



**MEDIUM TERM EXPENDITURE FRAMEWORK
(MTEF)**

FOR 2016-2018

PROGRAMME BASED BUDGET ESTIMATES

FOR 2016

MINISTRY OF PETROLEUM

The Ministry of Petroleum MTEF PBB Estimate for 2016 is available on the internet at:
www.mofep.gov.gh

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PART A: STRATEGIC OVERVIEW OF THE MINISTRY

1. GSGDA II POLICY OBJECTIVES

The GSGDA II contains ten (10) policy objectives that are relevant to the Ministry of Petroleum.

These are as follows:

- Create an enabling environment for sustained exploration, development and production of Ghana’s oil and gas endowment.
- Ensure accelerated and integrated development of the oil and gas industry
- Provide security for oil and gas installations and operations in the upstream, midstream and downstream
- Promote value-added investments in the oil and gas value chain.
- Ensure adequate investment for physical and social infrastructure in communities in the oil and gas production areas;
- Maximize local content in all aspects of the petroleum industry value chain
- Ensure adequate availability of petroleum products in the Ghanaian market
- Ensure the development of the needed human resource for the petroleum sector
- Ensure transparency in the management of petroleum resources
- Mainstream gender into the oil and gas sector

2. MISSION

The Ministry exists to sustain and optimize the exploration, development and utilization of oil and gas endowment for the overall benefit of Ghanaians, through the initiation, formulation, coordination, monitoring and evaluation of innovative policies and programmes for the sector.

3. CORE FUNCTIONS

The core functions of the Ministry are to:

- Translate government’s energy development agenda and policy directions into strategies and programmes through the development and implementation of a national petroleum policy;
- Provide policy guidance to ensure sustained exploration, development and production of the oil and gas endowment;
- Ensure reliable supply of affordable energy services to meet national demand and for export;
- Ensure the strengthening of the capacities of sector institutions for effective planning, coordination and programmes delivery.

4. POLICY OUTCOME INDICATORS AND TARGETS

Outcome Indicator Description	Unit of Measurement	Baseline	Latest Status	Target
		2014	2015	2018
Efficient Management of the Petroleum Sector (Subsidiary Legislations to Regulate the Management of the Petroleum Sector)	% completed L.I. on Fiscal Metering	45%	70%	100% -
	% completed L.I on Data Management	55	80%	100%
	% completed L.I. on Reservoir Management	60%	80%	100 %
	% completed L.I on HSSE	55%	70%	100%-
Jubilee Production	Oil Production (bopd)	101,922	105,463	115,000
	Gas Production MMSCF/D	N/A	110	120
Enhanced Capacity in the oil and Gas value chain	Number of Ghanaians trained	191	205	500

4. EXPENDITURE TREND

Compensation of Employees

An amount of GHC 10,330,097.00 was allocated to the erstwhile Ministry of Energy and Petroleum for Compensation of Employees for 2015. The beneficiaries included MoEP-Headquarters (GHC1,462,189.00), Energy Commission (GHC 2,501,901) and Petroleum Commission (GHC 6,914,340).

As at end September, 2015, an amount of GHC 1,608,988.361 was spent by the Ministry (Both Ministry of Power and Petroleum) in respect of Compensation of Employees. The allocation for Petroleum Commission has not been assessed.

Goods and Services

An amount of GHC 667,566.50 was approved and allocated for Goods and Services for the Ministry of Petroleum for the 2015 fiscal year. As at October 2015, an amount of GHC 567,566.50 representing about 85% of the allocation for goods and services was released to the Ministry for utilization.

Capital Expenditure

In 2015, an amount of GHC 232,500 was allocated to the Ministry of Petroleum for capital expenditure. The Ministry of Finance as at October 2015 has not released any funds to the Ministry of Petroleum.

ABFA

Out of the GHC 7,500,000.00 allocated for the Ministry of Petroleum under ABFA (Rural LPG Promotion Programme) an amount of GHC 2,951,818.68 representing about 40% was released to the Ministry.

Donor

In the 2015 fiscal year, the Ministry of Petroleum was allocated an amount of GHC 28,843,365.00 as Development Partners support. As at September 2015, an amount of GHC 136,908,712.66 had been released to the Ministry.

The Ministry has been allocated an amount of GHC 1,092,620.00 for Compensation of Employees, GHC 600, 00.00for Goods and Services and GHC6,689,786.00 for Capital Expenditure for the 2016 fiscal year.

¹ Controller has not split the budget for Compensation for the two Ministries (Ministry of Power and Ministry of Petroleum)

5. SUMMARY OF KEY ACHIEVEMENTS IN 2015

Jubilee Production

Production from the Jubilee field improved in 2015 over 2014. Production for 2015 is set to average at 110,000 barrels at end of year against about 102 000 barrels for 2014. From January to September, 2015 production was 27,668,675 barrels. Average daily production for the period was 101,463 barrels per day (bopd) below the target of an average daily production of 110,000 bopd for 2015.

Atuabo Gas Infrastructure Project

The Atuabo Gas Infrastructure Project is completed and Commercial operations of the plant commenced on 1st April, 2015 which was officially commissioned by His Excellency the President on September 16, 2015. The plant is currently delivering about 100mmscf/d to thermal plants at Aboadze for power generation.

The Plant is also on track to produce Liquefied Petroleum Gas (LPG) of more than 180,000 metric tons per year which amounts to over 50% of the current estimate of 360,000 metric tons annual LPG national demand. Current LPG production from the plant is about 11,855.10 tons per day.

