GENERATING INVESTMENT IN GHANA

EXPLORING OPPORTUNITIES FOR INVESTMENT FROM GULF COOPERATION COUNCIL COUNTRIES

AUTHOR

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About the Author

Susan Mensah is an international development consultant and experienced project manager. She is currently the Director of Operations & Programmes at the African Centre for Natural Resource Governance (ACNRG). ACNRG and its parent organisation, the Institute for Natural Resource Sustainability and Development (INRSD), is a do-think-tank on natural resources and sustainable development. INRSD/ACNRG combines research and policy dialogue with the strategic aim of supporting an inclusive, sustainable and a transformative approach to natural resources governance and development. The Institute is strategically aligned with global and continental frameworks such as the United Nations Agenda 2030, the UN Sustainable Development Goals (SDGs), the Paris Declaration on Climate Change, the African Union (AU) and the United Nations Economic Commission for Africa (UNECA) supported by the African Mining Vision (AMV) and Agenda 2063.

Susan has over 10 years of expertise specializing in the delivery of social change programmes across Africa working with policy makers, corporations, grassroots organisations and international NGOs such as Plan International, FORWARD, FAWE, Art Works For Change and the Olusegun Obasanjo Foundation implementing programmes in remote field sites and challenging environments e.g. Liberia, Jigawa State in Nigeria, Navrongo, Ghana and the Casamance in Senegal. She has provided technical gender mainstreaming and gender audit expertise for Plan International, provided consultancy support to the Olusegun Obasanjo Foundation to develop the Girl Child Initiative which led to the adoption of boarding schools for girls in Northern Nigeria and the delivery of Intel STEM education and Teacher Training Programmes. She led high level advocacy programmes to enhance dialogue and policy reforms for girls' education in Jigawa State, Nigeria and in Liberia and coordinated side events for youth empowerment and employment programme activities at the AU Summit in Addis Ababa involving 250 African youth and 20 African Heads of State. She also facilitated an adolescent girls' economic empowerment programme in Abidjan with the UNFPA, ILO and Ministry of Women and Children's Affairs, Cote d'Ivoire. In addition, she developed and implemented Health Awareness, Promotion and Treatment (APT) Campaigns with Terumo BCT, the Ghana National Blood Safety Programme and Ministry of Health in Ghana as well as health sensitisation programmes on Non Communicable Diseases (NCDs) with the Wife of the President of the Federal Republic of Nigeria. Between 2012 –2016 she was Executive Director of the African Business Centre for Developing Education (ABCDE) an NGO promoting mentorship, internship and entrepreneurship to accelerate youth employment in Ghana. She continues to serve as an Advisor at ABCDE.

Susan is also founder and Executive Director of SMART Global Initiatives which promotes quality education, health and environmental sustainability and uses creative tools such as art and photography to address gender based violence, social exclusion, injustice to impact the most vulnerable and marginalised communities in Africa. Susan holds a BA Hons.in Human Rights & Social Anthropology from the University of Roehampton, Surrey and an MA in Education, Gender & International Development from the Institute of Education (IOE) UK.

LIST OF ABBREVIATION

ACET	Africa Centre for Economic Transformation
ACNRG	African Centre for Natural Resource Governance
AGC	Ashanti Goldfields Company
AMV	African Mining Vision
AOS	Africa Oilfields Services
ASM	Artisanal Small-Scale Mining
CDB	China Development Bank
CEPA	Centre for Economic Policy Analysis
CMV	Country Mining Vision
CSO	Civil Society Organisations
ECOWAS	Economic Community of West African States
EITI	Extractives Industries Transparency Initiative
ERP	Economic Recovery Programme
EC	European Commission
EU	European Union
DIC	Divestiture Implementation Committee
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GEPA	Ghana Export Promotion Authority
GFZB	Ghana Free Zones Board
GHF	Ghana Heritage Fund
GIPC	Ghana Investment Promotions Centre
GNPC	Ghana National Petroleum Corporation
GSF	Ghana Stabilisation Fund
IDA	International Development Association
INRSD	Institute for Natural Resource Sustainability and Development
IMF	International Monetary Fund
LNG	Liquefied Natural Gas
MNCs	Multi-National Corporations
MVM	Minerals Value Management
NDC	National Democratic Congress
NGO	Non-Governmental Organisation
NPP	New Patriotic Party
NTE	Non Traditional Exports
ODA	Overseas Development Agency
PPP	Public Private Partnerships
PWYP	Publish What You Pay
R&D	Research & Development
SAPs	Structural Adjustment Programme
TNCs	Trans-National Corporations
TUC	Trade Union Congress
UNCTAD	United Nations Conference for Trade & Development
US	United States
WEF	World Economic Forum
WB	World Bank
WHO	World Health Organisation

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1. Introduction

The objective of this research paper is to explore Ghana's strategy in attracting Foreign Direct Investment (FDI), studying the trends and sectoral distribution of FDIs, the investment climate over the past few years, the key challenges in 'Doing Business in Ghana' whilst highlighting the policies, incentives as well as legal and regulatory frameworks which aim to attract FDIs– specifically from Gulf Cooperation Council (GCC) countries such as Qatar.

The opening Chapter sheds light on Ghana's experience in attracting FDI in natural resources over a period of approximately 30 years, from 1957 - when Ghana was deemed to be a model nation with vast potential for growth and development – the 'jewel in the crown' of the British Empire. Ghana has always been dominant in cocoa production, gold and timber but overly dependent on these traditional export commodities, causing its' economy to stagnate due to volatile commodity prices which, in part, led to Ghana falling into a deep recession between the 1970s and early 1980s. Politics has also played an important role in terms of Ghana's FDI potential. The Nkrumah and Rawlings Government's position on FDI largely hinged on their Marxist-Leninist ideologies and with foreign investment deemed to be a product of neo-colonialism and Western capitalist exploitation - FDI failed to flourish. Yet the need to attract FDIs intensified in 1983 in reaction to the global macro-economic debt crisis. This led to increased dependence on external loans from the World Bank and International Monetary Fund (IMF) and created more liberalised, pro-market reforms adopted by the National Democratic Congress (NDC) administration and later on by the New Patriotic Party (NPP) Government which came into power in January 2001. In his inaugural address, the new NPP leader – President John Agyekum Kufuor - declared that Ghana was open for business and welcomed in new foreign firms interested in investing in the country. Today, the incumbent NDC Mahama Government maintains Ghana's neoliberal economic agenda and has adopted pro-private sector policies towards attracting and encouraging even more FDI flows into the country.

Chapter 3 provides an analysis on Ghana's Non-Traditional Exports (NTEs) highlighting the opportunities and incentives in place to attract investment within agriculture and in non-traditional markets e.g. in horticulture. Chapter 4 focuses on Ghana's recent discovery of a major offshore oil field which has created a great deal of excitement and jubilation in terms of the potential economic benefits. However it has also caused some trepidation due to the phenomenon of the 'Dutch Disease' in terms of the potential slow-down in Ghana's economic development e.g. within the manufacturing and agricultural sectors as a consequence of Ghana's over reliance on oil and gas and other natural resources. The volatility of the global oil market and its inevitable impact on Ghana's economy could produce a domino effect in terms of creating high inflation, job losses and raised utility bills. Furthermore, in recent times, there has been a rise in civil unrest with Civil Society Organisations (CSOs) and think tanks demanding greater transparency and accountability from the Government on how oil and gas revenues are managed and calling for greater scrutiny on the impacts of the extractive industry on the environment and on the livelihoods of local communities. Chapter 5 addresses key challenges in doing business in Ghana e.g. the lack of infrastructure development in terms of water and energy and highlights ways the Government could create a more conducive environment to attract FDIs if these issues were addressed. Chapter 8 discusses various incentives provided by the Government outlining key policy recommendations which aim to attract investment from GCC countries such as Qatar particularly within the NTE sector to increase competition, promote industrialization to offset volatile global commodity prices.

2. Ghana's Experience in Attracting Foreign Direct Investment in Natural Resources

Among the most consistent instruments suggested for achieving the objective of more stable development, finance and structural adjustment within production, is quite a traditional one – 'Foreign Direct Investment ' (FDI) (Helleiner 1998 p.123). FDI can be defined as 'a transfer of technology and managerial skills from the source country to the recipient country, providing greater access to world markets for recipient countries' exports (Helleiner 1998). It can facilitate market penetration and expansion and produce benefits in terms of employment and income generation although socio-economic costs e.g. the high cost of production should also be taken into consideration[1].

Alternatively, it could be argued that FDI could cause underdevelopment and dependency in terms of the inequitable transfer and exchange of goods/commodities from the source country to the recipient country. According to early analysts of dependency theory, such as Johan Galtung, the theoretical definition of 'dependency' is 'the relationship between a Metropole/Centre and a Satellite/Periphery nation so: 1. there is harmony and interest between the centre and the Centre nation and the Centre in the periphery nation. There is more disharmony of interest within the Periphery nation than within the Centre nations. There is disharmony and interest between the periphery in the Centre nation and the periphery in the Periphery nation' (Galtung 1971). In a statement made by Galtung in 1971, he suggests that new forms of imperialism and exploitation persist in the form of dominant organisations e.g. Multi-National Corporations (MNCs) and Trans National Corporations (TNCs) with their vast influence over dependent States e.g. Ghana. Paul Baran and Andrew Frank (Noah & Eckstein 1998 p75-78) asserted that dependent states sought to imitate Western ideals - replicating elitist and privilege groups known as the 'Comparador Elites' and 'Lumpen Bourgeois' thus creating relationships focused on unequal power. Frank et al assert that to address the issue, Satellite States, such as Ghana, would need to 'de-link' themselves from global capitalist markets and develop their own terms for trade in order to prevent Metropole States draining their resources and perpetually fuelling the cycle of underdevelopment (Noah & Eckstein 1998 p75-78).

