

**IN THE SECOND MEETING OF THE SECOND SESSION
OF THE EIGHTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON MINES AND
ENERGY**

ON THE

**RATIFICATION OF GHANA'S MEMBERSHIP TO THE
AFRICAN PETROLEUM PRODUCERS'
ORGANISATION (APPO)**

JUNE 2022

**REPORT OF THE COMMITTEE ON MINES AND ENERGY ON THE REQUEST FOR
RATIFICATION OF GHANA'S MEMBERSHIP TO THE AFRICAN PETROLEUM
PRODUCERS ORGANISATION (APPO)**

1.0 INTRODUCTION

The Request for Ratification of Ghana's Membership to the African Petroleum Producers' Organisation (APPO) was laid in Parliament by the Hon. Minister for Energy, Dr. Matthew Opoku Prempeh on 9th February, 2022 in accordance with Article 75 of the 1992 Constitution.

The Rt. Hon. Speaker subsequently referred the Request to the Committee on Mines and Energy for consideration and report.

2.0 DELIBERATIONS

The Committee met with the Hon. Deputy Minister for Energy, Mr. Andrew Mercer and a Technical Assistant to the Ministry, Mr. Kwame Agyapong to discuss the Referral.

The Committee is grateful to the Hon. Deputy Minister and the Technical Assistant for attending upon the Committee and for clarifying issues raised at the meeting.

3.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during the deliberations:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament;
- iii. Petroleum Hub Development Corporation Act, 2020 (Act 1053);
- iv. Recent Developments from the 26th Climate Change Conference of Parties (COP 26); and
- v. Organisation of the Petroleum Exporting Countries (OPEC) Statute, 1961.

4.0 BACKGROUND INFORMATION

The idea to create the African Petroleum Producers Association (APPA) came up in the 1980s through informal meetings among African Member Countries of OPEC which were

Algeria, Gabon, Libya and Nigeria. This was in response to the spiral rise in international oil prices in the 1970s which affected balance of payments of many African countries. In response to that development, OPEC established the OPEC Fund for International Development in 1976 with the mandate to assist non-OPEC Developing Countries to address their balance of payment challenges and to secure oil supplies for the effective operation of their economies.

APPA was formally formed in Lagos, Nigeria on 27th January, 1987 by eight oil producing African countries which comprised Algeria, Angola, Benin, Cameroon, Congo, Gabon, Libya and Nigeria. The headquarters of APPA is in Brazzaville, Republic of Congo.

In response to the fast pace of changes in the global energy scene, APPA embarked on a major reform between 2014 and 2019 to critically review its mission and vision, organizational structure. It also changed its name to African Petroleum Producers Organisation (APPO).

The membership of APPO has since grown from eight to fifteen as at 31st December, 2021. The members are Algeria, Angola, Benin, Cameroon, Chad, Congo, DR Congo, Cote d'Ivoire, Egypt, Equatorial Guinea, Gabon, Libya, Niger, Nigeria and South Africa.

Ghana started showing interest in joining APPO since the year 2000. Ghana participated as an observer in two sessions of the Council of Ministers of APPO. The first was the 17th Ordinary Session held in Cairo, Egypt on 26th February, 2000 and the second was the 19th Ordinary Session held in Malabo, Equatorial Guinea on 11th March, 2002.

Ghana applied for membership on 16th February 2011. The application was unanimously endorsed by the Committee of Experts at its 41st meeting held on 23rd June, 2011. The Council of Ministers approved Ghana's application by the Resolution numbered XXVIII/RES/0178 during the 28th Ordinary Session held on 25th June, 2011 in Brazzaville, Congo.

5.0 VISION AND MISSION OF APPO

- 5.1 APPO aspires to be the world's reference and lead institution on Africa hydrocarbon matters.
- 5.2 The mission of APPO is to promote cooperation in the field of hydrocarbons of its Member Countries and other global institutions to foster fruitful collaboration and partnerships while utilizing petroleum as a catalyst for energy security, sustainable development and economic diversification in Africa.

6.0 OBJECTIVES OF APPO

The objectives of the Organisation are as follows:

- i. Promotion of co-operation among Member Countries in hydrocarbon exploration, production, refining, petrochemicals, manpower development, acquisition and adaptation of technology and other legal matters
- ii. Promotion of technical assistance among Member Countries
- iii. Co-ordination of marketing policies and strategies of the Member Countries through exchange of information with the aim of safeguarding their hydrocarbon resources and realizing equitable revenue from exports
- iv. Increasing the understanding of energy situation and policies in Member Countries through co-operation with a view to meeting domestic energy needs; and
- v. Studying ways and means of providing assistance to net oil importing African countries to meet their energy requirements.