In addition to the main project, several ancillary projects were undertaken within the Gas corridor in 2015. These included the construction of a bituminized road network, including a bridge for the safe disposal of the natural gas liquids (NGLs) and other condensates from the gas processing plant and the construction of a by-pass pipeline to ensure speedy evacuation and delivery of gas from the Jubilee to Aboadze

Efforts to Transport Gas from Takoradi to the Tema

To address the issue of plant unavailability to take all the Atuabo gas, particularly when gas from future fields come on board, Cabinet has given approval for a Reverse Flow of gas from Atuabo through the West African Pipeline system to the Tema. A project implementation team is in place to oversee the execution of the project. A dedicated onshore pipeline from Takoradi to Tema is also being considered in the medium to long term.

Development of Other Oil and Gas Fields

The Tweneboa- Enyenra- Ntomme (TEN) Project is on course and is expected to deliver about 60,000 bopd and 60 mmscf of gas daily. First Oil is expected in August 2016 while First Gas is expected in the third quarter of 2017. The construction of a second FPSO for the TEN projects is completed. The FPSO named after President J.E.A Mills was commissioned and due to arrive in Ghana in December.

The Sankofa Gye Nyame Project at Offshore Cape Three Points (OCTP) was signed earlier in the year, is acknowledged to be one of the biggest gas investments in recent times and the first of its kind in West Africa. The project will produce 1620mmscf from reserves of about 1.07 TCF for gas with total investment above US\$6 billion. Key commercial Agreements including Gas Sales Agreement, Heads of Agreements, Multi Party Deed Agreement and Sovereign Guarantee were signed between the OCTP

partners and the Government of Ghana. Production of first oil is expected in 2017 and gas in 2018.

The **Greater Jubilee Full Field Development** is on course to commence production in 2018 with recoverable reserve of about 60mmbbls of oil and 100Bcf of Non Associated Gas.

The **Petroleum (Exploration and Production)** Bill to better regulate the upstream activities was finalised and laid before Parliament.

Drafting of Upstream Regulations to ensure efficient conduct of petroleum activities in accordance with international best practices is in progress. These regulations include: Fiscal Metering, Data Management, Health Safety Security and Environment.

Improving Policy, Institutional and Regulatory Frameworks for the natural gas sector
Ghana can only maximise value from the exploitation of the full potential of our indigenous gas resources if we create a transparent enabling environment for all players in the Gas Sector. As the Natural Gas Sector assumes a significant growth trajectory, it is imperative that we review the institutional and regulatory structures, to remove any bottlenecks, and to streamline the institutional and regulatory regime to facilitate further investment, while at the same time providing reliable and affordable service to all sector players.

In 2015 the Ministry of Petroleum continued the development of policy measures on Institutional, regulatory and commercial reforms in the natural gas sector, intended to improve the existing institutional and regulatory Frameworks for the natural gas sector and streamline sector performance and effectiveness, for accelerated investment.

A Gas Master Plan intended to provide broad guidance on the utilization of gas in power and non-power sectors is being finalised for presentation to Cabinet. Once approval is granted by Cabinet, the Ministry will develop a Gas Policy and subsequently a Gas Bill for Cabinet in 2016.

Rural LPG Promotion

The ongoing Rural LPG Promotion Programme (RLPGPP) which distributed 13,000 cylinders and cook stoves in 2014 was scaled up in 2015 with planned distribution of 40,000 cylinders and cook stoves. So far, 20,000 cylinders and cook stoves were distributed in 8 districts (Jomoro, Nzema East, Ellembelle, Savelugu, Gushiegu, Saboba, Ho West and Nkwanta North). The remaining 21,500 cylinders and cook-stoves will be distributed by the end of the year.

Local Content in the Petroleum Sector

The Petroleum Commission has undertaken a number of activities in the implementation of the Local Content Regulations. They include: Baseline study and skills gap analysis; Database for Ghanaian professionals (Local and Foreign); Framework for Internship and

Placement Programme; Annual local content plans and review of over 20 local content plans and performance reports.

Revision of Zonalization Policy

To ensure efficient distribution and uniform pricing of petroleum products nationwide, the Zonalization Policy was reviewed and the revised policy is being implemented.

Liberalization of Petroleum Product Prices

To address the issue of government's indebtedness to the Bulk Distribution Companies (BDCs,) in respect of accumulated under recoveries and forex losses, non-payment of which often resulted in product shortages, Cabinet approved the Petroleum Price Liberalization in June and it became operational in July 2015. Petroleum product prices have been trending downwards since the policy implementation due to a combination of reasons including stiff competition among product markets.

Budget by Sub-Programme and Economic Item and Funding

	GoG				IGF				Funds / Others			Donors			Grand Total
	Compensation of employees	Goods and Services	Capex	Total	Compensation of employees	Goods and Services	Capex	Total	Statutory	ABFA	Others	Goods and Services	Capex	Total	
014001 - Management and Administration	971,198	492,000		1,463,198								12,254,143	2,827,879	15,082,022	16,545,220
0140011- General Administration and Finance	736,832	300,000		1,036,832								12,254,143	2,827,879	15,082,022	16,118,854
0140012- Human Resource	87,316	60,000		147,316											147,316
0140013- Policy, Planning, Budgeting Monitoring and Evaluation	90,466	90,000		180,466											180,466
0140014- Statistics, Research Information & Public Relations	56,584	42,000		98,584											98,584
014002 - Petroleum Sector Development	121,422	108,000		229,422											229,422
0140021- Upstream Development	103,172	58,800		161,972											161,972
0140022- Downstream Development		36,600		36,600											36,600
0140023- Health Safety, Security and	18,250	12,600		30,850											30,850
014003 - Petroleum Sector Regulation						23,523,689		23,523,689							23,523,689
0140030						23,523,689		23,523,689							23,523,689
Grand Total	1,092,620	600,000		1,692,620		23,523,689		23,523,689				12,254,143	2,827,879	15,082,022	40,298,331