[1] Tsikata K G, Asante Y, Gyasi E M – Determinants of Foreign Direct Investment in Ghana – ODI/ University of Ghana

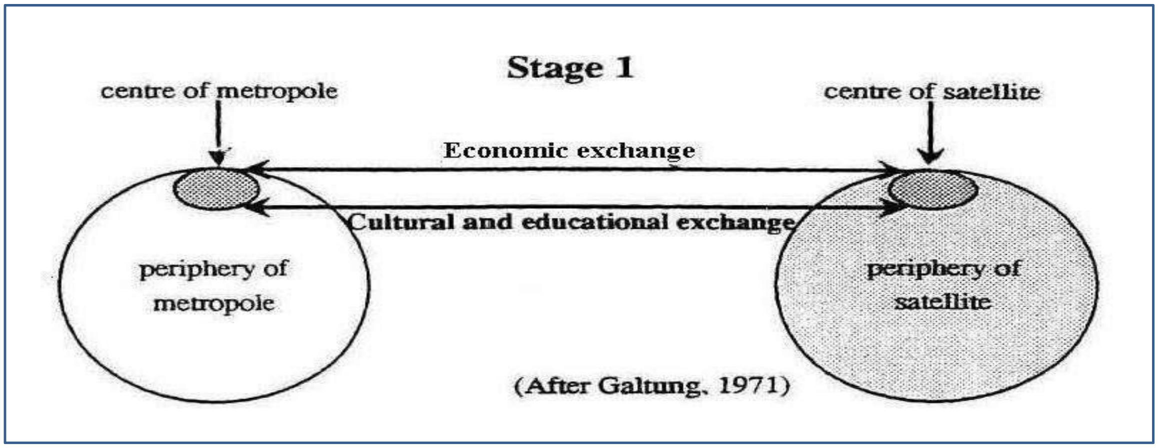

Figure. 1 – Centre/Metropole – Centre/Satellite [2]

Ghana's history of foreign trade with Europe goes back to the 15th Century with the Portuguese discovering the Gold Coast and trading extensively with the indigenous tribes e.g. through land rental in order to build trading forts.[3] At the time, the Gold Coast was one of Europe's most successful trading nations[4]. In particular, Britain was able to benefit significantly from its trade with Ghana thus enabling it to build its great empire[5]. However, despite this, little revenue from trade with the West was invested back into Ghana e.g. for infrastructure development. As such, areas not dependent on primary commodities such as gold, cocoa or timber remained underdeveloped.[6]

In 1957, Ghana became the first independent country in sub-Saharan Africa producing 10% of the world's gold, the main exporter of cocoa and with a profitable timber, mining and manufacturing sector[7]. Nevertheless, due to its 'dependence' on a few primary commodities, Ghana saw little success in terms of developing its local content and value addition e.g. within the mining sector and has therefore failed to increase the benefits from resource extraction beyond direct revenue e.g. royalties, taxes etc. (ACET 2014). Ghana's dominant exports – cocoa, gold and timber – have not helped to produce downstream value-added productivity (CEPA 2010). Yet, high interest rates have caused a downturn in the manufacturing sector which suggests that, to some extent, Ghana has had a taste of the Dutch Disease[8] with the key affected sectors being the manufacturing and

[2] Noah & Eckstein 1998 p75-78
[3] http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8125.pdf
[4] ibid
[5] ibid
[6] ibid
[7] ibid
[8] 'Dutch Disease' Paradox of Plenty' or the 'Resource Curse' occurs when a country sees a boom in natural resources which leads to the decline in performance and shrinkage of non-resource tradable sectors of the economy

agricultural sectors[9]. Studies reveal that increasing local content and value addition creates backward linkages (input from the local economy, local job creation) and forward linkages (processing sector output before exporting through setting up refineries, processing plants, petrochemical industries etc.) and also lateral linkages (transportation, communications and financial services) (ACET 2014). As a result of Ghana's overreliance on duties levied on external trade for revenue and the country's failure to diversify its economy, Ghana sunk into a deep recession between1970-1982 (Hodge 1964 p113-128). At the time, FDI inflows to Ghana were in import substitution manufacturing with annual inflows around $68 million but this slipped to negative numbers in the later 1970s, reaching a low of under $5 million in the mid-1980s (UNCTAD 2003). Ghana's economic decline was also fuelled by the non-payment of debt to private investors and bilateral and multilateral agencies. This was referred to colloquially as 'Yentua' (We Shall Not Pay). Subsequently, the country witnessed high and uncontrollable structural inflation as a result of the failure of the colonial development strategy which saw foreign reserves run low with export earnings failing to finance the country's industrialisation efforts (Anaman 2009).

Other issues which also played a critical role in the recession included political instability brought on by successive coup d'etats and rebellions. Furthermore, other contributing factors included the quadrupling of the world markets oil prices between 1973 to early 1980; geopolitical tension within the Arab region; the expulsion of thousands of Ghanaians from Nigeria by the Obasanjo Federal Government between 1982-1985; and the excessive printing of money by Ghana's military government in the mid-1970s due to continued wage demands (Anaman 2009).

The turnaround for Ghana came with the establishment of the Economic Recovery Programme (ERP) in 1983 and from 1984 onwards Ghana began to witness growth in the economy of around 5% per annum[10]. By the mid-1980s, the economy was deemed to be stable. There was an increase in FDI flows when the Investment Code was established in 1985 to attract investment into natural resources – which subsequently caused a 'mini gold-rush' (UNCTAD 2003). The Divestiture Implementation Committee (DIC) – a Government institution overseeing the privatisation of enterprises - also played an important role in increasing FDI flows. For example, the Structural Adjustment Programme (SAP) loan to the Ashanti Goldfields Company (AGC), helped to breathe new life into the mining industry and opened up opportunities for FDI flows (Tsikata 1995b).

This was a turning point for Ghana as it put its most lucrative asset, AGC on the market. This saw a rise in FDI flows of $233 million as a result of the sale of AGC to South African mining company Lonmin – which was one of Africa's largest privatization deals to date and an agreement which highlighted Ghana as an investment destination (GIPC 2000). Yet again, after 1996, FDI inflows declined due to adverse economic conditions which saw a fall in prices of Ghana's major exports – cocoa and gold and the rise in the import of oil which resulted in trade imbalances, the depreciation of the Ghanaian currency – the Cedi and high interest rates (UNCTAD 2003).

[9] www.cepa.org/publications/IssuesPaper2014.pdf
[10] ibid

Ghana Rising

Despite its earlier Marxist-Socialist beginnings, in recent times Ghana has adopted a more neo-liberal economic policy agenda that promotes competition and free and open capitalist market systems (Dollar and Kraay 2000). Today, Ghana's economy is rising and its increasing growth is no more apparent than in its major cities of Accra and Kumasi, where investors are beginning to witness major successes in terms of working with local businesses[11].

Foreign investment in Ghana is largely concentrated in Accra - Ghana's capital city - and Tema its industrial city with its harbour and with relatively developed infrastructure. Kumasi is also attractive for investors but lags behind Accra in FDI. Yet, MNCs such as Coca Cola, Guinness and Maersk are based there due to its skilled labour. Furthermore, land prices in Kumasi are at least 15-50% lower than in Accra with significant agricultural investment prospects in cocoa, palm oil, timber and minerals (KPMG 2008). However, with the discovery of oil and gas in the Western Region, this will change with Sekondi/Takoradi and Accra being most likely to benefit from oil and gas investments. As a direct result, local industries may see a boost from oil investments e.g. in construction, transportation, hospitality, food and beverages as they will be able to provide complimentary services to various industries thereby reviving some of Ghana's dormant sectors (Kwasi et al 2010).

SECTORS									
Region	**Total**	**%of Total**	**Agric**	**Manuf**	**Building & Const**	**Tourism**	**Service**	**Export Trade**	**General Trade**
Greater Accra	1217	78.8	54	354	99	128	383	75	124
Ashanti	108	69.9	5	34	8	14	31	10	6
Western	68	4.4	5	18	4	12	19	6	4
Central	53	3.4	15	9	3	17	7	2	0
Eastern	45	2.9	26	6	3	5	3	2	0
Volta	25	1.6	16	4	1	2	1	0	1
Northern	16	1.0	6	0	0	5	3	1	1
Brong Ahafo	8	0.5	1	4	1	0	1	1	0
Upper East	4	0.3	0	0	1	1	1	1	0
Upper West	1	0.1	0	0	1	0	0	0	0
TOTAL	1.545	100.0	128	429	121	184	449	98	136

Table 1 - Regional distribution of projects by sector in Ghana
Source: Abdulai. I (2005) - Sectorial Analysis of FDI in Ghana – Bank of Ghana Working Paper p.10

In 2011, the World Bank reclassified Ghana as a middle income country. One of the objectives of Ghana's Vision 2020 plan was 'to transform Ghana from a low income to a middle income country within one generation' (GoG 1995). This was achieved in November 2010 almost a decade earlier than anticipated[12].

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[11] tp://www.nasdaq.com/article/deeper-into-west-africa-investing-in-ghana-cm368361#ixzz3qjnuccn0
[12] Ghana's GDP per capita at that time was officially assessed to be $800 but was later corrected and set at $1,363 which then elevated Ghana into the category of a middle income country overnight. The error was due to under counting and a weakness in the economic statistics (Jerven, 2010)

Ghana was ranked sixth amongst African countries in the Doing Business Report -2014[13] due to its lucrative natural resources, stable democratic political system and its potentially dynamic and vibrant economy.[14] Ghana is a member of the Economic Community of West African States (ECOWAS) which was formed in 1975. ECOWAS is a regional economic organization with a market of 250 million people in West Africa which allows for the free movement of goods and people across the borders of 16 member nations. ECOWAS protocol on trade, since its inception, has greatly enhanced intra-regional trade as well as Ghana's status as an economic force in the sub-region[15]. In 2014, there was a global decline in the price of gold e.g. annual average of USD $1,410 per ounce in 2013 to USD $1,289 in 2014, which led to an overall decline in gold exports by 26%. As a result, Ghana's main gold mine, Ashanti Gold at Obuasi – saw its production go down due to a slump in global prices of gold and the persistent energy crisis in Ghana. Meanwhile, the agricultural sector grew to 5.2% due to growth in forestry, fishing, livestock and crops (Okudzeto et al 2015).

Yet, as a result of its new economic status, Ghana would no longer be eligible for concessional finance from donor organisations such as the World Bank which had been one of its most significant creditors for over 3 decades providing Ghana with, on average, annual inflows of aid of around US $250 million per year from the International Development Association (IDA) and around USD $150 million from Overseas Development Agency (ODA).

With donor funds lower than in earlier years due to economic constraints brought on by the global economic crisis and with the country having to accelerate repayments of existing debts to its donors, Ghana found itself at a crisis point and sought support through the International Monetary Fund (IMF) (Jerven 2010). The IMF classified Ghana as 'high risk of debt distress' acknowledging that it relied too heavily on agriculture and natural resources which caused it to be vulnerable to terms of trade shocks[16]. The IMF suggested that Ghana's economic crisis came about due to its inability to raise enough revenue to meet fiscal targets which had occurred due to the over-ambitious expenditure and over-estimation on oil revenue and the fact that oil revenues have so far been unable to solve the problem[17].

