



SOCIAL PERFORMANCE GUIDELINES
FOR CONTRACTORS, SUBCONTRACTORS,
LICENSEES AND OTHER ALLIED ENTITIES IN
THE UPSTREAM PETROLEUM SECTOR IN
GHANA

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FOREWORD BY THE MINISTER FOR ENERGY

After the discovery of oil and gas in commercial quantities in 2007, Ghana took steps to ensure a successful oil and gas regime. To this end, the Petroleum Commission (the Commission) was established by the Petroleum Commission Act 2011, (Act 821) to regulate and manage the utilisation of petroleum resources and to co-ordinate the policies in relation to them. The Commission is also mandated to promote planned, well executed, sustainable and cost-efficient petroleum activities to achieve an optimal level of resource exploitation for the overall benefit and welfare of citizens.

Commercial production of the Jubilee Field began in November 2010. Total production from the Jubilee Field was at 36,151 barrels of oil per day (bopd). Since then, Ghana's total oil production has increased to approximately 200,000 bopd by the beginning of 2020 with the coming on stream of the Tweneboa Enyenra Ntomme (TEN) and Offshore Cape Three Points (OCTP) and has the potential to continue increasing steadily. The Upstream industry has over the years attracted and seen the entry of notable International Oil Companies (IOCs) including a few giants of the International Upstream Industry.

The increased production and activity in Ghana's Upstream Petroleum industry has caused related socio-economic impacts on frontline and host communities and has heightened expectations of improved socio-economic development in the communities by the Upstream Companies. The companies have over the years responded with various initiatives to provide social and economic amenities for the communities. However, some of these programmes are not well coordinated to yield the intended positive impacts.

It is in this regard that the Petroleum Commission, in collaboration with the Ministry of Energy and relevant stakeholders developed these Guidelines to direct the Social Performance of Upstream Petroleum Companies.

Pursuant to the mandate of the Minister responsible for Energy under Section 94(3) of the Petroleum (Exploration & Production) Act, 2016, Act 919, I hereby issue these Guidelines to coordinate the Social Performance activities of Upstream Petroleum Companies and ensure social cohesion and harmony in frontline and host communities.

The Petroleum Commission, as the regulator of the Upstream Petroleum industry, is mandated to implement these Guidelines.

PREFACE

As regulator of the Upstream Petroleum sector, the Petroleum Commission is mandated to ensure that Petroleum Activities are carried out in a harmonious environment that respects and protects the rights of Local Communities, ensures socio-economic development of such communities and protects the investments of companies in accordance with applicable Ghanaian laws and International Best Practices such as the United Nation's Sustainable Development Goals (SGDs), IFC Social Performance Standards and Organisation of Economic Cooperation for Development (OECD) Guidelines for Multinational Enterprises.

The Commission acknowledges the environmental and social risks and impacts that Petroleum Activities may potentially have on Local Communities and promotes good Company-Community Relations as a Social Risk Management tool, which ensures efficiency in Upstream Petroleum Activities.

In view of the above, the Commission initially developed the Community Relations and Social Investment Policy (CORSIP), a policy framework for Community Relations and Social Investment covering Offshore operations.

The growth in offshore and imminent opening of the Voltarian Basin for Onshore Petroleum Activities led to the Commission's subsequent efforts to develop a comprehensive framework to give practical guidance on Social Performance on both offshore and onshore operations.

These Guidelines draw on National Policies, Laws, Regulations, Principles and Standards issued by Industry, Government, Intergovernmental and Non-Governmental Organisations, as well as suggestions from stakeholders including Local Communities, Industry Players and Social Performance Practitioners. They consist of a set of Principles and Operating Guidelines to direct Social Performance of the Upstream Petroleum Sector. They also provide a framework and benchmarks for the design, implementation, monitoring/evaluation and reporting of Social Performance activities of the Upstream Petroleum Companies.

These Guidelines were developed with inputs from Upstream Petroleum Companies, the Ministry of Energy, Civil Society Organisations (CSOs), Government Agencies, Traditional Leaders, Metropolitan, Municipal, District Assemblies (MMDAs) and Fisherfolks/Farmers in the respective regions where Petroleum Activities take place.