PART B: BUDGET PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

1. Budget Programme Objectives

- To formulate policies that relate to the petroleum sector of the country
- To coordinate and monitor the activities of the petroleum sector agencies in the implementation of petroleum policies.
- To oversee the effective implementation of sector polices, programmes and projects
- To develop and strengthen institutional and human resource capacity in the Sector
- To provide institutional support for the administration of government business in the petroleum sector

2. Budget Programme Description

The Management and Administration programme coordinates the activities of the Ministry of Petroleum. The programme seeks to

- Ensure timely availability of support services as well as financial and material resources to facilitate the technical and operational activities of the Ministry.
- Facilitates the recruitment, development, motivation and management of manpower for effective and efficient service delivery towards the realisation of the Energy Sector vision and mission.
- Facilitates the preparation of strategic and corporate plans for the sector, defining sector targets and performance indicators. It also monitors and evaluates the implementation of all sector programmes and projects for the achievement of sectoral goals.
- Provides information and publications unit of all the other Directorates in the sector and manages its client services centre. It conducts research and seeks for information and data to aid decision-making relevant to the achievement of the sectoral objectives and goals.

The programme has five sub programmes and delivered by four Directorates and two regulators as indicated below: General Administration and Finance, Human Resource, Policy Planning, Monitoring and Evaluation and Statistics, Research, Information and Public Relations. The Regulating Institutions are the National Petroleum Authority and Petroleum Commission.

Budget by Programme, Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
014001 - Management and Administration	16,545,220	18,154,879	19,928,092
	736,832	777,829	821,292
	12,554,143	13,809,243	15,189,852
0140011- General Administration and Finance	2,827,879	3,110,667	3,421,734
211 - Wages and salaries [GFS]	736,832	777,829	821,292
21 - Compensation of employees [GFS]	736,832	777,829	821,292
Use of goods and services	12,513,871	13,764,943	15,141,123
28 - Other expense	40,272	44,299	48,729
Goods and Services	12,554,143	13,809,243	15,189,852
311 - Fixed assets	2,827,879	3,110,667	3,421,734
Capex	2,827,879	3,110,667	3,421,734
	87,316	91,681	96,266
0140012- Human Resource	60,000	66,000	72,600
211 - Wages and salaries [GFS]	87,316	91,681	96,266
21 - Compensation of employees [GFS]	87,316	91,681	96,266
Use of goods and services	60,000	66,000	72,600
Goods and Services	60,000	66,000	72,600
	90,466	94,989	99,739
0140013- Policy, Planning, Budgeting Monitoring and	90,000	98,856	113,406
211 - Wages and salaries [GFS]	90,466	94,989	99,739
21 - Compensation of employees [GFS]	90,466	94,989	99,739

BUDGET SUB PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION **SUB-PROGRAMME 1.1: General Administration and Finance**

1. Budget Sub-Programme Objectives

- To ensure effective functioning of the sector for the achievement of its objective
- To ensure the availability of services and facilities necessary to support the administrative and other functions of the sector:
- To design and maintain a system for monitoring and evaluation of the progress of programmes and procurement with the view to eliminating waste and unearthing irregularities;
- To safeguard the interest of the sector in all financial transactions relating to budget, revenue and expenditure

2. Budget Sub-Programme Description

The Sub programme is delivered by the General Administration and Finance Directorates of the Ministry.

The General Administration is responsible for the effective functioning of the Ministry by ensuring timely availability of support services to facilitate the technical and operational activities of the Ministry.

The Finance Unit ensures the availability of financial and material resources for the running of the Ministry. These include; funds, vehicles, utilities, fuel and stationery. This directorate ensures that the financial activities of the Ministry are in compliance with existing laws, policies, plans, standards and procedures.

The Internal Audit Unit improves organizational (the Ministry's) effectiveness and add value to the operations/activities of the Ministry. These are done by

- Identifying control weakness in the Ministry's operational systems,
- Evaluating its approach to mitigating/managing risks and
- an assessment of the governance structures in place

The Internal Audit Unit performs the following functions in the Ministry

- Cash Management Audit
- Fuel Audit
- Fixed Asset Audit
- Monitoring of Ministry's projects across the country
- Reconciling accounts with agencies
- Stores Audit
- Payroll Audit
- And any other Special assignment that may be assigned by Management from time to time

The Internal Audit Unit produces reports on every assignment it undertakes, copies of which are subject to demand by Management and the Internal Audit Agency

The Finance and Administration Directorate has five (5) Units under its jurisdiction, namely, Accounts, Internal Audit, Estate/Procurement, Stores, Transport, Legal, Protocol and the General Registry. The Directorate is currently supported by seventy-one (80) personnel delivering this sub-programme. The Directorate's programmes are funded through Government of Ghana.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Minutes of Management meetings	Number of Minutes of Meetings	24	24	24	24	24
Annual Procurement and Cash Plan	Number plans prepared	1	1	1	1	1
Audit reports	Number of responses to Audit Queries	4	4	4	4	4
Financial reports (Monthly and Annual)	Number monthly reports	12	12	12	12	12
	Number of Annual Reports	1	1	1	1	1
Entity Tender Committee (ETC) review reports	Number of ETC reports approved	4	4	4	4	4