In April 2015, and under the Extended Credit Facility, the IMF approved Ghana's application for a final bail-out to help salvage the economy and around $918 million was agreed to be paid over a 3 year period with $300 million being paid annually. The loan was specifically granted to target the country's 'twin deficits' in terms of its fiscal imbalances within its current account. The deficits came about as a result of Ghana's huge wages bill and its' over-reliance and dependency on primary commodities such as cocoa, oil and gold and the resultant falling global commodities prices. The IMF programme's objective was to help 'stop the bleeding' and to put in place strategies to transform the fiscal conditions so as to address its wage bill and encourage fiscal

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[13] Goodman AMC http://goodmanamc.blogspot.co.uk/2015/05/doing-business-in-ghana-goodman-amc-2015.html
[14] http://www.gipcghana.com/invest-in-ghana/why-ghana.html
[15] ibid
[16] ibid
[17] www.brookings.edu/blogs/africa-in-focus/posts/204/08/15-ghana-imf-deficit-sy

discipline. In an attempt to comply with IMF recommendations, the Ghana Government has urged stakeholders to be actively involved in implementing measures to address fiscal shortfalls. However, in July 2015, Ghana witnessed ' Red Friday' with unprecedented protests on the streets of Accra due to worsening economic conditions with power shortages and utility hikes which saw teachers, doctors and nurses go on strike due to unpaid wages[18].

Ghana's strategies for attracting FDI

The desire to attract FDI into the Ghanaian economy was one of the key objectives of Ghana's Economic Recovery Programme (ERP) which began in 1983 under the direction of the World Bank and the IMF and was implemented during the NDC administration, and followed on by the Kufuor Government in January 2001[19]. During his inaugural address the President stated that Ghana was ready and open for foreign investment. Since that time, the Government has demonstrated their willingness to invite foreign investors into Ghana by sending various delegations on missions abroad e.g. to India, Brazil, Qatar and UK as well as hosting international events specifically focused on attracting FDI e.g. the 5th African-American Summit and the 3rd Pan African Investment Summit held in May and September 1999[20]. These high level events aimed to encourage the emergence of MNCs, medium and small-sized foreign companies as well as Ghanaian nationals residing overseas to establish their business interests in Ghana[21]. The Government of Ghana has put in place several key strategies to ensure an increase in FDI flows. For example, through the DIC, the Government embarked on a privatisation programme in the early 1990s which resulted in the sale of more than two-thirds of around 300 state-owned enterprises, most of which were acquired by foreign firms[22].

Ghana's Investment Policies

New investment laws tailored specifically towards encouraging investment have been developed, such as the replacement of the 1985 Investment Code[23] with the new Ghana Investment Promotion Centre (GIPC) Act 1994 (Act 478) which governs all investment in all sectors excluding minerals, oil and gas and the free zones. The GIPC law also covers and regulates the banking sector, non-banking sectors, financial institutions, insurance, fishing, securities, and real estate development[24]. The Act aims to assist foreign investors to establish and run enterprises in potentially lucrative areas such as natural gas; hydropower projects; fruit and vegetable farming; food processing, including fish canning; production of agro-chemicals; pharmaceuticals; and information technology.

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[18] ibid
[19] www.bog.gov.gh/privatecontent/Publications/Staff_Working_Papers/2005/wp-15.pdf
[20] ibid
[21] ibid
[22] ibid
[23] ibid
[24] ibid

The only precondition to investment in Ghana is financial – foreign investors are required to provide a minimum amount of capital, such as US$10,000 for joint ventures with a Ghanaian or US$50,000 for businesses which are wholly-owned by non-Ghanaian investors[25]. Within the Mining Sector, the Minerals and Mining Law 1986 (PNDCL, 153) amended by the Minerals and Mining Act 1994 (Act 475) regulates investment in mining with the exception of small-scale mining which is reserved for Ghanaians only[26]. The Petroleum Exploration and Production Law 1984 (PNDCL 84) known as the Petroleum Law regulates exploration and production of Ghana's oil and gas sector[27]. The Government also created the Free Zones Scheme in a bid to attract FDI into the manufacture of goods for exports and to encourage Ghana's exporting potential. The Free Zones Act was enacted in 1995 and various incentives were established, such as investors are entitled to a 10 year corporate tax holiday, investors are exempt from income or profit tax for up to 10 years and foreign investors have the freedom to hold a 100% share in any free zone enterprise[28].

Public Private Partnerships & FDIs

The Government has encouraged privatization to open up several sectors for new business partnerships and investment, specifically within the banking and the state petroleum and telecommunications sectors. In addition, efforts have been made to promote Public Private Partnerships (PPPs) in order to deliver infrastructural development. The Government aims to achieve this by leveraging public assets and funds with private sector resources from local and international markets, creating an enabling environment for PPPs, increasing public infrastructure services and making them more efficient, as well as establishing a framework in which there is are efficient risk sharing mechanisms.[29]For example, all foreign initiatives are guaranteed a turnaround of no more than 3 months upon issuance. The Ghana Stock Exchange (established in the fourth quarter of 1990), saw the development of a capital market with shares quoted constituting the most profitable sectors, e.g. oil, mining, tobacco, plastics. Furthermore, the Government has also attracted FDI through bank deregulation.[30]

The GIPC Act 1994 (478) provides a list of various investment opportunities, incentives and guarantees to encourage further FDIs into the country. These include ensuring customs duty exemptions for plant, machinery, equipment and parts; location incentives of between 25% - 50%; tax rebates for manufacturing companies; tax holidays ranging from five to ten years depending on sectors; other attractive tax concessions such as accelerated depreciation for plants and buildings, five-year loss carry-over and R&D expenditure deductibility; full repatriation of dividends and net profit attributed to investment and free transferability of profits and dividends.[31]

[25] ibid
[26] ibid
[27] ibid
[28] ibid
[29] https:/p-[/en.santandertrade.com/establish-overseas/ghana/investing-3
[30] ibid
[31] Presentation on investment opportunities in Ghana & doing business in Ghana – www.gipcghana.com

The key Governmental agency tasked with attracting FDIs is GIPC. According to the CEO of GIPC, Mrs Mawuena Trebarh, the first half of 2015 recorded extremely good levels of foreign direct investments (FDI) although the period saw a decline in the number of investments. The report revealed that the total estimated cost of registered projects by the Centre for the first half of the year amounted to US$1.47 billion, an increase of over 200% compared to the amount recorded for the previous year in 2014[32]. For example, out of 30 projects registered during that period, 14 (46.67%) were foreign companies which were estimated to be valued at US$228.03 million – around 72.23% of the total estimated value of all the projects which were registered during that period. The remaining 16 (53.33%) projects which were registered during the first half of 2015 were joint ventures between foreigners and Ghanaians – valued at US$87.66 (27.77%)[33].

Sectoral Composition of New Projects	**Newly Registered Projects**	**Est. Value of Projects (US$ M)**	**% of Estimated Value**
Agriculture	0	0	-
Building/Construction	5	15.44	4.89
Export Trade	0	0	-
General Trading	3	75.90	24.04
Liaison	4	0.37	0.12
Manufacturing	7	6.64	2.10
Services*	11	217.34	68.85
Tourism	0	0	-
Total	30	315.68	100.00
*Includes areas such as Mining & Oil & Gas services, ICT & Financial services			

Table 2 - GIPC – List of investments – 2nd Quarter 2015[34]

Yet despite Government's efforts in establishing favourable laws, policies and incentives and a conducive environment for foreign investors, uncertainties in global commodities markets such as the crisis which brought about the financial crash in 2009 can have severe repercussions on developing countries such as Ghana and affect FDI (Anaman 2009).

Due to the 2009 global economic crisis, the demand for Ghana's traditional export commodities such as cocoa, gold and timber fell with lower levels of global market prices of those commodities and there were high trade deficits due to the fall of international oil prices (Anaman 2009).

Ghana is highly prone to be affected by the volatility and fluctuation in the global market due to the fact that its exports of gold, cocoa and timber account for around 70% of its total export

[32] GIPC Quarterly Report (2015) – Vol 11 Issue 2 2015 P.1 & 2 http://www.gipcghana.com/phocadownload/reports/quarterly/2015/q2%202015%20gipc%20quarterly%20investment%20report.

[33] ibid

[34] GIPC Quarterly Report (2015) – Vol 11 Issue 2 2015 P.1 & 2 http://www.gipcghana.com/phocadownload/reports/quarterly/2015/q2%202015%20gipc%20quarterly%20investment%20report.

earnings, and NTEs such as semi processed goods, agricultural products, handicrafts account for around 30% of total export earnings. Typically the EU imports around 40% of Ghana's exports and the US around 10%. As a direct consequence, the recession in 2009 meant that demand by the EU and US for Ghanaian exports was hugely affected (Anaman 2009). In the light of the fluctuations and volatility of the global markets and Ghana's dependency on commodities such as cocoa, gold and timber, the Government has begun to encourage the development of the NTE sector over the past decade in order to diversify the country's export base away from over reliance on traditional exports.

3. Non-Traditional Exports (NTEs)

Ghana is a country which is richly endowed with human and natural resources including mineral wealth, extensive forests resources, and a sizeable supply of viable land suitable for crop and livestock production, marine and freshwater fish stock and a good potential for hydro-electricity generation[35]. Agriculture remains a key sector of the economy with cocoa as one of the country's largest exports, with Non-Traditional Exports (NTE) such as wood products, textiles, jewellery, pineapples, tuna fish and cotton rapidly diversifying Ghana's agricultural export profile.[36]

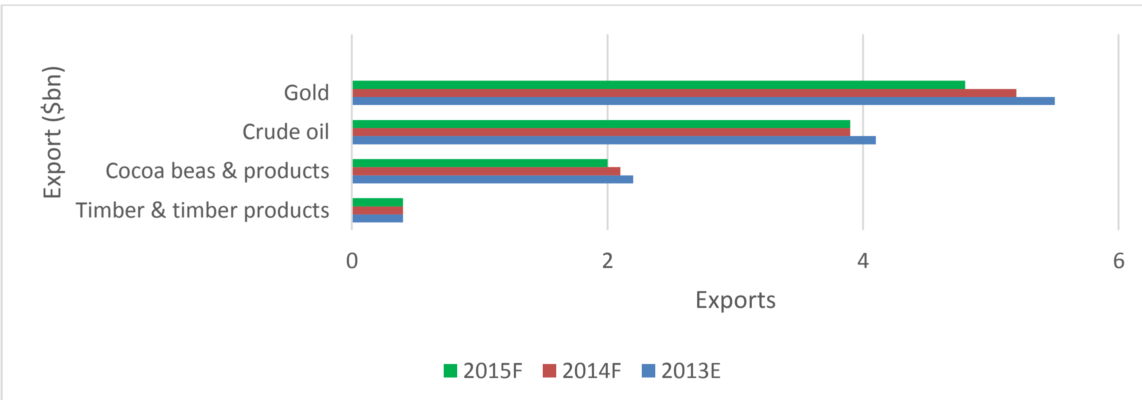
The Government of Ghana has encouraged the development of non-traditional industries over the past decade in order to diversify the country's export base[37]. The Ghana Export Promotion Authority (GEPA) was established in 1969 to develop and promote Ghanaian exports and is the key organisation mandated to promote and facilitate Ghana's trade in NTEs. The Authority is tasked to diversify Ghana's exports in terms of non-traditional Exports (NTEs) away from traditional export products such as gold, cocoa, timber etc. Ghana has around 500 NTE products which can be categorised into Agricultural, Processed, Semi-Processed and Handicrafts. Ghana's NTEs consist of: 1. Agricultural Products (horticultural products, fresh fruit e.g. pineapples, mangoes, medicinal herbs, seeds and plants, tropical flowers and vegetables e.g. okra, marrow etc. 2. Manufactured Products (processed foods e.g. canned tuna, cocoa, and shea butter) 3. Manufactured Products (pharmaceuticals, electric cables, aluminium products).