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LIST OF ACRONYMS

- ACEP:** Africa Centre For Energy Policy
- CSR:** Corporate Social Responsibility
- CSO:** Civil Society Organisation
- CLO:** Community Liaison Officer
- CORSIP:** Community Relations and Social Investment Policy
- CEIA:** Centre for Environmental Impact Analysis
- CESIS:** Centre for Social Impact Studies
- CSPOG:** CSO Platform on Oil and Gas
- ESIA:** Environmental Social Impact Assessment
- EPA:** Environmental Protection Agency
- FPIC:** Free, Prior and Informed Consultation
- FON:** Friends of the Nation
- FLO:** Fishing Liason Officer
- GOGIG:** Ghana Oil and Gas for Inclusive Growth
- GNPC:** Ghana National Petroleum Corporation
- GMA:** Ghana Maritime Authority
- GNCFC:** Ghana National Canoe Fishermen Council
- IFC:** International Finance Corporation
- IPIECA:** International Petroleum Industry Environmental Conservation Association
- ISO:** International Organization for Standardization
- IOCs:** International Oil Companies
- ISODEC:** Integrated Social Development Centre
- M&E:** Monitoring and Evaluation
- MOE:** Ministry of Energy
- MMDAs:** Metropolitan, Municipal and District Assemblies
- OECD:** Organization of Economic Cooperation for Development
- OCTP:** Offshore Cape Three Point
- PC:** Petroleum Commission
- PIAC:** Public Interest Accountability Committee
- SDGs:** Sustainable Development Goals
- The Commission:** Petroleum Commission
- TOT:** Trainer of Trainers
- WRCF:** Western Regional Coastal Foundation

DEFINITIONS

Community Relations- The process organisations use to establish and maintain mutually beneficial relationships with Local Communities.

Local Communities- Communities that host Upstream Petroleum Activities or frontline communities which interact directly with or are impacted by Upstream Petroleum Activities.

Petroleum Activities- Any activity engaged in, within and outside Ghana related to the exploration for, development and production of petroleum, the acquisition of data and drilling of wells and the treatment, storage, pipeline transportation and decommissioning and the planning, design, construction, installation, operation and use of any facility for the purpose of the activities¹.

Social Investment- The voluntary contributions or actions by companies to help Local Communities in their areas of operation and broader society to address their development priorities and take advantage of opportunities created by private investments; in ways that are sustainable and support business objectives. This does not include actions or spending by a company(ies) to mitigate or manage negative impacts of its operations or enhance the positive benefits related to its core business².

Social Performance- A business function which supports the delivery of operational, project and business objectives by identifying and managing key social risks to the ongoing viability of operations, the project or business or Petroleum Activities. The function also has an important role in contributing to a more stable and conducive operating environment³.

Stakeholder(s)- Persons or entities with an interest in or affected by Petroleum Activities or Social Investment project. These include Upstream Petroleum Companies, Local Communities, the Government, Non-Governmental Organisations and Vulnerable Groups.

¹Petroleum (Exploration and Production) Act 2016(Act 919)

²IFC Social Performance Standards

³IFC Social Performance Standards

Upstream Petroleum Company- A contractor, subcontractor, licensee, the Ghana National Petroleum Corporation (GNPC) or other allied entities as defined under the Petroleum (Local Content and Local Participation) Regulations, 2013 LI 2204 and registered with the Petroleum Commission. References to Company or Companies in these Guidelines mean Upstream Petroleum Company or Companies and includes GNPC⁴.

Vulnerable Group- Includes the poor, children, the elderly, unemployed adolescents, women, persons with disabilities, members of minority and/or other groups that are racially, ethnically and/or culturally distinctive⁵.

⁴Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204)

⁵United Nations Sustainable Development Goals (SDGs) (2015)

1.0 BACKGROUND

The Commission's objectives for Social Performance for the Upstream Petroleum sector are premised on the following pillars:

- **'Do no harm'**⁶ - No person or the environment should be adversely affected by a Petroleum Activity. This entails assessing, mitigating and managing all social and environmental impacts that might affect Local Communities and Citizens.
- **Providing benefits**- Designing and implementing social interventions for the development of Local Communities or supporting the broader developmental agenda of Ghana.
- **Consulting and Engaging**- Consulting with Traditional Authorities, Local Communities and broader stakeholders through all the phases of Social Investment projects, to ensure proper information disclosure, gain stakeholder agreement for such projects to go ahead and include community feedback into the life cycle of the project.
- **Documenting and Reporting**- Documenting and reporting on the implementation of Social Performance to enhance transparency and accountability for all stakeholders.

The critical issue of developing a meaningful and close relationship between communities in the catchment areas and Upstream Oil Companies has been a key focus among various stakeholders. Government recognises the importance of advocating good Community Relations as an underlying necessity to support smooth business operations and revenue generation.

