

REGULATORY COOPERATION AND INVESTMENT FACILITATION IN THE ENERGY SECTOR: THE EXPERIENCE OF THE GHANA INVESTMENT PROMOTION CENTRE (GIPC)

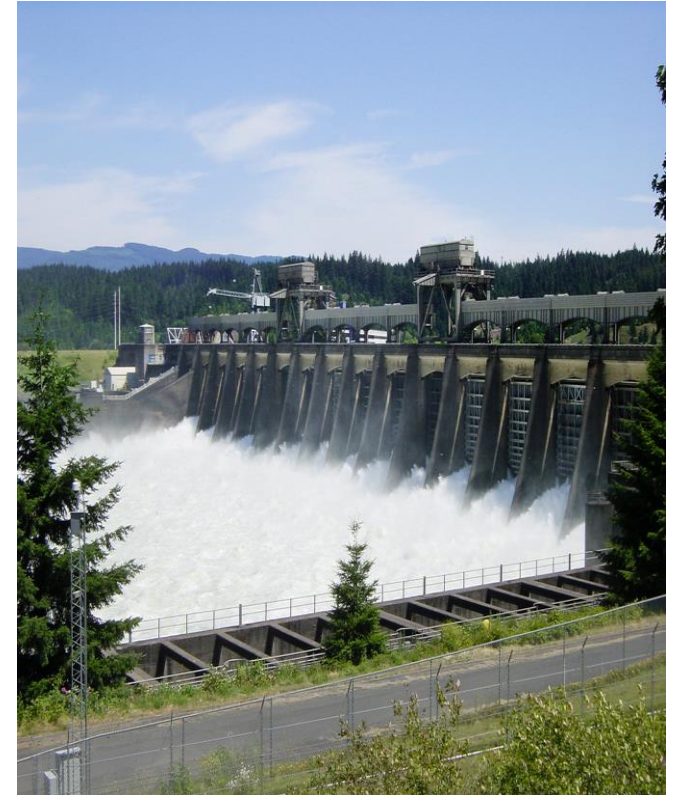


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The Ghana Investment Promotion Centre (GIPC) is a government agency established under the GIPC Act 2013 (**Act 865**) to promote, coordinate and facilitate investment in the Ghanaian economy.

Key functions include:

- Creation of enhanced transparent environment for investment in Ghana
- Registration of all investments with foreign participation including companies in the energy sector
- Harmonization in investment policy formulation through coordination of activities of all other institutions and agencies
- Provision of facilitation services to all investors through lifespan of investments

The Power sector (utilities)

- Heavily dominated by government owned public entities
- Increasing demand for power
 - Current status
 - Evident inefficiencies
 - Urgent capitalisation required
 - Deregulation ongoing
 - Strengthening of regulatory structures



GHANA ENERGY SECTOR cntd

The petroleum sector is dominated by foreign investors

- Strong regulation of sector
- Several pre-investment requirements
 - ❑ registration of energy companies with GIPC
 - ❑ satisfaction of minimum foreign equity requirements
 - ❑ limitation on duration of land ownership
 - ❑ obligatory joint ventures with indigenous companies
 - ❑ local content –goods, services & employment



GIPC & COOPERATION WITH REGULATORS

Close liaison with energy sector regulators towards:

- Reduction of bottlenecks and bureaucracy
- Provision of incentives and tax waivers
- Facilitating acquisition of permits and licenses
- Information on joint venture opportunities and local service providers



Key focus of GIPC to:

Increase foreign direct investment in the energy sector through measures including:

- i. Generous investment incentives
- ii. Tax waivers and exemptions
- iii. variety of investment guarantees
- iv. Execution of Bilateral Investment Treaties
- v. Execution of state contracts

GIPC balances investment facilitation in the energy sector whilst being cognisant of the necessity for:

- a) Promotion of value addition and job creation in energy sector**
- b) Development of local capacities through skills transfer and transfer of technology**
- c) Creation of supportive industries for economic development**
- d) Increase international competitiveness of domestic businesses**

CONCLUSION

Ghana: Moving Forward to:

- ✓ increase energy investments toward economic growth; and
- ✓ Sustain and promote domestic public policy, health, safety and local development



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