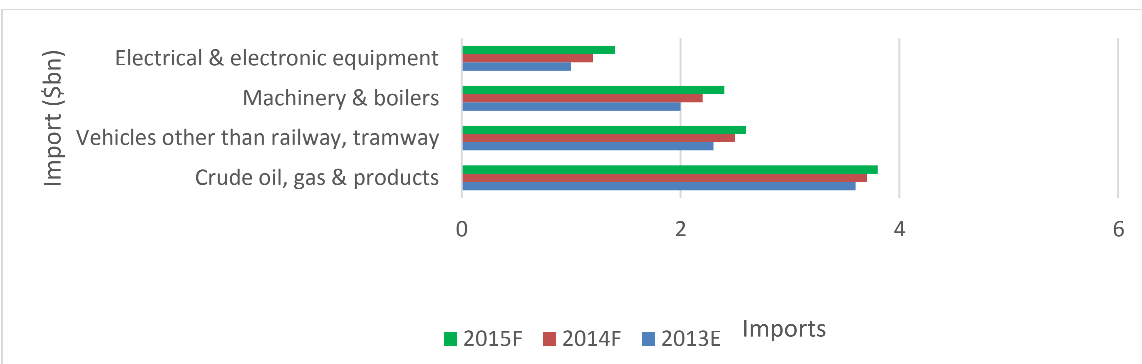
[35] http://www.ghanaembassy.org/index.php?page=REGIONAL-PROFILE
[36] http://www.ghanaembassy.org/index.php?page=REGIONAL-PROFILE
[37] http://www.gipcghana.com/invest-in-ghana/sectors/horticulture/investing-in-this-sector.html

Ghana's Main export and Import Partners

Traditionally, Ghana's main export partners have been the EU (which commands the bulk of Ghana's exports) and the USA, which constitute 35.39% of total Ghanaian exports, ECOWAS and other African countries which comprise 38.29% of total exports and other major export partners which include the UK, France, the Netherlands, Germany, Japan, Spain and Togo, Nigeria and China. In total, NTEs amount to around US$2.436 billion (3.05% increase over 2012).

The NTE sector has grown steadily at an annual rate of approximately 16.4% from 2001 to 2008 with the highest rate in 2007 of approximately 30.4%[38]. After 2008, the percentage contribution of NTEs towards exports in 2009, 2010, 2011, 2012 and 2013 were approximately 29.11%, 27.98%, 18.95%, 17.46% and 17.20% respectively. There was a drop in NTE contributions to the world export markets due to huge increase in exports such as gold, oil and cocoa[39].





[38] ibid
[39] ibid

Main Imports: % share of total	2013E	2014E	2015F
Crude oil, gas & products	19.03	17.99	17.01
Vehicles other than railway, tramway	12.99	13.41	13.57
Machinery & boilers	11.62	11.89	12.03
Electrical & electronic equipment	6.77	6.86	7.01
Main Exports: % share of total	**2013E**	**2014F**	**2015F**
Gold	35.95	35.59	34.80
Crude oil	28.61	27.25	27.92
Cocoa beans & products	15.88	16.03	15.68
Timber & timber products	1.22	1.20	1.17

Table 3 - Ghana's Main Exports & Imports [40]

Horticulture has been one of Ghana's key areas of focus.[41] Horticultural products include: vegetable crop production, fruit crop production, landscape horticulture, floriculture and nursery stock production[42]. The major crops include pineapple, mango, papaya, banana, citrus, chili pepper, tomatoes, plantain, etc.[43] The horticultural sector is increasing in terms of its diversification over the years from US$19.8m in 1998 to US$56m in 2013[44]. In 2004, Ghana was the third largest exporter of pineapples to the EU, commanding 10% of that market. To encourage investment, the Government has provided incentives such as zero rates for agro inputs, plant and machinery, 8% tax on income from export of non-traditional agro-products, tax holidays, and incentives for agro-processing companies which utilise local agricultural raw materials[45].

Opportunities for Foreign Investment in NTEs

As Ghana actively cultivates FDI to counter the trend of decreasing international aid, and in a bid to diversify the economy, opportunities may now exist in the NTE sector to encourage foreign investment from GCC[46] countries such as Qatar. This would enable greater diversification away from oil and gas which has been GCC main source of export and fiscal revenue. In so doing, it would reduce exposure to the volatility and uncertainty of the global oil market and establish the non-oil economy required in the future once the oil revenues are depleted[47]. For instance, Qatar's agricultural production is largely constrained due to scarcity of water resources as a result of the

[40] KPMG Monitoring African Sovereign Risk – 2014 Quarterly Report https://www.kpmg.com/Africa/en/KPMG-in-Africa/Documents/2014%20Q1%20snapshots/KPMG_Ghana%202014Q1.pdf
[41] http://www.gipcghana.com/invest-in-ghana/sectors/horticulture/investing-in-this-sector.html
[42] http://www.gipcghana.com/invest-in-ghana/sectors/horticulture/investing-in-this-sector.html
[43] ibid
[44] ibid
[45] ibid
[46] www.worldbank.org/en/country/gcc (Gulf Cooperation Council (GCC) – political and economic alliance of 6 Middle Eastern countries – Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman.
[47] www.imf.org/external/pubs/ft/sdn/2014/sdn1412.pdf

country's harsh climate, infertile soil and inadequate water management[48]. As such, a country like Qatar depends on imports amounting to 90% to adequately address the nations' consumption needs[49].

As Ghana attempts to attract investment from GCC countries, various events such as conventions and conferences have created good platforms to bridge the gap between the opportunities in Africa and potential FDI from GCC countries. These include the Dubai International Convention Centre where both public and private Ghanaian institutions have visited to promote the country and provide a better understanding of the Ghanaian context for potential investors from the Middle East[50]. In a recent interview with The Business Year Magazine in Dubai, Ghana's Minister of Trade & Industry Dr. Ekwow Spio-Garbrah recently spoke in an interview regarding the approach Ghana is taking to increase investment flow between Ghana and the Middle East. The Minister spoke about various opportunities, such as the Dubai Chamber of Commerce's decision to make Ghana the location to establish an office and Dubai private sector developers who are negotiating billion dollar investments to develop conference centres, hotels and other infrastructures dedicated to tourism in Accra[51]. Similarly, the Minister spoke about the role Ghana can play in ensuring food security in the Middle East.

He suggested that there are a lot of investment opportunities which would improve Ghana's agricultural sector and production processes. He went on to suggest that there is huge potential for GCC countries and UAE to collaborate in terms of trade in the agricultural sector as well as in the light manufacturing and assembly industry[52]. In another meeting with the Minister which took place in Accra in September 2015, he specifically discussed the issue of NTEs, stating that opportunities exist for Qatar to diversify its economy through investment within Ghana's horticultural and agro-food processing sector. This included investing in manufacturing industries to add value to local agricultural products such as cocoa, cashew and tropical fruits such as pineapples, mangos and papaya.

The Minister further emphasized Ghana's desire to shift from raw exports to processed exports which would encourage downward and forward linkages in terms of local content, value addition and job creation towards increased economic growth[53]. Qatar has begun to invest heavily in Africa, particularly in East Africa, due to historical links and geographic proximity with the nations. For example, purchasing land in Sudan through the agricultural arm of its sovereign wealth fund, Hassad Food to address its food security issues[54]. Ghana has recently offered tax free incentives to Qatar with opportunities to lease land to support small-scale farmers in the North of Ghana and

[48] www.futuredirections.org.au/publication/food-and-water-security-in-qatar-part-1-food-production/
[49] ibid
[50] www.thebusinessyear.com/dubai-2016/understanding-each-other/vip-interview
[51] ibid
[52] ibid
[53] Interview at Ministry of Trade & Industry in September 2015 (with H Besada / S Mensah)
[54] www.futuredirections.org.au/publication/food-and-water-security-in-qatar-part-1-food-production/

share part of the produced crops with the domestic market (Oxford Business Group 2014). Yet although the incentives are laudable, the issue of regulation has to be considered.

According to a report in Le Monde Diplomatique “FDI in agriculture is the boardroom euphemism for the new ‘land grab’ and those promoting the grab spin it as a win-win situation”[55]. Land grabs[56] by Governments, Sovereign Wealth Funds and corporations, have been deemed by land rights activists as a form of ‘neo-colonialism’ which leaves large areas of Africa in the hands of foreign States and investors whilst displacing local populations and destroying livelihoods.[57] They suggest that victims of land grabbing tend to be small-scale female subsistence farmers who are often forced out of their farms to make way for foreign investors.[58] In addition, land deals often lack transparency and are shrouded in secrecy with communities excluded from consultations and the resources to negotiate fair terms.

Recent Qatari interests in Kenya’s agriculture sector suggest that there is a lack of regulatory frameworks for foreign land deals as well as policy guidelines on the adequate management of leases to foreign investors[59]. In 2010, up to 123.5 million acres of land in Africa were leased by foreign Governments and wealthy investors[60]. Studies also suggest that up to 90% of land in sub-Saharan Africa is un-registered[61].

In September 2015, several land rights and extractives industry activists from Tanzania, presented a Joint Declaration to the Human Rights Council to highlight their Governments’ failure to take action in addressing land conflicts between small scale farmers and investors resulting in forceful evictions and improper administration of land[62]. They cited lack of transparency, inadequate and unfair compensation and the failure of the Government to put in place proper mechanisms to resolve land conflicts and recommended appropriate remedies to enable large scale foreign investments to co-exist with small scale farmers so as to create an equitable balance between the interests of the people and that of investors[63]. As such, foreign investors would need to address risks to land ownership and regulation to ensure open and participatory processes at all levels in order to avoid placing local residents at risk of displacement for new investment projects[64].

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[55] www.greenprophet.com/2012/06/africa-land-grab-middle-east/
[56] www.spireorg.no/files/spire/documents/Land_investment_or_land_grab08112010.pdf
[57] www.upi.com/Business_News/Energy-Industry/2012/01/18/Ethiopia-Thousands-driven-out-in-land-grab/60071326912191/
[58] www.zukunftsstiftung-entwicklung.de/media/Bilder_ZSE/UEber_Uns_Dateien/Grundlagentexte/Land_grab_article.pdf
[59] www.oxfordbusinnessgroup.com/analysis/qatar-among-gcc-countries-investing-africa
[60] www.jurisafrica.org/docs/land/tenure/land-grabs-africa
[61] ibid
[62] www.landportal.info/news/2016/08/tanzania-defence-rights-poor-land-extractives-resources
[63] www.ipsnews.net/2012/12/curbing-tanzanias-land-grabbing-race/
[64] ibid

4. Opportunities for Investment in the Extractives Sector for Qatari Investors

In December 2014, during a 3 day State visit to Qatar, Ghana's President, John Dramani Mahama, held bilateral talks with His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar, to discuss investment opportunities in Ghana and to strengthen ties between both countries. During the State visit, the President of Ghana specifically expressed an interest in Qatar in terms of its Liquefied Natural Gas (LNG) investments and in power generation to develop the integrated bauxite and aluminium industry in Ghana.[65] A subsequent visit to Qatar by Ghanaian business companies in April 2015, took place to explore mutual opportunities for business. The trip included 25 Ghanaian companies under the auspices of the World Trade Centre, Accra, GIPC and the Middle East Bureau of the Foreign Affairs and Regional Integration Ministry of Ghana. The companies included: Best Charcoal Africa Limited, Akyianu and Associates, Ntrakwa and Associates, Cardinal Law, Commet Ghana Limited, Strategic Africa Initiative, Equity Health Care, Techiman Football Club, Great Argon Group, Toprope Ghana Limited and Helisel Aviation[66]. Qatar's success in exploiting its vast natural gas resources to generate economic development is unparalleled. Qatar became the world's largest LNG producer in 2006 with the third largest proven supply of natural gas in the world, and by 2010 Qatar had produced one third of the world supply of the LNG with earnings amounting to approximately US$28.8 billion, nearly double its revenue from oil exports (Canty 2011). This has occurred as a result of the Qatari gas industry being fortunate with regard to timing as the country sought to profit from a diminishing global oil supply and the consequential shift to find alternative fuels (Gonzalez et al. 2008). Through Qatar's National Vision 2030, the Qatari Government has developed a national strategy to develop a "competitive and diversified economy" and to advance and encourage increased investment and trade linkages into Africa and elsewhere. Africa is particularly attractive to Qatar as much of its natural resources have yet to be developed and are largely untapped[67].

As such, this creates a window of opportunity for Qatar to invest in the extractives sector in Ghana's extractives industry e.g. by providing technical knowhow, innovation and expertise to Ghana through Qatar Petroleum, which could be transferable to Ghana[68]. Recent challenges currently encountered by AngloGold Ashanti – a South African owned organisation which has given the Government of Ghana a 60% concession of the Obuasi land – could provide a real investment opportunity for Qatar[69]. Qatar could provide investment to develop the land which excludes the current Obuasi mine that lies on the remaining area retained by Anglo-Gold[70]. Obuasi has been largely inoperable since 2014 and was closed in 2016 as there is a great need for capital to restructure and develop the mine. As such, the Government of Ghana is currently exploring

[65] www.brooksmoney.com/pages/read_news/1/6/mahama-and-amir-of-Qatar-discuss-key-investments
[66] www.ghanaculturepolitics.com/ghanaian-companies-embark-on-trade-mission-to-qatar/
[67] Governance of Natural Resources in Africa – Advancing a Qatari Perspective and Economic Diversification – NPRP 6 1272 5 160
[68] http://blogs.ft.com/beyond-brics/2012/09/27/south-sudan-investors-undeterred/#axzz2HAgQZI4D
[69]www.ghanatrade.gov.gh/Latest-News/troubled-anglogold-to-sell-obuasi-mine.html
[70] www.anglogoldashanti.com/en/About-Us/Regionsandoperations/Ghana/Pages/default.aspx

opportunities for investment from various foreign investors such as Barrick Resources in Canada and BHP Billiton in Australia[71].

Block name	**Contractor parties**	**Agreement date (effective date)**	**Size of acreage sq.km approx.**
Deepwater Tano	GNPC: Tullow: Kosmos. Anadarko and PetroSA	19-Jul-06	451
West Cape Three Points	GNPC: Kosmos: Anadarko. Tulow: PetroSA	22-Jul-04	414
Deepwater Tano-Cape Three Points	GNPC: Hess	19-Jul-06	2.009
Offshore Cape Three Points	GNPC: ENI: Vitol	15-Mar-06	694
Deepwater Cape Three Points	GNPC: Lukoil: Vanco	3-Jun-09	5.170
Offshore Saltpond	GNPC: Oranto: Stone Energy	3-Jul-08	1.500
Offshore Accra	GNPC: Ophir: Tap Oil: Azonto Petroleum: Vitol: Afex	24-Mar-10	2.000
Offshore Keta	GNPC: ENI. Mitsui. Afren:	19-Feb-10	4.450
East Cape Three Points	GNPC: Cola Natural Resources, Medea	4-Dec-13	1.560
South Deepwater Tano	GNPC: AGM. GNPC ExploreCo	4-Dec-13	3.482
Expanded Shallow water Tano	GNPC: Camac Energy: Base Energy: GNPC ExploreCo	27-Mar-14	1.508
Central Tano	GNPC: Amni Development Ghana Ltd	27-Mar-14	279

Table 4 - Leading contractors and interests in the upstream oil sector [72]

In comparison to Qatar, Ghana is a newcomer in the oil and gas sector. Ghana discovered oil in 2007 and pumped its first commercial oil in December 2010, after the discovery of the offshore Jubilee Field three years ago - an event that boosted Ghana's gross domestic product growth to around 14 percent the following year. According to Government predictions, an estimated 1 billion barrels of oil and 800 billion cubic feet of natural gas is expected to be sold over the next quarter of a century.[73] With oil discovery and exploration in Ghana, FDI is expected to rise. For example, two multinational US oil field service providers, Africa Oilfields Services (AOS) and Orwell International (oil and gas) Ltd, have invested an estimated US$5million worth of equipment in Ghana and intend to grow their investment over time to around US$15 million (Kwasi et al 2010).
As a result of investment in the oil industry, various sectors are expected to see benefits. These include the banking sector, due to the huge amounts of financial capital transfers into the country. Along with capital investments, the insurance companies seek to benefit as they will play an

[71] www.ghanatrade.gov.gh/Latest-News/troubled-anglogold-to-sell-obuasi-mine.html
[72] Ghana National Petroleum Corporation
[73] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015

important role in providing cover for the oil companies to protect them from the risks associated with exploration within the industry (Kwasi et al 2010). However, it is important to recognise that the current downturn in commodity prices will bring many challenges specifically to exporters who in the past have benefitted when oil prices were high. Furthermore, it is also important to consider the consequences of Ghana's reliance on oil and gas at a time when there is a global shift from high-carbon fuels to lower carbon technologies and cleaner and greener energy sources such as solar power[74].

Significant discoveries have been made by a number of the exploration drillings that have been taken place in offshore Ghana. Currently, investment opportunities exist in the gas sector and the entire downstream sector of the industry[75]. Ghana has ample opportunities within the oil industry and natural gas production which, it is believed, could translate into FDI for the country[76]. Whilst oil and gas discovery in 2010 in Ghana has been heralded by some as a Godsend, the plunging oil prices and the price of Brent crude closing at a new 5 year low in 2014, has been a cause for great concern about its effect on the Ghanaian economy[77].

The Brent crude price of oil fell to as low as US $27.67 a barrel, its lowest point since 2003, before recovering to US $28.86. The fall could be attributed in part to the lifting of Iran's sanctions and the increased supply of oil due to the over-flooding of the market and lower demand due to the slowdown in economic growth in China and Europe. Cheaper oil prices globally has affected Ghana's efforts to resolve its trade and budget deficits and led to the IMF bail-out in April 2015[78].

In recent times, Ghana's main source of FDI has come from China (Gyasi et al 2015). In 2010, China's FDI flows amounting to US $552 million were invested into Ghana. There were around 500 registered Chinese companies involved in projects in Ghana within the mineral extraction, construction and oil and gas exploration sectors. According to a report published by the Oxford Business Group, China's FDIs to Ghana focus mainly on trade and manufacturing with key projects such as the Bui Dam, Essipong Stadium, Ghana Telecom and Teshie Hospital.
In 2009, the China Development Bank (CDB) approved a $US3 billion loan to the GNPC for the development of oil and gas infrastructure in the country (Gyasi et al 2015). Although the investment was a welcome development in many respects, it was heavily criticised by CSOs such as the Africa Centre for Economic Transformation (ACET) who disapproved of the way in which funds were being disbursed and the inability of contractors to access payments due to delays in construction works (Oxford Business Group 2014).

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[74] www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20150804ResourceCurseRevisitedStevensLahnKooroshy_0.pdf
[75] GIPC - http://www.gipcghana.com/invest-in-ghana/why-ghana.html
[76] www.reuters.com/article/2014/01/21/ghana-oil-idUSL5N0KV25W20140121#wAWxIX4EMf0Bi6Yq.99
[77] ibid
[78] ibid

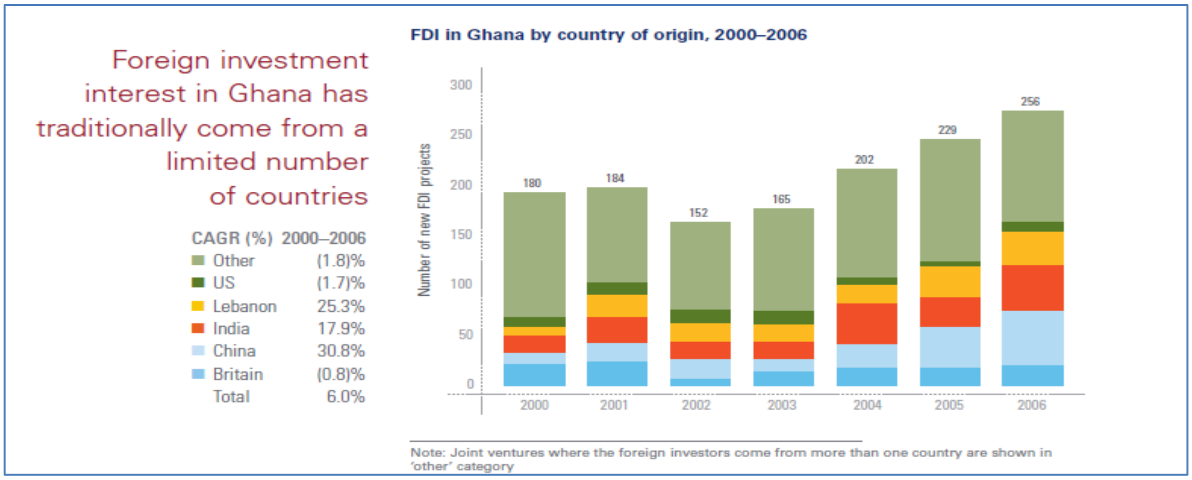

Figure 2 – Ghana's Main FDI Partner Countries [79]

Ghana is keen to attract new FDI investors and is therefore exploring opportunities to attract investment from GCC countries. The Ministry of Trade and Industry specifically suggests that Qatar for instance could make a significant impact in the economic landscape of Ghana with investments in the development of the Petrochemical Industry along with the development of the salt industry to provide Caustic Soda for alumina production in order to support the revival of the integrated bauxite and aluminium industry. Discussions are currently being held by GNPC and its partner organisation, Quantum Power, with Qatar in order to secure a deal with Qatargas to supply LNG to Ghana in order to resolve the country's power crisis and to provide fuel for power generating plants.

The Ministry of Trade & Industry has indicated that Ghana seeks to attract capital resources, technical know-how and experience from Qatar as Ghana recognises Qatar as a leading supplier of natural gas resources with a competitive LNG value chain after successfully scaling up an integrated downstream oil and gas industry[80]. Tullow Oil estimates that Ghana could produce an estimated 1 billion barrels of oil and 800 billion cubic feet of natural gas.[81] Ghana is embarking on a zero gas flaring policy that is expected to process gas as a primary source of energy for power generation, feedstock for the petrochemical industry and as a source of energy in the industrial sector.

Qatari relations with Sub-Saharan African countries remains a 'work in progress' largely due to Afro-pessimism and conceptions of Africa as risky and problematic[82]. Yet, perhaps a good example

[79] KPMG (2008) Kumasi – Ghana – Potential Opportunities for Investors - p. 13
www.kpmg.com/global/en/issues/insights/articles/publication

[80] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015

[81] http://www.oxfamamerica.org/static/media/files/ghanas-big-test.pdf

[82] www.ifri.org/sites/default/files/atoms/files/notes_qatar_afrique_en_oksl.pdf

of a successful Qatari bi-lateral relationship in Sub Saharan Africa can be found in Qatar's special relationship with South Africa, particularly in terms of peacebuilding in Dafur and in terms of investment in the hydrocarbons sector[83]. Over the years, Qatar and South Africa have developed strong bilateral ties in terms of Sasol's joint venture gas-to-liquid facility located in this country since February 2012[84].

In an interview with Mr Alex Kofi Mould– CEO of Ghana National Petroleum Corp (GNPC) at the Offshore Technology Conference, he stated that "We are looking for joint ventures and strategic alliances." He pointed out that the current low oil price is creating a "season for risk takers," he says. "Everyone in this industry is in it for the long haul." He stated that "We are looking for local content development to maximize participation in the value chain," said Mould. "Local-content guidelines promote social and economic gains, as well as efficiencies and cost savings, for all partners. We are looking for more success stories like our partnerships with Tullow Oil and Kosmos Energy."[85]

FDI is considered a viable way for the country to stimulate economic growth in order to reduce poverty by attracting MNCs such as Tullow Oil and Kosmos Energy to invest in the country and subsequently to create greater domestic employment, wages and productivity in the workforce (Asiedu 2004). Yet, experience shows that FDIs generate relatively little employment. For example, in its 2007 report, UNCTAD states that "mineral extraction is primarily an export-orientated activity, with significant revenue creation, but limited opportunities for employment creation and local linkages". The report suggests that Ghana's challenge would be to find ways to avoid the FDI resource curse and attract more FDI in the non-extractive industries (UNCTAD 2007:92).

Oil and Gas Revenues, Dutch Disease and CSO concerns

Qatar's National Vision 2030 addresses the issue of environmental sustainability and the critical challenge in combining economic progress with sustainable environmental policies[86]. With environmental concerns attracting global attention and people growing ever more anxious about the effect of the oil and gas industry on pollution, climate change, and depletion of resources, Qatar recognises the need to support policies and institutional reforms identifying links between national, regional and global concerns. The Qatar National Vision suggests the country is keen to invest in countries that meet environmental standards and the expectations of local communities, civil society and the private sector, so as not to succumb to Dutch Disease. Yet, as Ghana enters the oil and gas era, there are concerns about the adverse consequences of the large increase in Ghana's wealth with the potential onset of 'Dutch Disease' (CEPA 2010). Consequently, spending in non-tradable sectors increases, which then leads to a rise in the prices of services. Dutch

[83] ibid
[84] http://www.sabc.co.za/news/a/8ad2fa8049e8166aa87df8acdacf3d63/Zuma-in-Qatar-to-strengthen-ties-20122401
[85] http://www.oedigital.com/energy/item/9053-otc15-ghana-seeks-foreign-investment
[86] www.gsdp.gov.qa/ww1_docs/QNV2030_English_v2.pdf

Disease was first observed in the Netherlands when the country discovered huge deposits of gas in the North Sea. In the 1960s, the Dutch Guilder began to appreciate making Dutch non-oil exports less competitive and resulted in de-industrialisation of the Dutch economy (CEPA 2010).

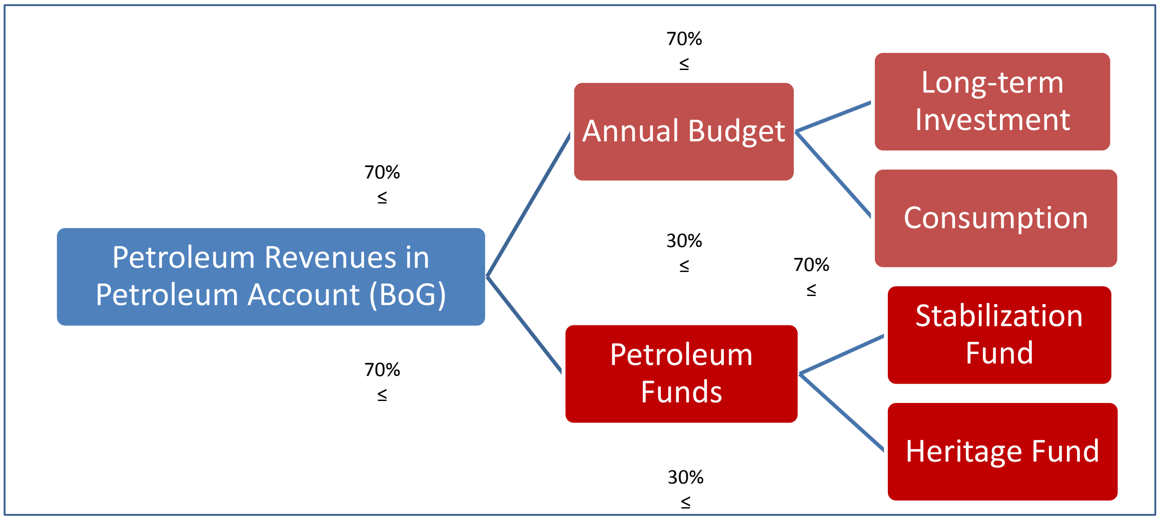

Figure 3 – Petroleum Revenue Sharing in Ghana [87]

Qatar's National Vision proposes that regional and international alliances should be formed to mitigate against environmental hazards and as a country aims to lead the way in spearheading best practices in sustainable development[88]. As a country rich in natural resources such as minerals, oil and gas, Ghana has to address the impact of its own economic progress with social and environmental sustainability in the long-term. In an attempt to adhere to and meet these requirements, Ghana has adopted the Norwegian model which divides petroleum revenue into three pools – budget, heritage and stabilisation funds. According to the Petroleum Revenue Management Act No 815 (2011) Sec 9&10, the Government has established the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). (Annan et al 2015) These two funds fall under the Ghana Petroleum Fund which ensures that all rentals are invested for present and future generations. The Government is thereby to allocate on a quarterly basis 70% and 30% to GSF and GHF, respectively. In 2013, that amounted to $245.73 million for GSF and $105.31 million to GHF (Annan et al 2015). The Petroleum Revenue Management Law thus provides a framework that guides the collection, allocation and management of petroleum revenue for the benefit of the current and future generations in Ghana.[89] The Heritage Fund aims to ensure intergenerational sustainability due to the finite nature of natural resources revenue which has encouraged Governments such as Qatar to invest and reserve oil and gas revenues for future generations, the

[87] Petroleum Revenue Management Act 815 of 2011
[88] ibid
[89] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015

Stabilisation Fund would be set aside to mitigate against volatile situations that may arise in the future.[90]

Despite receiving over US$2 billion in FDI through mining exploration and mine development over the last 10 years (56% of total FDI flows to Ghana), there has been little impact on the country's overall economy due to the lack of linkages between the mining sector and the internal economy with little impact in the livelihoods of local communities (Awudi 2002). For example, underground gold mining [91] has, in recent times, been replaced by surface mining which is capital intensive yet employs few local workers (Awudi 2002). Furthermore, there is very little value addition for gold in the country and the gains and investments are often achieved at the expense of the health and social cost of the local population (Awudi 2002).

5. Promoting the African Mining Vision (AMV) through Good Governance & Linkages

The discovery of oil and gas in Ghana has undoubtedly generated a great deal of excitement among stakeholders about potential benefits in terms of spearheading positive development outcomes[92]. However, there has been growing tensions from local communities, CSOs and think tanks about the way in which mineral resources are being governed and managed exclusively through dialogue between Government agencies and investors alone[93]. They have therefore stressed the need for greater emphasis on multiple stakeholder collaboration including local communities, CSO, Governments, mining companies and the media thereby bringing all parties to the negotiating table to make decisions about the country's revenue governance and management[94]. In light of these concerns, the World Economic Forum (WEF) Responsible Mineral Development Initiative was created to identify key areas of concern in terms of stakeholders' expectations within the extractives sector[95].

The initiative developed the Minerals Value Management (MVM) comprising 7 value dimensions focusing on 1) taxes, royalties, levies and fees 2) employment and skills acquisition 3) environmental sustainability 4) social inclusion and cohesion and cultural gains 5) local entrepreneurship in mining supply chains 6) the promotion of local beneficiation and down-stream mining linkages 7) optimising infrastructure development. The WEF's MVM value dimensions are

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90 ibid

91 Revenue Watch, Drilling Down-the Civil Society Guide to Extractive Industry Revenues and the EITI, pg. 17, 2008

92 www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20150804ResourceCurseRevisitedStevensLahnKooroshy_0.pdf

93 www.oefse.at/fileadmin/content/Downloads/Publikationen/Oepol/Artikel2015/Teil1_02_Country_Mining_Pedro.pdf

94 ibid

95 ibid

closely linked to the African Mining Vision's (AMV) key tenants which also advocate for enhanced value addition in the extractives industry beyond financial and economic returns[96].