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub-programme

Operations	Projects
Internal Management of the Organization Payment of Utilities Payment of Cleaning Materials Travel and Transport Payment of Special Services Payment of General Expenses	
Procurement of office supplies and consumables Payment of Materials and Office Consumables	
Information, Education and Communication Seminars and Conference Cost	
Maintenance, Rehabilitation, Refurbishment and Upgrade of existing Assets Payment for Repairs and Maintenance	

Budget by Sub-Programme and Natural

	Budget	Indicative Year	Indicative Year
0140011- General Administration and Finance	16,118,854	17,697,739	19,432,878
21 - Compensation of employees [GFS]	736,832	777,829	821,292
Capex	2,827,879	3,110,667	3,421,734
Goods and Services	12,554,143	13,809,243	15,189,852

BUDGET SUB PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

SUB-PROGRAMME 1.2: Human Resource

1. Budget Sub-Programme Objectives

- To ensure the availability, development and management of requisite Human Resource in terms of numbers, skills-mix and competencies for the execution of Sectoral goals (mandates).
- To establish systems and procedures for planning and controlling human resource development and facilitates smooth integration of new recruits, posted staff and national service personnel into the Ministry's work environment/culture.

2. Budget Sub-Programme Description

The Sub programme facilitates the recruitment, development, motivation and management of manpower for effective and efficient service delivery towards the realisation of the Energy Sector vision and mission.

The major services delivered by the sub programme are to:

- Coordinate staff recruitment and replacement processes
- Provide guidance in determining training needs of all categories of staff
- Coordinates and collate training and manpower development budgets for allocation of funds and implementation
- Coordinate staff performance appraisal management
- Initiate Human Resource Management policy guidelines
- Periodically review roles, regulations and procedures relating to training
- Institute measures to provide inter linkage between sectoral plans and those of implementing agencies relating to manpower development to ensure the optimum utilisation of personnel within the sector
- Facilitate periodic management and organisational reviews, job inspections and job descriptions, schemes of service and maintenance of career progression plans of the sector
- Facilitate the determination (review) of appropriate sectoral manpower/establishment levels consistent with overall operational requirements of the sector.
- Assist in the formulation and institution of welfare and safety policies in compliance with the labour laws

The Sub programme is delivered by the Human Resource Directorate and is composed of two (2) units namely:

- Human Resource Development
- Human Resource Management

The Directorate has a total of five (5) personnel who are in charge of delivering the above job functions. They are made up of one Director, one Deputy Director, one Chief Executive officer, four Assistant Director IIBs, one stenographer secretary and one Assistant Programme Officer.

The programmes are carried out in collaboration with various directorates of the Ministry and the beneficiaries are the entire work force of the Ministry in particular and the clients of the Petroleum Sector in general.

The Human Resources Directorate's programmes are funded through Government of Ghana and Donor support.

Key challenges which the Directorate encounters in the delivery of its core functions include but not limited to the following:

- Inadequate and delays in the release of funds
- Delays on the part of supervisors and appraisees to complete and submit performance appraisal reports
- Low level of cooperation from other directorates in providing vital data for execution of functions

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Staff trained, resourced and motivated	Number of personnel trained	54	5	74	80	85
Recruitment conducted	Number of personnel recruited for vacant positions	12	30	12	40	45
	Number of new employees inducted	60	60	33	60	60
Performance of staff appraised	Number of officers appraised	133	90	100	100	110
Human Resource Development/Management guidelines & procedures developed and reviewed periodically.	Number development and reviews carried out	1	1	1	1	1
Improved Staff Welfare	Number of welfare programmes organized	6	6	6	6	6
	Health talk	1	1	1	1	1
	Get together	1	1	1	1	1
	Fun games	1	1	1	1	1
	Awards	1	1	1	1	1
Revised Organizational / Job schedules and functions and Establishment Levels	Number of Reviews carried out	1	1	1	1	1

4. Budget Sub-Programme Operations and Projects

The table lists the main operations and projects to be undertaken by the sub-programme

Operations	Projects
Placement and Promotions expenses Conduct Promotion interviews Conduct Orientation / Induction of new Staff	
Personnel and Staff Management Appraisal of Staff Human Resource Directors' Interface Development of HRM Policy and Guidelines Review of Work Programme and Performance Organise Staff Welfare and Safety Programme	
Manpower Skill Development Staff trained and resourced	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140012- Human Resource	147,316	157,681	168,866
21 - Compensation of employees [GFS]	87,316	91,681	96,266
Goods and Services	60,000	66,000	72,600

BUDGET SUB PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

SUB-PROGRAMME 1.3: Policy Planning, Budgeting, Monitoring and Evaluation

1. Budget Sub-Programme Objective

To ensure effective policy planning, budgeting, monitoring and evaluation of the sector activities

2. Budget Sub-Programme Description

The Policy Planning, Monitoring and Evaluation Directorate (PPMED) spearhead and facilitate the preparation of strategic and corporate plans for the sector, defining sector targets and performance indicators. The Directorate also translates programmes into financial costing and budgeting. The PPMED ensures that sectors projects and programmes are in line with national development agenda The Directorate also monitors and evaluates the implementation of all sector programmes and projects for the achievement of sectoral goals.

