



GNPC'S EXPERIENCES ON TARGETED EFFORTS ON COMMODITY TRADING AND TRANSPARENCY

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Presentation Outline

- ❑ Why has Ghana EITI has championed CT Transparency?
- ❑ What Information has GNPC Published on Commodity Sales?
- ❑ What has been the main achievements for GNPC so far?
- ❑ How have the processes and disclosures informed discussions on Oil Sales and Pricing In Ghana?
- ❑ What has been the challenges so far?



Why has Ghana EITI has championed commodity trading transparency?

- ❑ Allows citizens the opportunity to know and interrogate the price achieved and revenue generated from the sale of its resources.
- ❑ These interrogations will invariably result in more accountability from the SOEs, efficiency, improvement their processes.
- ❑ Make all the stakeholders in the value-chain more efficient – Revenue Authority GRA, Central Bank BoG, sector Ministry, Ministry of Finance.
- ❑ Builds public trust in the government and the NOC.
- ❑ Engenders confidence in the government and the NOC.

Why Ghana EITI has championed commodity trading transparency? (Cont'd)

□ Minimize fraud –

- eliminate the potential to undercut the price

- the potential to engage an inefficient buyer:

- ✓ The buyer may not be best placed to expose the crude to different markets which will help to improve the technical value especially if it's a new crude.



What Information has been Published?

- The information published is in line with EITI 2019 Standard, Requirement 4.2 and Guidance note 26 – Reporting on First Trades in crude oil 2017.

1. What oil is being sold?				
Core information			Additional information	
Name of seller	Oil grade and quality (e.g. API) - cargo by cargo disclosures only	Date of Sale - (Bill of lading date -- cargo by cargo disclosures only)	Type of state-owned oil sold (e.g. profit oil)	Contract # / p/o # / invoice #

2. Who is buying the product?			
Core information	Additional information		
Buyer	Beneficial owner of buyer	Incoterms	Load port, terminal or depot

3. What return did the country receive from the sale?											
Core information						Additional information					
Volumes sold (barrels)	Dated Brent Price (USD/bbl)	Price Differential (USD/bbl)	Pricing Option Fees (USD/bbl)	Total Price Achieved (USD/bbl)	Revenues received (USD)	Price information: Pricing Option	Contract type	Forex rate	Payment receipt date	Payment account	Destination (sellers only)

4. Other information	
Core information	
Source of data	Notes



What has been the main achievements so far?

- ❑ Increased transparency
- ❑ Remarkable improvement in stakeholder confidence and trust in GNPC
- ❑ Engendered trust with the communities in which we operate and with the public
- ❑ CT Pilot project in 2018
- ❑ Streamlined the processes of GNPC
- ❑ Increased stakeholder engagement
- ❑ Make all the stakeholders in the value-chain more efficient – Revenue Authority GRA, Central Bank BoG, Sector Ministry, Ministry of Finance



What has been the main achievements so far? (Cont'd)

- ❑ Stakeholders have a better understanding of the trading process and revenue allocation
- ❑ Disaggregated data has led to increased discussions
- ❑ More accountability from the SOEs; improvement and efficiency of their processes
- ❑ Exposure to international best practices
- ❑ Improved credibility and makes it easier for other companies (local and international) to work with GNPC.



What has been the main achievements so far? (Cont'd)

- ❑ Has significantly improved the understanding of the public and civil societies of the trading process and revenue allocation and the NOC's role in the sale of oil on behalf of the government.
- ❑ Peer to peer learning opportunities eg NNPC & GNPC discussions on pricing of differentials
- ❑ Enabled us identify gaps in our processes and addressing them (buyer selection process, pre-qualification process, BO, disclosure policies etc)
- ❑ Opportunity to seek assistance/collaborate with other Working Group colleagues.



How have the processes and disclosures informed discussions on Oil Sales and Pricing In Ghana?

- Improved buyer selection process for oil sales and pricing
- Disaggregated data has generated a of discussions on Pricing
- Mandatory disclosure of BO of the buyer. Now done at the Buyer Selection stage.



Challenges

- ❑ Entails a lot of work and it's costly – education and reporting
- ❑ The involvement of the Buyers in the BO disclosure of first trades
- ❑ Disclosure of BO by buyers. It's a new concept for some buyers.





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