Among the AMV's key objectives is to encourage resource-based industrialisation anchored on mineral linkages and local content and proposes that in order to achieve a "*transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development*, *all actors must press for a knowledge-driven African mining sector that is inclusive, environmentally friendly, socially responsible, and effective at harnessing the advantages of all engaged actors, from artisanal to multinational".*[97]

At the core of the AMV is the belief that Africa's mineral resources can play a catalytic role in promoting economic transformation and development based on increased linkages with the local economy if the mineral sector is well governed, safe, socially inclusive and environmentally friendly[98]. In support of the AMV, the newly established global 'think-do-tank' based in Ghana - the African Centre for Natural Resource Governance (ACNRG) – which serves as a regional hub of the Institute for Natural Resources and Sustainable Development (INSRD) aims to use the AMV as a framework to assist African States in domesticating the AMV into a Country Mining Vision (CMV)[99]. The Centre's mission is to support the Government of Ghana and other African States in terms of aligning the CMV with mineral and trade and industry policies; providing training and capacity building workshops for multi-stakeholders; strengthening inter-ministerial coordination and cooperation; facilitating business to business discourse and promoting multi-stakeholder dialogue. In doing so INRSD/ACNRG aims to (1) increase local upstream support (supplier/input industries) sectors; (2) enhance downstream industries based on local beneficiation and value addition of goods; (3) facilitate lateral migration of mining technologies to other industries; (4) increase social, human, knowledge and institutional capital which can be used in other sectors; (5) to promote the development of sustainable livelihoods in mining communities; and create entrepreneurial ventures, generate local jobs and SMEs and a more diversified economy with increased multiplier effects[100].

Furthermore, initiatives such as the Ghana Extractives Industries Transparency Initiative – Ghana (EITI) - and global campaigns such as the Publish What You Pay (PWYP) have initiated platforms to engage parliament, the executive, judiciary and private sector on disclosing payments received from the natural resource sectors and encourage transparency and accountability in the sector (Awudi 2002). CSOs and local communities can play an active role in ensuring Government accountability in the effective management, governance of petroleum revenue and natural resources as well as encouraging compliance with human rights and environmental standards. They can also play an important role in ensuring private sector companies meet their

[96] ibid
[97] African Union, *African Mining Vision* (2009), Available at: http://www.africaminingvision.org/amv_resources/AMV/Africa_Mining_Vision_English.pdf. 1.
[98] ibid
[99] www.inrsd.org
[100] ibid

commitments towards social responsibility by supporting education, health, and sanitation programmes with communities in which they operate (Kwasi et al 2010).

Other CSOs such as Friends of the Earth Ghana have challenged the Government on the fact that although Ghana is a leading exporter of gold, only approximately 10% of the value of gold trickles back into the national economy (Awudi 2002). They suggest that mining industries in Ghana often frustrate agricultural activity due to waste disposal, decline in the ecology and biodiversity and forestry in the country. For example, the adverse risks and effects of largely unregistered Artisanal Small-Scale Mining (ASM) operations or "Galamsey"[101] on local communities. e.g. the Takwa mines in the Western Region of Ghana) (Awudi 2002) through increased levels of pollution such as cyanide spills that contaminate water supplies and damage the environment (Norbrook 2008). The Commission on Human Rights and Administrative Justice (CHRAJ) has stated that 'there is evidence of widespread violations of human rights of individual members of communities and community collective rights in some mining areas in the country causing environmental pollution of community water sources and loss of livelihood' (CHRAJ 2008). These concerns by think tanks and CSOs highlight the need for local suppliers, businesses and community members to be included in the supply value chain of mining operations and involved in the formulation of local content policies which mining companies should incorporate into their Corporate Social Responsibility practices.

6. Challenges in Doing Business in Ghana

Despite assertions that Ghana is an attractive destination for FDI investments, there are concerns about Ghana's investment environment. For example, some of the issues include: uncertainties in the economy, exchange rate instability, high interest rates, bureaucratic red tape at the ports, inadequate supply of utilities (particularly electricity and water) and the emergence of market pollution in terms of badly produced goods repackaged under reputable brands. All these factors, if not adequately addressed, could hinder and inhibit FDI flows to Ghana[102].

The lack of infrastructure development is often cited as a serious obstacle, for example the lack of clean, safe water in Accra and other cities and towns throughout the country has seen numerous cholera outbreaks. According to the World Bank, Ghana currently spends about $1.2 billion per year on infrastructure, the equivalent of about 7.5% of its GDP. Inefficiencies — notably the under-pricing of power — result in the loss of an additional $1.1 billion annually. According to the World Bank, addressing Ghana's infrastructure challenges will require raising annual expenditures to $2.3 billion[103]. Regarding the persistent water challenges, the Ministry of Finance says Ghana would

[101] http://modernscientificpress.com/Journals/ViewArticle.aspx?YTDXIp8pwb35qABc+2BV/2sxro7nTbAPwEKec1E3+qjxSterX62iOlFJYQs0xAkr
[102] http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8125.pdf
[103] http://www.nasdaq.com/article/deeper-into-west-africa-investing-in-ghana-cm368361#ixzz3qjnuccn0

need an average Government spending of about $435 million annually to provide for the water and sanitation needs of the people.[104]

Another key infrastructure challenge is the high demand for power in Ghana, which is estimated to be growing at a rate of 10%-15% a year, but the lack of reliable generating capacity has acted as a brake on the economy with power shortages estimated to have cost almost 2% of Ghana's GDP[105]. Furthermore, although Ghana's main electricity is hydroelectric, this source of energy supply is frequently susceptible to drought, often leaving Ghana in a precarious position and largely reliant on expensive oil generation[106]. All this coupled with weak productivity, costly and difficult financing services, under-developed transport infrastructure and an unskilled labour force, have caused potential foreign investors' concern about doing business in Ghana.[107]

According to the Ministry of Trade & Industry, this has been due to Ghana experiencing some short term challenges in consolidating its macro-economic gains and fiscal discipline[108]. They argue that this, coupled with the shortfall in energy supply, poses one of the main challenges to doing business in Ghana[109]. In addressing the power crisis, GIPC has stressed that the Government of Ghana is focused on ensuring universal access to electric power by 2020.[110] Current electricity penetration in Ghana is 70% and 100% penetration is expected to be achieved by 2020 and as such, investors are being aggressively identified in order to ensure energy security under the deregulated power sector or in partnership with the Government under the PPP arrangement.[111]
In a speech read on her behalf in October 2015 at a forum in Accra to sensitize CSOs on Government efforts to increase PPPs to address Ghana's infrastructure needs, the Deputy Minister of Finance, Ms Mona Quartey stated that "over the next decade, the Government of Ghana requires on average an amount of $307 million annually in order to provide the needed infrastructure in the transport sector[112]. She added that the "power sector also requires averagely (sic) an amount of $1.255 billion for the power needed for an accelerated development."[113] The Deputy Minister at the Ministry of Trade & Industry, Mr. Kweku Ricketts-Hagan MP, stated that "since Industry grew by 9.1 per cent in 2015, up from 6.6 percent in 2013 despite the current power crisis, there will be better industrial growth once the power crisis is solved"[114].

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[104] https://www.ghanabusinessnews.com/2015/10/25/ghana-requires-1-2b-investment-yearly-to-meet-power-needs-minister/
[105] ibid
[106] ibid
[107] https://en.santandertrade.com/establish-overseas/ghana/investing-3
[108] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015
[109] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015
[110] GIPC - http://www.gipcghana.com/invest-in-ghana/why-ghana.html
[111] Interview/Questionnaire with Minister of Trade & Industry Ghana and representatives - September 2015
[112] https://www.ghanabusinessnews.com/2015/10/25/ghana-requires-1-2b-investment-yearly-to-meet-power-needs-minister/
[113] ibid
[114] http://businessdayghana.com/end-of-dumsor-will-spark-growth/

The Deputy Minister further argued that "the short, medium and long-term investments being made by the Mahama administration will eventually lead to a permanent solution to the power crisis, which will pave the way for industrial boom once the barges arrive, short-term situations will be addressed and the significant thing is that if we are able to solve the 'Dumsor' problem, which we will, you are going to begin to see serious growth in the industrial sector"[115]. Echoing assertions by the GIPC, the Ministry of Finance and Ministry of Trade & Industry about clear strategies to resolve the 'Dumsor' problem while presenting the 2016 budget to Parliament on 13th November 2015, the Minister for Finance, Mr. Seth Terkper, stated that "as part of measures to address the on-going power supply challenges, the Government has undertaken certain projects, e.g. the 220MW Kpone Thermal Power Project which is expected to be commissioned before the end of 2015, while work on the 110MW TICO expansion is completed and commencement of commercial operations is expected in 2016.[116]"

Finally in his statement the Minister of Finance stated that, "In 2015 a total of 272 solar systems were established in public facilities such as schools and community centres located in rural communities in Ghana. A total of 375 solar systems were set up in rural communities, which ensure that by 2016 the Government will continue to make true its investment in the sector to further address and remedy the power challenges[117]**.** Nevertheless, despite assurances from Government agencies that the 'Dumsor' phenomenon would be eradicated by the end of 2015, the Minister for Power – Dr Kwabena Donkor resigned in January 2016 as he was unable to solve the crisis by the end of 2015 as promised[118].

As a result of the power crisis and with the rise in utility bills, Ghanaians have become increasingly frustrated with the Government and recent civil unrest highlights the growing concern among citizens regarding the equitable allocation and management of oil revenue and resources. As a case in point, a nationwide strike by Trade Union Congress (TUC) took place representing around 18 national unions across various sectors from health to mining (Oxford Business Group 2014). The Secretary-General of the TUC – Mr. Kofi Asamoah – stated that "people are angry and complaining because petroleum products and utilities prices have increased significantly without the corresponding increases in wages and salaries". He went on to add that "the Government has the responsibility to ensure that there are mitigating measures to help cushion the poor and vulnerable" (Oxford Business Group 2014).