The staff strength undertaking this sub programme is four (4) out of which one is a seconded staff from BOST. The sub programme is funded by GoG and some of the key challenges faced by the PPME unit are:

- Inadequate staff
- Lack of capacity
- Inadequate logistics (vehicles, etc) to undertake the monitoring and evaluation activities

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Annual Work Programme	Submitted by	2nd March,	7th February	31st January	31st January	31st January
Annual Performance Report	submitted by	26th February	25th February	26th February	27th February	26 th February
Report on Mid-year Performance	Report submitted by	31st August	31st August	31st August	31st August	31st August
Quarterly performance report	Number submitted	4	4	4	4	4
Draft Budget	Number of Budget Committee Meetings	5	5	5	5	5
Project Monitoring Reports	Number of Monitoring Reports	4	4	4	4	4
MTRB Evaluation Report	Number of Minutes of MTRB Reports	20	24	16	16	16

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the sub-programme

Operations	Projects
Manpower Skills Development Staff trained and resourced	
Budget Preparation Budget Committee Meetings	
Policies and Programme Review Activities Preparation of annual performance report Mid-year review of Sector Performance Tender Review Board Meetings	
Management and Monitoring Policies, Programmes and Projects Preparation of work programme & Quarterly Reports Projects monitored and evaluated	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140013- Policy, Planning, Budgeting Monitoring and	180,466	193,845	213,144
21 - Compensation of employees [GFS]	90,466	94,989	99,739
Goods and Services	90,000	98,856	113,406

BUDGET SUB PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

SUB-PROGRAMME 1.4: Statistics, Research, Information and Public Relations

1. Budget Sub-Programme Objectives

- To project the good image of the sector, within and outside the country, by disseminating sectoral information on its policies, activities and procedures.
- To increase favourable atmosphere for the effective functioning of the sector by promoting and mining cordial working relationships with the other directorates in the sector and with its clients and stakeholders.
- To provide a system of feedback to stakeholders and clients of the sector.
- To create and maintain a databank of information on the sector for decision-making.
- To conduct research into sectoral activities with a view to removing bottlenecks and enhancing its services delivery standards.
- To ensure the free flow of information between the Ministry and the Public
- To put in place strategies and machinery for explaining and promoting public understanding of the activities of the Ministry.
- To inform the public on activities of the Ministry.
- To act as liaison between the Ministry, its partners and sector agencies

2. Budget Sub-Programme Description

The Directorate serves as the main information and publication unit of all the other Directorates in the sector and manages its client services centre. It conducts research and seeks for information and data to aid decision-making relevant to the achievement of the sectoral objectives and goals. The Directorate facilitates actions on the Ministry's policies and programmes through commissioning of projects, press releases, press conferences, briefings, workshops, seminars, meetings etc.

The activities of the Directorate are funded by the Government of Ghana, and this comprises the activities of the Communication unit, the IT unit, Research and Statistics. In all, the Directorate has about Eight (8) staff, most of who are contract staff and a national service person. The directorate is often not able to deliver its mandate effectively due to the following factors:

- Inadequate budgetary allocation
- Inadequate staff
- Inadequate staff capacity, especially in data collection and analysis

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Statistical data for analysis and dissemination	Number of research activities undertaken	2	3	3	3	3
Public awareness created	Number of Press Conferences held	3	3	3	3	3
	Number of Outreach Programmes organised	1	2	2	2	2
Communication Materials	Number of Materials produced	250	300	350	400	400

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the sub-programme

Operations	Projects
Research and Development	
Upgrade and maintenance of data bank	
Dissemination of information on status of projects	
Impact assessment on projects and programmes	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140014- Statistics, Research Information & Public	98,584	105,613	113,204
21 - Compensation of employees [GFS]	56,584	59,413	62,384
Goods and Services	42,000	46,200	50,820

BUDGET PROGRAMME SUMMARY

PROGRAMME 2: PETROLEUM SECTOR DEVELOPMENT

1. Budget Programme Objectives

- To formulate, monitor and evaluate the implementation of policies relating to the petroleum sub-sector.
- To maximize the benefits of petroleum activities and resources to Ghanaians.
- To ensure a well-managed and transparent regulatory environment for operations in the petroleum sub-sector.
- To promote and encourage private sector participation in the petroleum sub-sector.

2. Budget Programme Description

- The Petroleum Directorate of the Ministry delivers this Programme and the key services are:
- Provides policy direction to the sector agencies within the petroleum sub sector and promote the use of modern forms of energy such as LPG and natural gas.
- Undertakes monitoring and evaluation of policies and projects undertaken by its institutions.
- Establishes regimes and institutions to ensure effective regulation and management of petroleum resources in a safe and transparent manner.
- Undertakes programmes to develop the capacity of its staff and sector agencies to meet new challenges. It also encourages its staff and agencies participate in both local and international networks and fora to promote the country and encourage private sector participation in the industry.

The programme is delivered in collaboration with other state owned organisation such as Tema Oil Refinery (TOR), National Petroleum Authority (NPA), Bulk Oil Storage and Transportation company (BOST), Ghana Cylinder Manufacturing Company (GCMC), Ghana Oil Company Limited (GOIL), Ghana National Petroleum Corporation (GNPC), and Ghana National Gas Company (GNGC) and Petroleum Commission (PC).

Twenty Seven (27) personnel are involved in the delivery of this programme and funding is mainly from the Government of Ghana (GoG) with support from other Developmental Partners.

