Fisheries College Administration Block at Anomabo	-	282,229.76	282,229.76	70.0
Payment for the Construction of Fisheries College Lecture Block at Anomabo	-	355,390.49	355,390.49	45.0
Construction of Fisheries College at Anomabo 2- Storey Laboratory Block	-	278,809.00	278,809.00	60.0
Construction of Fisheries College at Anomabo 2-Storey Administration Block	-	33,606.22	33,606.22	70.0
Construction of Fisheries College at Anomabo 2-Storey Administration Block	-	68,544.00	68,544.00	70.0
Payment for the Construction of Fisheries College at Anomabo	-	262,757.15	262,757.15	45.0
Payment for the construction of Fisheries College at Anomabo	-	182,405.81	182,405.81	86.0
Payment for the construction of fisheries college at Anomabo	-	600,923.80	600,923.80	67.0
2.0 PHYSICAL INFRASTRUCTURE & SERVICE DELIVERY IN EDUCATION	202,379,893.20	-	202,379,893.20	
MINISTRY OF EDUCATION	196,379,893.20	-	196,379,893.20	
Free SHS Policy	196,379,893.20	-	196,379,893.20	
Payment towards the implementation of Government's free SHS Policy	196,379,893.20			
OFFICE OF GOVERNMENT MACHINERY	6,000,000.00	-	6,000,000.00	
*Scholarship Claims	6,000,000.00	-	6,000,000.00	
Payment of Scholarship Claims	6,000,000.00		6,000,000.00	

PRIORITY AREA/PROJECT DESCRIPTION	GOODS & SERVICES	CAPITAL EXPENDITURE	TOTAL	STATUS OF IMPLEMENTATION (%)
3.0 PHYSICAL INFRASTRUCTURE & SERVICE DELIVERY IN HEALTH	-	8,660,362.73	8,660,362.73	
MINISTRY OF HEALTH	-	8,660,362.73	8,660,362.73	
Health Infrastructure	-	8,660,362.73	8,660,362.73	
Rehabilitation and Construction of offices for the Ghana National Drugs Programme	-	723,171.25	723,171.25	90.0
Payment for the Water Sector Improvement Programme (Construction of Boreholes) in Brong Ahafo and Northern Regions	-	627,531.76	627,531.76	100.0
Payment for the upgrade of Tamale Teaching Hospital	-	3,500,000.00	3,500,000.00	90.0
Payment in respect of works done at the School of Hygiene - KORLEBU	-	193,526.08	193,526.08	100.0
Matching Funds for the expansion of Radiotherapy and Nuclear Medicines Project at KORLEBU and KOMFO ANOKYE Teaching Hospitals	-	1,000,000.00	1,000,000.00	69.0
Payment for the completion of 3-Storey cluster flat and renovation of 1No. Ward at the West Gonja Hospital	-	53,315.20	53,315.20	51.0
Payment for the Construction of 4unit classroom block at Agogo Nursing Training College	-	30,580.24	30,580.24	100.0
Payment for the Construction of District Health Management office Block at Ejura Hospital	-	48,723.06	48,723.06	55.0
Payment for the construction of office complex and training centre for the National/St. Johns Ambulance Centre	-	763,380.86	763,380.86	100.0
Payment for the renovation of Bechem Hospital	-	124,439.40	124,439.40	20.0
Construction and completion of new maternity block and external works at the Tema General Hospital	-	227,126.56	227,126.56	100.0
Maintenance of medical equipment at the accident centre at Komfo Anokye Teaching Hospital	-	1,000,000.00	1,000,000.00	100.0
Payment for construction of Nsawora Health Centre	-	177,711.39	177,711.39	55.8
Construction of CHPS compound at Kologo Zua	-	35,840.30	35,840.30	95.4
Completion of 3-Storey cluster flat and renovation of 1No. Ward at West Gonja hospital	-	42,822.50	42,822.50	88.0
Rehabilitation of maternity, delivery and antenatal block at VAKPO	-	50,006.70	50,006.70	100.0
Payment for the construction of hostel at Agogo	-	62,187.43	62,187.43	77.6

PRIORITY AREA/PROJECT DESCRIPTION	GOODS & SERVICES	CAPITAL EXPENDITURE	TOTAL	STATUS OF IMPLEMENTATION (%)
4.0 ROAD, RAIL, & OTHER CRITICAL INFRASTRUCTURE DEVELOPMENT	2,036,191.69	68,801,941.23	70,838,132.92	
MINISTRY OF ROADS AND HIGHWAYS	-	39,581,576.01	39,581,576.01	
Road Infrastructure	-	39,581,576.01	39,581,576.01	
Construction of Roads and other infrastructural amenities for the University of Health and Allied Sciences at Sokode Lokoe near Ho, VIDE	-	3,105,143.48	3,105,143.48	18.4
Payment of work done in respect of bitumen surfacing of Tanoso-Bomaa-Tepa feeder road	-	2,032,263.22	2,032,263.22	91.6
Surfacing of Afuam-Nsakina-Bokobor feeder roads	-	6,000,658.76	6,000,658.76	65.9
Upgrading of Princess Junction - Princess Town Roads	-	167,860.54	167,860.54	9.0
Upgrading of New Longoro - Kintampo - Zambrama Road	-	13,129,868.54	13,129,868.54	73.7
Payment for Steel bridge No. VR/07 on river Kpassa on Kpassa on Kofi Akura F/Rd	-	636,426.89	636,426.89	100.0
Payment construction of Steel bridge over river Dayi on Gbi Kledjo-Mida Farm	-	70,785.75	70,785.75	100.0
Rehabilitation of selected roads in the Greater Accra Region	-	3,236,649.13	3,236,649.13	60.49
Rehabilitation of selected roads in the Greater Accra Region	-	514,109.11	514,109.11	85.5
Construction of Sunyani by-pass: Outer Ring Road (KUMASI-BEREKUM ROAD)	-	5,124,242.61	5,124,242.61	51.5
Rehabilitation of Selected Roads in Tamale South, PHASE 2	-	5,563,567.98	5,563,567.98	21.8
MINISTRY OF RAILWAYS DEVELOPMENT	2,036,191.69	-	2,036,191.69	
Rail Infrastructure	2,036,191.69	-	2,036,191.69	
Feasibility studies for the expansion of the railway line from Kumasi to Paga (Central Spine)	2,036,191.69	-	2,036,191.69	
TRANSFERS TO GIIF		29,220,365.22	29,220,365.22	
5.0 PUBLIC INTEREST & ACCOUNTABILITY COMMITTEE (PIAC)	1,345,078.00	-	1,345,078.00	
GRAND TOTAL	210,245,320.00	122,048,328.05	332,293,648.05	

