

**IN THE THIRD SESSION OF THE EIGHTH PARLIAMENT OF
THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE COMMITTEE ON MINES AND ENERGY

OF AND CONCERNING THE

**TERMS AND CONDITIONS OF THE LITASCO PHASE 6A
FACILITY**

DECEMBER 2023

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1.0 INTRODUCTION

On 7th December, 2023, the Hon. Deputy Minister for Energy, Mr. Andrew Agyapa Mercer (MP), for and on behalf of the Hon. Minister for Energy, Dr. Matthew Opoku Prempeh laid in Parliament the Terms and Conditions of the Litasco Phase 6A Facility pursuant to the Recommendation of the Committee on Mines and Energy.

On the same day, the Rt. Hon. Speaker, Mr. Alban Sumana Kingsford Bagbin, pursuant to Order 188 of the Standing Orders of the House, referred the Terms and Conditions of the Facility 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 Egyapa Mercer and Officials of the Ministry to discuss the referral.

The Committee expresses its profound gratitude to the Hon. Deputy Minister and the Officials for availing themselves to assist in the Committee's deliberations.

3.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during the deliberations:

- i. The 1992 Constitution of the Republic;
- ii. The Standing Orders of Parliament;
- iii. The Ghana National Petroleum Corporation Act, 1983 (PNDCL 64);
- iv. Petroleum (Exploration and Production) Act, 2016 (Act 919);
- v. The 2023 Work Programme of the Ghana National Petroleum Corporation;
- vi. Report of the Committee on Mines and Energy on the 2023 Work Programme of the Ghana National Petroleum Corporation;

- vii. The Joint Information Memorandum to Parliament submitted by, Hon. Ken Ofori-Atta, the Minister for Finance and Hon. Dr. Matthew Opoku Prempeh (MP), the Minister for Energy dated the 30th day of November, 2023;
- viii. Klomega (No.2) v. Attorney-General & Ghana Ports and Harbours Authority (No.2) [2013-2013 1 SCGLR 581] 16th January, 2023; and
- ix. Dr. Abbey Yeboah v. Electricity Company of Ghana and Others [JI72016 GHASC] 28th July, 2016.

4.0 BACKGROUND INFORMATION

- 4.1 The 2023 Work Programme of GNPC was laid in Parliament on Thursday, 8th June, 2023 by the Hon. Majority Leader, Mr. Osei Kyei-Mensah-Bonsu on behalf of the Hon. Minister for Energy, Dr. Matthew Opoku Prempeh in accordance with Section 7(3)(b) of the Petroleum Revenue Management Act, 2011 (Act 815) as amended. The Work Programme was thereafter referred to the Committee on Mines and Energy for consideration and report pursuant to Orders 188 of the Standing Orders of the House.
- 4.2 As part of the 2023 Work Programme, GNPC indicated its intention to procure a loan facility amounting to US\$620 million from Litasco SA to re-finance an existing debt incumbent on the Electricity of Ghana (ECG) with GNPC, and GNPC Explorco as counterparties in respect of legacy debts accrued by ECG and GNPC for HFO supplies to Karpowership and AKSA.
- 4.3 During its deliberations, the Committee among others engaged in extensive interrogation on the Litasco Phase 6A Facility and concluded that the Facility is subject to Parliamentary approval under Article 181 of the 1992 Constitution.
- 4.4 The Committee in its Report on the Work Programme, recommended to the House to direct GNPC to lay the Terms and Conditions of the intended loans in Parliament for approval in accordance with Article 181 of the 1992 Constitution.
- 4.5 The Committee's Report on the Work Programme was unanimously adopted by the House and same became part of the official records of the House.

5.0 OBSERVATIONS

The Committee made the following observations during its deliberations:

5.1 Reduced loan amount

Under the broad objects of GNPC under its establishment law, PNDCL 64, which also finds expression in Act 919, exploration, development and production of petroleum are

uppermost. Having now reduced the original quantum of the loan in the sum of Six Hundred and Twenty Million United States Dollars (US\$620 million) to Two Hundred and Seventy-Two Million United States Dollars (US\$272 million) which only covers exclusively the refinancing of an existing loan by GNPC, the basis of Parliamentary approval has become moot.

5.2 Determination as to whether the Litasco Phase 6A Facility required Parliamentary approval

Having regard to the representations of the Hon. Deputy Minister and the Officials of the Ministry and its own appreciation of the law together with relevant Supreme Court decisions on the matter, the Committee has reconsidered its earlier position on the subject. The Committee accepts the position that the Litasco Phase 6A Facility contained in the 2023 Work Programme of GNPC does not require Parliamentary approval. Accordingly, the Committee seeks leave of the House to expunge, *“The Committee recommends to GNPC to lay the terms and conditions of the intended loans for the consideration of the House in terms of Article 181 of the 1992 Constitution”* contained in paragraph 10.3 of its Report on the 2023 Work Programme of GNPC from the official records of the House.

For the avoidance of doubt, the requirement to lay the Terms and Conditions of the Facility before the august House in line with Article 181 of the 1992 Constitution is withdrawn and no longer necessary. The approval granted by Parliament on 3rd August, 2023 is upheld fully and requires no further Parliamentary action.

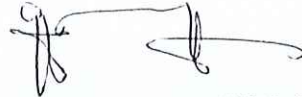
6.0 CONCLUSION AND RECOMMENDATION

In the premises, the Committee having adverted itself to the law and relevant judicial authorities, concedes that the Litasco Phase 6A Facility contained in the 2023 Work Programme of GNPC does not require Parliamentary approval. In this regard, the Committee endorses the request by the Hon. Minister for Energy that the Terms and Conditions of the Litasco Phase 6A Facility be distributed to Hon. Members for their information.

The Committee therefore recommends to the House to adopt this Report.

Respectfully submitted.

HON. SAMUEL ATTA AKYEA
CHAIRMAN, COMMITTEE ON MINES AND ENERGY



ANTHONY AGYEKUM (MR)
CLERK TO THE COMMITTEE

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