Budget by Programme, Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
014002 - Petroleum Sector Development	229,422	241,673	254,846
	103,172	108,331	113,748
0140021- Upstream Development	58,800	64,680	71,148
211 - Wages and salaries [GFS]	103,172	108,331	113,748
21 - Compensation of employees [GFS]	103,172	108,331	113,748
Use of goods and services	58,800	64,680	71,148
Goods and Services	58,800	64,680	71,148
0140022- Downstream Development	36,600	36,600	36,600
Use of goods and services	36,600	36,600	36,600
Goods and Services	36,600	36,600	36,600
	18,250	19,162	20,120
0140023- Health Safety, Security and Environment	12,600	12,900	13,230
211 - Wages and salaries [GFS]	18,250	19,162	20,120
21 - Compensation of employees [GFS]	18,250	19,162	20,120
Use of goods and services	12,600	12,900	13,230
Goods and Services	12,600	12,900	13,230

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: Petroleum Sector Development **SUB PROGRAMME 2.1 Upstream Development**

1. Budget Sub-Programme Objectives

- To formulate, monitor and evaluate policies relating to Upstream development
- To develop policies to promote and encourage private sector participation in the Upstream development

2. Budget Sub-Programme Description

This sub programme is delivered by the Petroleum Upstream Directorate and it ensures the availability of technical expertise and guidance in all processes in the development of policies, plans, regulations, standards, programmes and projects for the Petroleum Upstream sub-sector of the Ministry.

The Directorate comprises of 2 units which performs the following functions:

Petroleum Management/Investments Unit

The Unit

- Develops and reviews the broad policies for the petroleum upstream sub-sector of the Ministry.
- Designs and develops petroleum management and investment mechanisms, systems, plans, strategies, standards and regulations to Manage oil and gas revenues transparently and ensures equity
- Encourage investments along the oil and gas industry value chain, create new strategic options and generate National competitive advantage.

Petroleum Regulations Unit:

The Unit:

- Develops and reviews the broad policies for the petroleum upstream sub-sector of the Ministry.
- Designs and develops petroleum regulations mechanisms, systems, plans, strategies, standards to ensure effective and efficient operations, control and management of the oil and gas industry,
- Create new strategic options and generate National competitive advantage.

The Directorate has a total ten personnel made up of 8 staff, 1 administrator and a national service personal in charge of delivering the above job functions.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Output	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Petroleum (E& P) Act	%completed	70%	100%	-	-	-
Monitoring and evaluation reports of upstream activities.	Number of upstream reports evaluated	25	30	30	35	

4. Budget Sub-programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the sub-programme

Operations	Projects
<p>Monitor Energy System</p> <ul style="list-style-type: none"> • Monitor and evaluate petroleum subsector activities • Monitor and evaluate block acquisitions <p>Gas Production related activities</p> <ul style="list-style-type: none"> • Development of Gas Master Plan, evaluate Gas infrastructure and develop LNG infrastructure and fertilizer. 	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140021- Upstream Development	161,972	173,011	184,896
21 - Compensation of employees [GFS]	103,172	108,331	113,748
Goods and Services	58,800	64,680	71,148

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: Petroleum Sector Development

SUB PROGRAMME 2.2: Downstream Development

1. Budget Sub-Programme Objectives

- To develop policies to promote and encourage private sector participation in the downstream development
- To formulate, monitor and evaluate policies relating to Downstream development

2. Budget Sub-Programme Description

This Sub programme ensures the availability of technical expertise and guidance in all processes in the development of policies, plans, regulations, standards, programmes and projects for the petroleum downstream sub-sector of the Ministry.

The Petroleum downstream Directorate delivers this sub-programme which is made up of 2 Units and performs the following functions:

Petroleum Distribution Unit

Develops and reviews the broad policies for the transmission sub-sector of the Ministry.

Designs and develops petroleum distribution mechanisms, systems, plans, strategies, standards and regulations to ensure fair distribution of petroleum products to all parts of the country and reduce heavy burden of oil imports on the country's economy.

Petroleum Infrastructure development Unit

- Develops and reviews the broad policies for the downstream sub-sector of the Ministry.
- Designs and develops petroleum downstream mechanisms, systems, plans, strategies, standards and regulations to rehabilitate and expand petroleum refining, storage, distribution and marketing infrastructure,
- Create new strategic options and generate National competitive advantage.

The Directorate has about ten (10) staff, most of who are contract staffs.

3. Budget Sub-programme Results Statement

The table indicates the main outputs, indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Output	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Gas Policy	Approval of document	-	20%	100%	-	
Increased use of LPG in rural areas as cooking fuel	Number of districts enrolled under the programme	4	10	20	30	
	Number of cylinders distributed	13,000	40,000	80,000	120,000	
Monitoring and evaluation reports of sector agencies projects.	Number of projects monitored	5	10	12	13	

4. Budget Sub-programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the sub-programme

Operations	Projects
Petroleum products, fuels and other energy resources <ul style="list-style-type: none">• Undertake Rural LPG promotion Monitor Energy System <ul style="list-style-type: none">• Monitor and evaluate petroleum subsector activities	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140022- Downstream Development	36,600	36,600	36,600
Goods and Services	36,600	36,600	36,600

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: Petroleum Sector Development

SUB PROGRAMME 2.3: Health, Safety, Environment and Security

1. Budget Sub-Programme Objectives

To develop, monitor and evaluate policies to ensure health, safety and security of the Petroleum sector

2. Budget Sub-Programme Description

This Sub programme ensures the availability of technical expertise and guidance in all processes in the development of policies, plans, regulations, standards, programmes and projects for the petroleum Health, Safety, Environment and Security sub-sector of the Ministry.

The Health, Safety, Environment and Security Directorate made up of 3 units deliver this sub programme and perform the following functions:

Health and Safety Unit:

- Develops and reviews broad policies and strategies for the sector.
- Designs and develops petroleum sector Health and Safety mechanisms, systems, plans, strategies and standards.
- Ensures adherence to environmental principles, standards and regulations on Health and Safety in the exploration, development and production of oil and gas from oil or gas fields.

