

INTERNATIONAL aid agency Oxfam America and Ghana-based development organisation Integrated Social Development Centre (ISDOEC) have commended Ghana's President John Evans Atta Mills for committing to increased transparency and public participation in the oil sector. In a public announcement on February 28, President Mills called for public disclosure of all present and future oil contracts, a review of the legal framework of the oil sector, and wider public participation in decision-making around oil projects.

The President, who took office in January, pledged to review the draft oil sector laws put in place by the previous government under President John Agyekum Kufuor to ensure that necessary regulations and transparency measures are in place.

"President Mills's announcement signifies a commitment from Ghana's new government to build a transparent and accountable framework in the face of an oil boom that could bring billions into 27.75% the country," said Raymond C. Offenheiser, president of Oxfam America.

"We look forward to seeing this new policy implemented in Ghana and believe that transparency, public participation, and creating the governance structure to ensure that the President's directive is properly implemented would benefit other oil and mineral exporting nations."

This announcement follows a recent report from Oxfam America and ISODEC titled, 'Ghana's Big Test: Oil's Challenge to Democratic Development'.

The report identifies critical steps for the Ghanaian government, donors, oil companies, civil society and journalists to take in order to move quickly but deliberately in the face of the coming oil boom.

These include transparent revenue and payment practices, open and competitive contract bidding, and active participation by civil society included in President Mills's commitment.

The report also recommends a moratorium on new exploration licenses to allow the development of the legal and regulatory regime and government institutional capacity to keep pace with the development of the sector.

Ghana's recent discovery of the major offshore "Jubilee" oil field has generated enormous interest in the country's oil production. The World Bank has committed \$215 million in financing to Kosmos Energy and Tullow Oil in support of the development of the Jubilee field.

The International Monetary Fund predicts government revenues from oil and gas could reach a cumulative \$20 billion over a production period of 2012-2030 in Jubilee field alone.

On March 9, Tullow Oil announced a further discovery near the Jubilee field that could increase Ghana's oil reserves.

Historically, the exploitation of natural resources in Africa has far too often led to increased poverty and conflict, a phenomenon often referred to as "resource curse." - Kansas City Info Zine

Source: The Ghanaian Times