The increasing emergence of civil society actors, CSOs and think tanks in Ghana, presents opportunities for them to potentially play a powerful yet critical role in shedding light on the allocation, management and governance of Ghana's oil resources to avoid the negative experience of other oil rich African countries e.g. the plight of the local communities in Nigeria's Niger Delta. A civil society group – The Access Initiative – states that the potential problem with the Petroleum Act is that revenues can be used as collateral and spent on paying back loans not linked to the oil

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[115] ibid
[116] ibid
[117] ibid
[118] ibid

revenue production. They state that even though the establishment of the Funds are laudable in theory, there are also concerns that diverting these funds towards the Heritage Fund to provide for future generations when currently the present generation is experiencing hardships (Annan et al 2015).

7. Policy Recommendations for both Ghanaian and Qatari Officials and Relevant Stakeholders

In recent times there has been a policy shift in Ghana that has seen investment grow from extremely low levels in 1970s to higher levels as seen today with the Government recognising the important contributions FDI can make. Ghana's incentive strategy has been highly instrumental in reshaping Ghana's economy to that of an FDI friendly environment. (Tsikata, 1995b). The Government of Ghana has committed itself to adopt economic policies aimed at creating an enabling environment for doing business in Ghana and has sought to establish a number of policy programmes to facilitate this. In Ghana, all investment specific laws contain some incentives for the specific investment portfolio. These include legal and regulatory frameworks and policies to reduce the cost and improve the ease of doing business in Ghana.[119] A number of legal and regulatory laws have been enacted to improve the investment climate in Ghana. These notably include the 1994 Ghana Investment Promotion Centre Act 478 which regulates all FDI activities in the country and governs all areas of investment other than petroleum and mining. It created the Ghana Investment Promotion Centre (GIPC) to deal with all FDI regulatory framework issues regarding all the sectors under the Act. The Ghana Free Zones Act 504 provides for free zone activities, the Minerals and Mining Law (Act 703) which governs basic mining activities and the Petroleum law, PNDC Law 188, which governs petroleum exploration activities[120]

Furthermore, there has been tax reform in Ghana and the creation of a new Tax law (Act 597 2000) which has reduced corporate tax rates and has reduced corporate income tax from 35 per cent to 30 per cent for companies listed on the Ghana Stock Exchange, as well as 32.5 per cent for all companies who are not listed on the Ghana Stock Exchange (GIPC 2003). Despite assertions that Ghana is ready for FDI, various challenges still persist in terms of high interest rates, bureaucratic red tape and inadequate supply of utilities, particularly electricity and water.[121] Tsikata et al put forward various policy recommendations in their 2014 report to help Ghana to attract FDIs. For example, they suggest that Government agencies such as GIPC could be more pro-active in publicising the Investment Code and should advertise it to ensure greater awareness by domestic investors and to also attract foreign partners (Tsikata, 1995b). The report further recommends that it would be beneficial for GIPC to provide a mechanism whereby they could identify companies with FDI based potential and act as an advisory body providing services to support potential and existing partners. The report proposes the acquisition of credit from banks to support companies with financial constraints and to establish a complaints unit and networking facility with other

[119] Presentation on investment opportunities in Ghana & doing business in Ghana – www.gipcghana.com
[120] Presentation on investment opportunities in Ghana & doing business in Ghana – www.gipcghana.com
[121] http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8125.pdf

agencies such as Bank of Ghana, Internal Revenue Service, and Ghana Free Zones Board (GFZB) etc. to enable investors to access essential information on foreign investment opportunities. The lack of reliable generating capacity has acted as a brake on the economy; power shortages are estimated to have cost almost 2% of Ghana's GDP[122]. All this coupled with weak productivity, costly and difficult financing services, under-developed transport infrastructure and an unskilled labour force have caused potential foreign investors' concern about doing business in Ghana.[123]

As Qatar looks towards Africa as an alternative market destination in terms of trade and investments, the Qatari Government has identified Ghana as a viable option for investment.[124] In order to take advantage of investment from Qatar in terms of capital resources, technical know-how and expertise and LNG, Ghana would need to provide a conducive environment for investment from countries such as Qatar to invest in the Petrochemical Industry through their value chain, which could help to resolve the country's power crisis and to provide fuel for power generating plants.

Although the Government of Ghana has recently offered tax free incentives to Qatar with opportunities to lease land to support small-scale farmers in the North of Ghana and share part of the produced crops with the domestic market, it is proposed that the Government should review the issue of regulation to ensure effective regulatory frameworks are established for foreign land deals as well as foreign investors (Oxford Business Group 2014)[125]. The issue of risk and land ownership also needs to be addressed in order to assess the risks to regulation and to mitigate against placing local residents at risk of being displaced for new investment projects[126]. The Government would also need to take into consideration CSO concerns regarding the escalating price of petroleum products and utilities prices which have increased significantly without the corresponding increases in wages and salaries.

CSOs such as the TUC and The Access Initiative have appealed to the Government to ensure that there are mitigating measures to help cushion the poor and vulnerable. The Access Initiative has also highlighted potential problems with the Petroleum Act if revenues are used as collateral and spent on paying back loans not linked to the oil revenue production and recommended that Government ensures that revenues are not only diverted towards the Heritage Fund to provide for future generations but are also allocated to supporting the present generation who themselves are experiencing hardships (Annan et al 2015). CEPA recommends that the Government should invest oil revenue savings into infrastructure development. Furthermore, they recommend that Government should provide more tax incentives to private sector firms in order to bring down their transaction costs and provide access to credit, and restructure the taxation system to remove distortionary taxation. Finally, attempts should be made to reform policies to open up and

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[122] ibid
[123] https://en.santandertrade.com/establish-overseas/ghana/investing-3
[124] Governance of Natural Resources in Africa – Advancing a Qatari Perspective and Economic Diversification – NPRP 6 1272 5 160
[125] www.oxfordbusinnessgroup.com/analysis/qatar-among-gcc-countries-investing-africa
[126] ibid

increase competition which could help offset the impact of resource price shocks and volatile global markets, thereby mitigating against the Dutch Disease phenomenon (CEPA 2010).

8. Concluding Remarks

Ghana has moved steadily over the years to liberalize its business environment in order to make it a more conducive place for investment, combating years of scepticism toward FDI. This has led to a policy shift from a Neo-Marxist to a more Neo-Liberal capitalist stance which has seen Ghana being elevated to middle income status. Ghana’s availability of raw materials, market potential, cheap labour and with its reputation as a haven of peace and political stability, provides enormous opportunities for trade and investment.

This paper explored Ghana’s strategy in attracting FDI, reviewing the trends and sectoral distributions, the investment climate, the key challenges and examining the policies and incentives established to encourage FDI flows, specifically from GCC countries such as Qatar. Interviews with various Government agencies suggest that Ghana is now ready for FDI, yet various challenges still remain in terms of the effectiveness of Government agencies such as GIPC, high interest rates, bureaucratic red tape, lack of pro-activity on the part of civil servants, and CSO concerns about the rise in the cost of living as well as lack of accountability and transparency over oil and gas revenues. One of the key challenges highlighted in this paper is Ghana’s persistent power shortage or the ‘Dumsor’ energy crisis which is of great concern for would-be investors and for the Ghanaian population at large. Yet, rather than acting as a deterrent, these challenges could open up windows of opportunities for countries such as Qatar to invest in Ghana in terms of supplying the country with LNG, capital resources, technical know-how and expertise to address Ghana’s power crisis and potentially take advantage of investment opportunities within the mining sector such as in restructuring and developing AGC in Obuasi.

With Ghana’s dependency and over-reliance on primary export commodities – gold, cocoa, oil and timber - creating economic uncertainty due to the volatility of global commodity prices, other exports are at risk of becoming uncompetitive resulting in the Dutch Disease phenomenon and thereby creating a distortion in the growth of services, transport, and construction whilst, at the same time, discouraging manufacturing and agriculture. This paper indicates that attempts are being made by the Ghana Government to mitigate against Dutch Disease by encouraging the promotion of NTEs which would create greater linkages and an increase in local content and value addition. By offering tax free incentives for foreign investors, such as the Qataris, the Government hopes to provide opportunities for them to lease land to support small-scale farmers in the North of Ghana and share part of the produced crops with the domestic market. However, the Government would need to learn lessons from countries such as Kenya with their long history of trade and investment with Qatar to ensure that regulatory frameworks for foreign land deals as well as policy guidelines on land ownership and the adequate management of leases to foreign investors are addressed to mitigate against placing local communities in Ghana at risk of being displaced for new investment projects.

Africa is noted for its 'paradox of plenty' situation – mismanagement and corruption resulting from lack of transparency, accountability and inadequate allocation of oil revenue. Since the global financial crisis in 2008 and associated food crisis, the scramble for Africa has intensified with Governments, Sovereign Wealth Funds and large corporations seeking to obtain vast areas of land across the continent for profit. Reports from various CSOs suggest that to date, the process of extractive revenue management and governance has been left largely in the hands of Government and the private sector. For example, deep divisions between Government-investors versus CSOs-smallholder farmers, have led to growing tensions and frustrations in Tanzania resulting in a group of CSOs issuing a Joint Declaration to the Human Rights Council requesting that the Government takes action to ensure the rights of the local communities are respected. This case highlighted the scale, rate and the extreme lack of transparency surrounding large-scale land acquisitions and the need for Governments to provide clear regulations on judicial and ethical standards and establish robust enforcement mechanisms to manage large-scale foreign investment projects. Furthermore, in order to adequately manage Ghana's Heritage and Stabilization Funds for future generations, the role of CSOs and think tanks should be strengthened in order to build their capacities to achieve greater impact within their communities by holding Government and the private sector to account to ensure that frameworks such as the AMV can be domesticated and brought to life. The recent civil unrest 'Red Friday' on the streets of Accra revealed growing frustrations among CSOs and the local Ghanaian community at the rising cost of living and high utility bills with concerns that, if left unaddressed, such tensions may very well intensify with the forthcoming Presidential elections on 7th December 2016.

This is a critical time for Ghana. With decades of experience in mining but with relatively little expertise in terms of managing its oil and gas revenues, an active citizenry should be encouraged to support the Government and private sector in order to ensure transparency and accountability, adherence to Government policies, agreements and contractual obligations and the effective management of oil revenues. The Government would need to consider potential scenarios for long term, sustainable supply and demand side issues bearing in mind the global shift from high carbon to lower carbon economic systems to ensure that extractives led growth agendas are compatible with low carbon or climate 'smart' development. These are important considerations from a political perspective given the interest of GCC countries, such as Qatar, in promoting low carbon development and with growing enthusiasm for cleaner technologies by CSOs and local communities in the face of environmental degradation and climate change.

These collective and inclusive efforts including multiple stakeholders, could therefore create a more conducive environment for FDI flows from GCC countries like Qatar, specifically in NTEs, thereby promoting the diversified non-oil sectors of Ghana's economy in order to shield it from oil revenue fluctuations and mitigate against rising exchange rates and in so doing prevent the Dutch Disease phenomenon.

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