7.0 ANNUAL SUBSCRIPTION FEE

The annual subscription fees of APPO is based on production level of each member country. The subscription fees ranges between \$100,000 and \$300,000 per annum. Based on Ghana's current production level, Ghana is expected to pay annual subscription fee of \$100,000.

8.0 OBSERVATIONS

The Committee made the following observations during the deliberations:

8.1 Right to participate in decision-making by APPO

The Committee noted that Ghana has been involved in the activities of APPO only as an observer since February 2011. However, upon attaining full membership status, Ghana can play a participatory role which comes with actively working to attain the objectives of APPO. These objectives include the promotion of cooperation among Member Countries, development of regional markets and coordinated energy integration strategies in the continent, and development of research programmes about the major challenges in the petroleum sector of African countries. This would strategically position Ghana to harness its energy sector and therefore lead to the advancement of the country's emerging petroleum industry.

8.2 Investment opportunities

The Committee also noted that Ghana stands to benefit from financial arrangements under APPO. Each membership to APPO will give the country access to the finance arm of APPO, which is the Africa Energy Investment Corporation (AEICORP) established in 2019. The object of AEICORP is to facilitate the raising of capital for investments in the oil and gas sector in Member Countries. This would give Ghana the opportunity to mobilize private sector funds towards the development of the energy sector. With Ghana's advantage of political stability, centrality of location in the sub-region, closeness to international shipping routes and macroeconomic stability, the country stands to benefit even more under the Petroleum Hub Development Corporation by attracting more investments into the hub.

8.3 Energy transition issues

The Committee again observed that APPO offers a strategic opportunity for the country to plan effectively to address the energy transition issues which emanated from recent developments from the 26th Climate Change Conference of Parties (COP 26). If Ghana joins APPO, the country would be well positioned to address the impacts of the current global shift from hydrocarbons to renewable sources of energy. Membership in APPO will give Ghana access to the ready support and research tools available in APPO to help the nation position itself for this transition. This would sustain the country's efforts and developing its petroleum and energy resources.

8.4 Cost to Ghana

The Hon. Deputy Minister informed the Committee that the cost to the state if Ghana joins APPO will take the form of payment of annual subscription fees to the Organisation. He stated that the annual subscription fees that Member Countries pay to APPO ranges between \$100,000 and \$300,000 per annum. He further informed the Committee that Ghana would pay annual subscription fee of \$100,000 based on current production level.

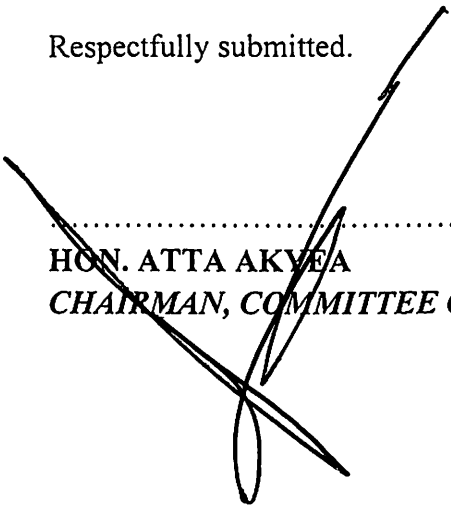
9.0 CONCLUSION AND RECOMMENDATION

Having critically examined the Statute of the African Petroleum Producers' Organisation, the Committee takes the view that Ghana stands to benefit tremendously from becoming a member of Organisation. Among others, Ghana's membership would avail the country the right to participate in critical decision-making of the Organisation, access private investment through AEICorp and opportunity to leverage on the Organisation to advance the development of Ghana's emerging petroleum industry for optimal benefits.

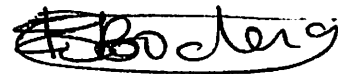
The Committee further notes that Ghana has applied and achieved the requirement for two-thirds majority approval of the Member Countries. This leaves the ratification and signing of the Statute of the Organisation as the last step for Ghana to become a fully-fledged member of APPO.

On the basis of the above, the Committee recommends to the House to adopt this Report and to ratify Ghana's Membership of the African Petroleum Producers Organisation (APPO) and the Statute of the Organisation in accordance with Article 75(2)(b) of the 1992 Constitution.

Respectfully submitted.



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HON. ATTA AKYEA
CHAIRMAN, COMMITTEE ON MINES AND ENERGY



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EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE