

**IN THE THIRD MEETING OF THE FIRST SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE

COMMITTEE ON SUBSIDIARY LEGISLATION

ON THE

**PETROLEUM (EXPLORATION AND PRODUCTION) (HEALTH,
SAFETY AND ENVIRONMENT) REGULATIONS, 2017 (L.I. 2258)**

PARLIAMENT OF GHANA LIBRARY
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DECEMBER 2017

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1.0 INTRODUCTION

The Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258) was laid in Parliament on Thursday 16th November, 2017 by the Hon. Minister for Energy, Mr. Boakye Agyarko in accordance with Article 11(7) of the 1992 Constitution. The Rt. Hon. Speaker there upon referred the Instrument to the Committee on Subsidiary Legislation for consideration and report pursuant to Orders 77 and 166 of the Standing Orders of the House.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during its deliberations:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament;
- iii. The Petroleum Commission Act, 2011 (Act 821);
- iv. The Petroleum (Exploration and Production) Act, 2016 (Act 919);
- v. The Environmental Agency Act, 1994 (Act 490)

3.0 DELIBERATIONS

The Committee met with a Deputy Minister for Energy, Hon Joseph Cudjoe and Officials of both the Ministry and Petroleum Commission to consider the Regulations. Officials of

the Attorney-General's Department also attended the meeting to assist in the deliberations.

4.0 BACKGROUND INFORMATION

- 4.1 Ghana's search for petroleum began in the form of onshore petroleum activities in 1896 in the Tano Basin. The nature of our petroleum exploration activities later shifted to offshore exploration activities, which led to the discovery and production from the Saltpond Field in 1978. Since then, petroleum activities within Ghana's offshore waters were intensified. The establishment of the Ghana National Petroleum Corporation (GNPC) in 1983 further contributed to this momentum. The sustained petroleum activities culminated in the Jubilee discovery in 2007, and subsequent production in December 2010. Additional 25 discoveries have since been made.

- 4.2 The emerging petroleum industry brought to the fore the need to strengthen the country's institutional and legislative framework towards efficient and sustainable exploitation of the natural resource. The new legislative agenda led to the passage of some new laws including the Petroleum Commission Act, 2011 (Act 821). Further to this, the Petroleum (Exploration and Production) Act, 2016 (Act 919) was passed last year to replace the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84).

- 4.3 As part of its object, Act 919 provides for the conduct of safe, secure and sustainable petroleum activities in the country. Additionally, the law requires all entities engaged in petroleum exploration and production to take all necessary

measures to ensure that petroleum activities are conducted in a safe and secure manner, free from accidents, waste dumping and pollution. To achieve these broad objectives, Act 919 empowers the Minister responsible for petroleum to make Regulations for the implementation of health, safety and welfare of persons employed or affected by petroleum activities and for environmental protection. In furtherance of the above, the Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 was laid in Parliament.

- 4.4 The purpose of the Regulations is to provide minimum health, safety and environment standards for all entities engaged in petroleum activities in Ghana to ensure that petroleum activities are conducted in a safe, secure and environmentally sustainable manner

5.0 OBSERVATIONS

- 5.1 The Committee recognising the importance of the Regulations raised the issue of stakeholder consultation made by the Commission before the L.I. was submitted to Parliament. Officials of the Petroleum Commission informed the Committee that, the Regulations was developed in due consultation with all relevant institutions in Ghana's upstream petroleum industry. The Ministry of Energy stated that a Technical Working Group, which comprised of representatives from the Petroleum Commission, Ministry of Energy, the Ghana National Petroleum Corporation (GNPC), the Environmental Protection Agency and the Attorney-General's Department, developed the Instrument with input from both state and non-state Institutions.
- 5.2 The state institutions include the Ghana Maritime Authority, the Ghana Civil Aviation, the Ghana Meteorological Service and the Ghana Standards Authority.

The non-state actors consulted were petroleum operators, civil society, industry classification societies, and academia. The Committee was hopeful that the extensive consultation in the drafting of the Regulations would facilitate its smooth implementation towards the actualisation of the intended objectives.

5.3 The Committee noted that the Legislative Instrument makes adequate provisions to ensure that onshore petroleum activities are undertaken in a secure, safe and environmentally friendly manner. Onshore petroleum operators would be required to engage communities within licensed areas and appropriate authorities to ensure that landowners are adequately informed of the type of operation to be undertaken prior to entering upon any land. Landowners must also be informed of the duration of the operations and the potential damage that may be caused to property. Operators must also obtain all required approvals and permits prior to commencement of petroleum activities. Having met the above requirements, activities to be undertaken should not interfere with any existing facilities in the licensed area unless same have been approved by the Petroleum Commission.

5.4 The aim is to protect such facilities and individuals who may be affected by their operations. Operators are also required to fence and protect all completed wells and clearly mark them with warning notices of the existence of danger and to restore affected areas to their original state as far as possible. These measures are provided to avert injury to persons working on onshore petroleum sites, the people in the catchment areas and to ensure that the peculiar dangers in onshore petroleum exploitation are minimised or eliminated.

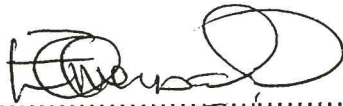
- 5.5 The Committee also noted that the coming into force of the Legislative Instrument would pave the way for the training of Ghanaians in health, safety and environmental matters in the upstream petroleum industry. This is because the Instrument imposes an obligation on all entities operating in Ghana's upstream petroleum sector to offer training opportunities in upstream petroleum in health, safety and environment at their plants and facilities. The training would be in the nature of on-the-job training and practical attachments. It is believed that this measure would contribute significantly towards building local competencies for Ghana's upstream industry in line with our local content aspirations.
- 5.6 The Committee further noted that arrangements have been made in the Regulations to facilitate compliance by operators. Among the arrangements is the requirement that all players in the industry will have to maintain an office in the country that, on an independent basis, is capable of ensuring that Petroleum activity is carried out in accordance with the Regulations. Additionally, the Instrument seeks to empower the Petroleum Commission to issue guidelines to provide explanatory notes to operators to facilitate better understanding and promote compliance with the Regulations.
- 5.7 The Committee finally noted that enough penalties are provided to deal with offenders. It is an offence for any operator to engage unqualified personnel in petroleum activities or refusal to mark petroleum facilities or engage in petroleum activities without requisite permits. Others include default in meeting reporting requirements and obstruction of Officials of the Petroleum Commission in the discharge of their duties. The sanction regime under the Regulations include imposition of administrative penalties, fines or imprisonment.

6.0 CONCLUSION AND RECOMMENDATION

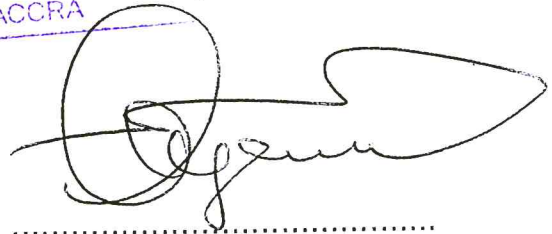
The Committee has critically examined the Legislative Instrument and is satisfied that its provisions are consistent with the relevant laws and therefore recommends to the House to adopt its Report and to allow the Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258) to come into force at the expiration of 21 sitting days of Parliament in accordance with Article 11(7) of the Constitution.

Respectfully submitted.

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ERIC OWUSU-MENSAH
CLERK TO THE COMMITTEE



HON. MAHAMA AYARIGA
CHAIRMAN

DECEMBER 2017