Physical Environment Unit:

- Ensures adherence to environmental protection principles, standards and regulations in all agreements, contracts or memoranda for the exploration, development and production of oil and gas from oil or gas fields.

Petroleum Industry Security Unit:

- Ensures security for oil and gas industry installations and operations through the development of dedicated

The Directorate currently has about ten (7) staff, made up of 3 permanent staff, 2 contract staff and 2 national service person.

3. Budget Sub-programme Results Statement

The table indicates the main outputs, indicators and projections by which the Ministry measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Output	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
HSSE Policy	Percentage Completion	40%	60%	80%	100%	
Monitoring and evaluation reports of sector agencies projects.	Number of projects monitored	5	10	12	13	

4. Budget Programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the sub-programme

Operations	Projects
Development of Health Environment Safety and Security Policy	

Budget by Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
0140023- Health Safety, Security and Environment	30,850	32,062	33,350
21 - Compensation of employees [GFS]	18,250	19,162	20,120
Goods and Services	12,600	12,900	13,230

BUDGET PROGRAMME SUMMARY

PROGRAMME 3: PETROLEUM SECTOR REGULATION

1. Budget Programme Objectives

- Develop policies, goals, strategies and advise the Minister on Petroleum matters.
- Sustain the exploration, development and production of oil and gas industry.
- Regulate, develop and manage the power and petroleum sub-sectors

2. Budget Programme Description

This sub-programme is delivered by two organizational units namely:

- Petroleum Commission
- National Petroleum Authority

PETROLEUM COMMISSION

Petroleum Commission was established by Act 821, 2011 with the mandate to regulate and manage the utilization of petroleum resources and coordinate policies in relation to them.

The Commission is mandated by law to promote sustainable and cost efficient petroleum activities to achieve optimal levels of resource exploitation; monitor and ensure compliance with national policies, laws, regulations and agreements related to petroleum activities; and promote local content and local participation in petroleum activities.

NATIONAL PETROLEUM AUTHORITY

The object of the Authority as mandated by the law is to regulate, oversee, and monitor activities in the petroleum downstream industry and where applicable, do so in pursuance of the Petroleum Pricing Formula.

The main operations under this sub-programme include:

- Development of policy goal and strategy
 - ✓ Liquefied petroleum Gas (LPG) promotion strategy
- Regulation of Natural Gas industries
 - ✓ Develop Rules and Operation of Natural Gas Market
- Development and management of petroleum sector.
 - ✓ Development of Petroleum Legislative Instruments for the petroleum market regulations.
 - ✓ Development of Standard rules for monitoring of oil marketing industries in Ghana
 - ✓ Promote planned, well executed, sustainable and cost efficient petroleum activities
 - ✓ Promote local content and local participation

- ✓ Monitor and ensure compliance with national policies, laws, regulations and agreements related to petroleum activities
- ✓ Advise the Minister on matters related to field development plans, plans for development for transportation and decommissioning

The staff strength of the organizational units is as follows:

- ✓ Petroleum Commission (84) and
- ✓ National Petroleum Authority (86)

Key challenges facing the petroleum sector regulatory environment include the regular poaching of staff due to lack of commensurate remunerations and lack of permanent energy policy and strategy framework to support the regulatory environment.

3. Budget Programme Results Statement

The table indicates the main outputs, indicators and projections by which the Ministry measures the performance of this programme. The past data indicates actual performance whilst the projections are the Ministry's estimate of future performance.

Main Output	Output Indicator	Past Years		Projections		
		2014	2015	Budget Year 2016	Indicative Year 2017	Indicative Year 2018
Development of upstream Petroleum Regulation	HSE/Drilling regulation developed	20	60	100	-	-
	Data Management Regulations developed	20	50	100	-	-
	Fiscal Metering regulations developed	30	70	100	-	-

4. Budget Programme Operations and Projects

The table lists the main Operations and projects to be undertaken by the programme

Operations	Projects
Internal Management of the Organisation	

Budget by Programme, Sub-Programme and Natural Account

	Budget	Indicative Year	Indicative Year
014003 - Petroleum Sector Regulation	23,523,689	25,876,058	28,463,664
0140030	23,523,689	25,876,058	28,463,664
Use of goods and services	23,523,689	25,876,058	28,463,664
Goods and Services	23,523,689	25,876,058	28,463,664

APPENDICES

BUDGET BY PROGRAMME, COST CENTRE, ECONOMIC ITEM AND FUNDING

	GoG				IGF				Funds / Others			Donors			Grand Total
	Compensation of employees	Goods and Services	Capex	Total	Compensation of employees	Goods and Services	Capex	Total	Statutory	ABFA	Others	Goods and Services	Capex	Total	
014 - Ministry of Petroleum	1,092,620	600,000		1,692,620		23,523,689		23,523,689				12,254,143	2,827,879	15,082,022	40,298,331
01401 - Headquarters	1,092,620	600,000		1,692,620		23,523,689		23,523,689				12,254,143	2,827,879	15,082,022	40,298,331
0140101001 - General Administration and Finance	736,832	300,000		1,036,832		23,523,689		23,523,689				12,254,143	2,827,879	15,082,022	39,642,543
0140102001 - Human Resources Development and	87,316	60,000		147,316											147,316
0140103001 - Policy, Planning, Monitoring and Evaluation	90,466	90,000		180,466											180,466
0140104001 - Research, Statistics and Information	56,584	42,000		98,584											98,584
0140105001 - Petroleum Development	121,422	108,000		229,422											229,422