Over the years, the Commission has observed that:

- Social Investment by Upstream Petroleum Companies has not aligned with development priorities of stakeholders including Local Authorities.
- The distinction between Social Impact Management and Social Investment projects has not been too clear to stakeholders.

⁶OECD Publication ISBN 978-92-64-04624-5 (PDF) Conflict and Fragility: Do no Harm - International Support For State Building

The Commission has therefore developed these Guidelines to guide the following aspects of Social Performance:

- Planning/Designing
- Implementation
- Monitoring and Evaluation
- Reporting

2.0 INTRODUCTION TO GUIDELINES

These Guidelines are issued pursuant to Sections 7 and 94 (3) of the Petroleum (Exploration & Production) Act, 2016, Act 919 as well as relevant and applicable laws of Ghana.

2.1 Development of the Guidelines

These Guidelines draw on National Policies, Laws, Regulations, Principles and Standards issued by Industry, Government, Intergovernmental and Non-Governmental Organisations as well as suggestions from stakeholders including Local Communities, Industry Players and Social Performance Practitioners⁷.

2.2 Contents, Functions and Scope of the Guidelines

These Guidelines consist of a set of Principles and Operating Guidelines to direct Social Performance of the Upstream Petroleum Sector. They also provide a framework and benchmarks for the design, implementation, monitoring/evaluation and reporting of Social Performance activities of:

- (a) Upstream Petroleum Companies
- (b) Ghana National Petroleum Corporation and
- (c) Local Communities, Government and Regulatory Agencies, Intergovernmental and Non-Governmental Organisations and other interested stakeholders to assess the effectiveness of a company's Social Performance against best practice

⁷Appendix 5 provides a list of reference documents and stakeholders consulted in developing the Guidelines.

These Guidelines set out the broad direction and approach to be adopted. They complement National Policies, Laws, Regulations, Principles and Standards on Social Performance. Where such Laws, Policies, Principles and Standards are absent or inadequate companies are to adhere to these Guidelines.

2.3 Reporting

As well as complying with any applicable National and International requirements, companies adopting these Guidelines commit to periodic public reporting on Social Performance activities.

2.4 Implementation and Feedback

Companies and Stakeholders adopting or using these Guidelines are encouraged to inform the Petroleum Commission of the effectiveness of these Guidelines, including any challenges with their implementation. For this purpose, a 'Feedback Form' has been provided in Appendix 2.

2.5 Guidelines Review

These Guidelines are intended to be a living adaptive document which is responsive to demands, trends and changes in the Upstream Petroleum sector and Social Performance practice in Ghana.

These Guidelines will therefore be reviewed as required, through consultation with players in the Upstream Petroleum industry and other relevant stakeholders.

3.0 GUIDING PRINCIPLES

The following principles underpin the Operating Guidelines and should be taken into consideration by stakeholders in the design, implementation, monitoring/evaluation and reporting on Social Performance.

- 3.1 Free, Prior, Informed Consultation (F-PIC)⁸.** Upstream Petroleum Companies should consult and cooperate in good faith with stakeholders through their own representatives before undertaking a Petroleum Activity that has the potential to impact the community or a Social Investment project.

⁸UN Guiding Principles on Business and Human Rights (2011))

- Prior means that cooperation of stakeholders should be sought before commencing any activity in the Local Community or broader society
- Informed means that there is full disclosure by the Upstream Petroleum Company of the Petroleum Activity or Social Investment project in a language and format that is acceptable to the beneficiary and provides it with enough information and capacity which enables the beneficiary to have a reasonable understanding of what benefits or risks the Social Investment project will likely pose to them, the social impacts thereof and mitigation measures.
- Consultation implies that a beneficiary of a Social Investment project should have a real choice, that they can say **YES** or **NO** if they are not satisfied with the Social Investment project.

3.2 Sustainability- A company's delivery of long-term value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural and economic dimensions of doing business.

3.3 Inclusiveness & Equity- Promoting greater participation in both governance and processes during all phases of projects as well as promoting wider citizen access to the outcomes and benefits derived from projects, particularly for those disadvantaged and/or at a greater risk of being excluded.

3.4 Shared Value- The central premise of the concept of 'shared value' is a management strategy focused on companies creating measurable business value by identifying and addressing social problems that intersect with their business.

3.5 Environmental Stewardship- This refers to responsible use and protection of the natural environment through conservation and sustainable practices.

3.6 Human Rights- The application of the fundamental human rights and freedoms specified in the 1992 Constitution of the Republic of Ghana (Section 12) and also the United Nations Guidance on Business and Human Rights.