APPENDIX TABLE 4: RETURNS ON THE GHANA PETROLEUM FUNDS, 2012-2017

GHANA STABILISATION FUND							
	2011	2012	2013	2014	2015	2016	2017
		US\$	US\$	US\$	US\$	US\$	US\$
Opening Book Value	-	54,810,032	71,898,588	319,034,153	286,644,044	177,396,127	207,748,663
Receipts during the year	54,805,353	16,883,548	245,733,702	271,762,755	15,171,062	29,512,625	142,683,920
Income from Investments	4,679	214,049	1,413,341	1,549,380	538,215	845,150	2,625,276
Bank Charges	-	(9,041)	(11,477)	(17,556)	(6,397)	(5,238)	(5,822)
Sub Total	54,810,032	71,898,588	319,034,153	592,328,733	302,346,924	207,748,663	353,052,037
Less Transfer to:							
Contingency Fund		-	-	(17,433,144)	(23,755,073)	-	-
Debt Service / Sinking Fund		-	-	(288,251,545)	(47,510,146)	-	-
Annual Budget Funding Amount(ABFA)		-	-		(53,685,579)	-	-
Closing Book Value	54,810,032	71,898,588	319,034,153	286,644,044	177,396,127	207,748,663	353,052,037
Investment Income	4,679	214,049	1,413,341	1,549,380	538,215	845,150	2,625,276
less:							
Bank Charges	-	(9,041)	(11,477)	(17,556)	(6,397)	(5,238)	(5,822)
Net return for the Period	4,679	205,008	1,401,864	1,531,824	531,818	839,912	2,619,454
GHANA HERITAGE FUND							
	2011	2012	2013	2014	2015	2016	2017
		US\$	US\$	US\$	US\$	US\$	US\$
Opening book Value	-	14,401,216	21,694,221	128,125,943	248,915,220	259,383,473	276,962,292
Receipts during the year	14,400,002	7,235,806	105,314,444	116,469,752	6,501,884	12,648,268	61,150,251
Income from Investments	1,214	60,209	1,126,764	4,331,660	3,981,867	4,948,908	6,701,744
Bank Charges	-	(3,010)	(9,486)	(12,135)	(15,497)	(18,357)	(21,625)
Closing book Value	14,401,216	21,694,221	128,125,943	248,915,220	259,383,473	276,962,292	344,792,662
Investment Income	1,214	60,209	1,126,764	4,331,660	3,981,867	4,948,908	6,701,744
less							
Bank Charges		(3,010)	(9,486)	(12,135)	(15,497)	(18,357)	(21,625)
Net return for the Period	1,214	57,199	1,117,278	4,319,525	3,966,369	4,930,551	6,680,119
COMBINED FUNDS							
	2011	2012	2013	2014	2015	2016	2017
Opening book Value	-	69,211,248	93,592,809	447,160,096	535,559,264	436,779,600	484,710,955
Receipts during the year	69,205,354	24,119,354	351,048,145	388,232,507	21,672,946	42,160,892	203,834,171
Income from Investments	5,893	274,258	2,540,105	5,881,040	4,520,081	5,794,058	9,327,021
Bank Charges	-	(12,051)	(20,963)	(29,691)	(21,894)	(23,595)	(27,447)
Sub Total	69,211,248	93,592,809	447,160,096	841,243,953	561,730,397	484,710,955	697,844,700
Less Transfer to:							
Contingency Fund	-	-	-	(17,433,144)	(23,755,073)	-	-
Debt Service Account for Debt Repayment	-	-	-	(288,251,545)	(47,510,146)	-	-
Annual Budget Funding Amount(ABFA)	-	-	-	-	(53,685,579)	-	-
Closing Book Value	69,211,248	93,592,809	447,160,096	535,559,264	436,779,600	484,710,955	697,844,700
Investment Income	5,893.27	274,258.00	2,540,105.00	5,881,040.41	4,520,081.37	5,794,057.75	9,327,020.65
less							
Bank Charges	-	(12,051.00)	(20,963.00)	(29,690.88)	(21,894.10)	(23,594.99)	(27,447.42)
Net return for the Period	5,893.27	262,207.00	2,519,142.00	5,851,349.53	4,498,187.27	5,770,462.76	9,299,573.23

Source: Bank of Ghana