BUDGET BY PROGRAMME AND NATURAL ACCOUNT

	Budget	Indicative Year 1	Indicative Year 2
Programmes - Ministry of Petroleum	40,298,331	44,272,610	48,646,601
014001 - Management and Administration	16,545,220	18,154,879	19,928,092
21 - Compensation of employees [GFS]	971,198	1,023,913	1,079,681
Capex	2,827,879	3,110,667	3,421,734
Goods and Services	12,746,143	14,020,299	15,426,678
014002 - Petroleum Sector Development	229,422	241,673	254,846
21 - Compensation of employees [GFS]	121,422	127,493	133,868
Capex			
Goods and Services	108,000	114,180	120,978
014003 - Petroleum Sector Regulation	23,523,689	25,876,058	28,463,664
21 - Compensation of employees [GFS]			
Capex			
Goods and Services	23,523,689	25,876,058	28,463,664

BUDGET BY PROGRAMME AND OPERATION

	2014	2015			2016	2017	FY18	
	Actual	Budget	Actual	Budget Balance		Budget	Indicative	Indicative
				V_APRVD	V_APRVD			
Programmes - Ministry of Petroleum						40,298,331	44,272,610	48,646,601
014001 - Management and Administration						16,545,220	18,154,879	19,928,092
0140011- General Administration and Finance						16,118,854	17,697,739	19,432,878
Employees Compensation						736,832	777,829	821,292
085101 - Internal management of the organisation						300,000	329,685	362,339
085206 - Manpower Skills Development						15,082,022	16,590,224	18,249,247
0140012- Human Resource						147,316	157,681	168,866
Employees Compensation						87,316	91,681	96,266
085204 - Recruitment, Placement and Promotions						40,000	44,000	48,400
085205 - Personnel and Staff Management						20,000	22,000	24,200
0140013- Policy, Planning, Budgeting Monitoring and Evaluation						180,466	193,845	213,144
Employees Compensation						90,466	94,989	99,739
085601 - Planning and Policy Formulation						15,800	17,380	19,987
085603 - Policies and Programme Review Activities						69,000	75,900	87,285
085701 - Management and Monitoring Policies, Programmes and Projects						5,200	5,576	6,134
0140014- Statistics, Research Information & Public Relations						98,584	105,613	113,204
Employees Compensation						56,584	59,413	62,384

BUDGET BY PROGRAMME AND OPERATION

	2014	2015				2016	2017	FY18
	Actual	Budget	Actual	Budget Balance		Budget	Indicative	Indicative
				V_APRVD	V_APRVD			
085801 - Research and Development						22,000	24,200	26,620
085802 - Development and Management of Database						20,000	22,000	24,200
014002 - Petroleum Sector Development						229,422	241,673	254,846
0140021- Upstream Development						161,972	173,011	184,896
Employees Compensation						103,172	108,331	113,748
014001 - Gas Developments and Utilization						37,500	41,250	45,375
014002 - Petroleum Resource Developments, Production, Refining and Marketing						10,900	11,990	13,189
014003 - Petroleum Regulation						10,400	11,440	12,584
0140022- Downstream Development						36,600	36,600	36,600
014002 - Petroleum Resource Developments, Production, Refining and Marketing						25,600	25,600	25,600
014003 - Petroleum Regulation						11,000	11,000	11,000
0140023- Health Safety, Security and Environment						30,850	32,062	33,350
Employees Compensation						18,250	19,162	20,120
014002 - Petroleum Resource Developments, Production, Refining and Marketing						5,200	5,500	5,830
014003 - Petroleum Regulation						7,400	7,400	7,400
014003 - Petroleum Sector Regulation						23,523,689	25,876,058	28,463,664
0140030						23,523,689	25,876,058	28,463,664

BUDGET BY PROGRAMME AND OPERATION

	2014	2015			2016	2017	FY18	
	Actual	Budget	Actual	Budget Balance		Budget	Indicative	Indicative
				V_APRVD	V_APRVD			
085206 - Manpower Skills Development						23,523,689	25,876,058	28,463,6

BUDGET BY PROGRAMME AND PROJECT

	2014	2015		2016	2017	FY18	
	Actual	Budget	Budget Balance		Budget	Indicative	Indicative
			V_APRVD	V_APRVD			
014001 - Management and Administration					16,545,220	18,154,879	19,928,092
014002 - Petroleum Sector Development					229,422	241,673	254,846
014003 - Petroleum Sector Regulation					23,523,689	25,876,058	28,463,664
Programmes - Ministry of Petroleum					40,298,331	44,272,610	48,646,601

BUDGET BY PROGRAMME AND MDA

	2014	2015					2016		2017	FY18
	Actual	Budget	Actual	Budget Balance V_APRVD	% Total Programme Budget	% Total Programme Actual	Budget	% Total Programme	Indicative	Indicative
Programmes - Ministry of Petroleum							40,298,331	100.00	44,272,610	48,646,601
014001 - Management and Administration							16,545,220	41.06	18,154,879	19,928,092
01401 - Headquarters							16,545,220	41.06	18,154,879	19,928,092
014002 - Petroleum Sector Development							229,422	0.57	241,673	254,846
01401 - Headquarters							229,422	0.57	241,673	254,846
014003 - Petroleum Sector Regulation							23,523,689	58.37	25,876,058	28,463,664
01401 - Headquarters							23,523,689	58.37	25,876,058	28,463,664