4.0 OPERATING GUIDELINES

4.1 Social Impact Assessment and Management

The Government recognises the importance of impact assessment, management and monitoring to better identify the nature and scope of the socio-economic impacts that might occur during a Petroleum Activity and to proactively respond to change across the life cycle of a project. The Petroleum Commission also recognises the Environmental Protection Agency's (EPA) oversight role over environmental issues and will collaborate with the EPA in safeguarding the environment. Upstream Petroleum Companies should implement social impact management strategies based on the directions of relevant regulatory or oversight institutions.

To achieve the above, Companies should:

- 4.1.1** Prior to commencing a Petroleum Activity, submit a copy of the EPA approved Environmental and Social Impact Assessment (ESIA) Reports and the corresponding Environmental Management Plans to the Commission for its monitoring of operational cost and assessment of industry level impact.
- 4.1.2** Prior to commencing a Petroleum Activity, submit a copy of the company's Risk Register and Risk Management Plan for all Petroleum Activities to the Petroleum Commission for review.
- 4.1.3** Prior to commencing a Petroleum Activity, develop a Social Performance Management system as part of a company's integrated management system and furnish the Commission with a copy.
- 4.1.4** Collaborate with other Upstream Petroleum Companies and relevant Government Agencies to manage common impacts under the Petroleum Commission-led Cumulative Impact Co-Management Platform⁹.
- 4.1.5** Develop Health, Safety and Environment (HSE) Policy relating to petroleum activity and furnish the Commission with a copy.

⁹A multi-stakeholder platform where the various Upstream Companies agree on joint management and action plans that would facilitate a coordinated response to addressing common risks and impacts and facilitate cost savings for the companies involved.

4.2 Social Investment

The Government intends to promote a sense of Shared Value and foster a Harmonious Co-existence among the Upstream Petroleum sector players and Local Communities. Upstream Petroleum Companies operating in Ghana should endeavour to contribute to the social and economic development of broader society and the Local Communities in which they operate.

To achieve the above, Upstream Petroleum Companies should:

- 4.2.1** Develop a long-term Social Investment vision and strategy to cover all phases of each Petroleum Activity within the entire Upstream value chain. The strategy should align with the beneficiary's development programme objectives and incorporate plans, programmes and initiatives to contribute towards achieving Ghana's Sustainable Development Goals (SDGs).
- 4.2.2** Conduct a needs assessment and consult prospective beneficiaries on concerns, aspirations, expectations and values they may have regarding the development and operation of a Social Investment project to ensure it meets the needs of intended beneficiaries.
- 4.2.3** Contribute to stimulating and diversifying the economy of the Local Community where the Petroleum Activity is being undertaken.
- 4.2.4** Maintain regular communication with the intended beneficiary of a Social Investment project during the planning, development and implementation of Social Investment programmes.
- 4.2.5** Work with Local Communities and the relevant Local Government structures to determine what industries or economic activities that will be most important to the area after cessation of a Petroleum Activity.
- 4.2.6** Document the acceptance of a Social Investment project agreed with a beneficiary and furnish the Petroleum Commission with a copy as soon as it becomes available.

- 4.2.7** Collaborate with other Upstream Petroleum Companies to pool resources for Social Investment programmes.
- 4.2.8** Consult and involve the Petroleum Commission in the planning, development, implementation and monitoring and evaluation of Social Investment projects and where appropriate, invite representatives from the Commission to attend the commissioning or launch of such projects.
- 4.2.9** Due consideration should be given to Local Communities when selecting a beneficiary for a Social Investment project. Submit a copy of the company's annual Social Investment plan to the Petroleum Commission by 30th of January of each year. Plans should include:
- (a) Details of Social Investment projects being undertaken in response to social impact management and any Social Investment project.
 - (b) Stakeholder Consultation plans for all phases of the Petroleum Activity and Social Investment project.
 - (c) Cost of the Social Investment project.
 - (d) Target beneficiaries of Social Investment project.
 - (e) Purpose of Social Investment project.
- 4.2.10** The Petroleum Commission will review and approve the cost of a Social Investment project if it is cost recoverable.
- 4.2.11** Petroleum Commission does not consider the following as Social Investment project:
- (a) Social impact mitigation measures required as part of Environmental and Social Action Plans.
 - (b) Random acts of philanthropy that do not fit into achieving sustainable human development outcomes.
 - (c) Promotion of local content which is a legal requirement or a sound business decision.
 - (d) Donations and sponsorship for political and religious purposes.

4.3 Community Entry

Community Entry is the process of initiating sustainable working relationships with Local Communities. The Commission recognises effective Community Entry as the beginning of long productive relationships between a Company and the Local Community and aims to promote good Community Entry practices. Upstream Petroleum Companies should endeavour to adopt effective Community Entry procedures and tools including Community mobilisation, identification and recognition of local leadership and governance structures and work with Community members.

To achieve the above, Companies should:

- 4.3.1** Collect information and map out the Community with key emphasis on different aspects of the community. e.g. social, economic and cultural.
- 4.3.2** Conduct stakeholder analysis to identify key persons within the Community who are critical for effective Community Entry. Such analysis should recognise the fact that Community leadership lies in the hands of a hierarchy of persons ranging from paramount chiefs, sub-chiefs, clan/lineage heads, family heads to local government officials and should identify the various interest groups and personalities in every Community who serve as contact persons in the Community.
- 4.3.3** Respect the hierarchy of Traditional Authority in Local Communities¹⁰ Refer to the relevant House of Chiefs when in doubt of the Traditional Authority hierarchy.
- 4.3.4** Arrange to meet with Traditional Authorities and key Community leaders first as individuals and then as a group. At the group meeting, agree on roles and responsibilities of all stakeholders.
- 4.3.5** Conduct periodic open Community meetings to cultivate mutually beneficial relationships by:
 - (a) informing the Local Community about the goals and impacts of the Petroleum Activity and the Company's plans for the Local Community.

¹⁰See Appendix 7 for Levels of Engagement and Recommended Rank of Team Leaders

- (b) listening to and taking into account feedback from the Local Community on their expectations and concerns.
- (c) answering questions about the Petroleum Activity, the Company and its plans for the Local Community.

4.3.6 Observe customary protocols as provided for in Appendix 6 in these Guidelines at the maiden official introductory meeting with Traditional leaders.

4.3.7 Work with the relevant Traditional leaders and Community groups to identify any totems, sacred groves/land and shrines and protect same.

4.3.8 Ensure Petroleum Activities do not threaten or commit any sacrilege against the Community's tradition and/or spiritual life.

4.4 Community and Stakeholder Engagement

Effective Stakeholder Engagement helps organisations to monitor the operating context and respond to Stakeholder concerns in a timely and appropriate manner. The Commission espouses and aims to ensure effective Community and broader Stakeholder Engagement as the basis for good Social Performance practice. Upstream Petroleum Companies should implement effective and transparent engagement with their stakeholders, document and report on the consultations.

To achieve the above, Companies should in collaboration with the Petroleum Commission:

4.4.1 Engage early, regularly and consistently with all Stakeholders.

4.4.2 Organise Community consultation during all phases of a Petroleum Activity and in the design and implementation of a Social Investment project.

4.4.3 Ensure that engagements are organised in an open, transparent manner and are sensitive to the Cultural practices of the Local Community or Stakeholders.

4.4.4 Underpin Community and Stakeholder Engagement processes with F-PIC.

- 4.4.5** Establish appropriate and effective communication mechanisms with all identified Stakeholders.
- 4.4.6** Ensure that negotiations and discussions are between groups, rather than individuals.
- 4.4.7** To all extent as possible, ensure full participation of all parties in Stakeholder Engagements by providing assistance to Vulnerable Groups in the Community to attend such engagements.
- 4.4.8** Provide clear and accessible information on the Petroleum Activity and/or Social Investment project to all Stakeholders.
- 4.4.9** Endeavour to organise Community Engagement meetings at convenient locations within communities.
- 4.4.10** Communicate in a language used and/or understood by the broader Community and use appropriate and easy-to-understand methods of communication e.g. infographics.
- 4.4.11** Ensure that communication remains continuous, open and honest throughout the entire life of a project.
- 4.4.12** Share information on Social Investment projects with Local Communities at least once a year.
- 4.4.13** Develop an annual Stakeholder Engagement Plan specifying the relevant Petroleum Activities for consultations and submit to the Commission as part of the annual work programme, not later than 30th of January of each year. Companies may request for the Commission's assistance in developing Stakeholder Engagement plans.
- 4.4.14** Conduct community-by-community engagements. In special circumstances, companies can use the cluster method¹¹ and should indicate the resourcing arrangements to ensure effective dissemination of information by 'Trainer of Trainers (TOT)'. Clusters should not exceed 150 persons per cluster.

¹¹Bringing a representative from various local communities, recognized trades associations or group to a central location for engagement, to enable the representatives as 'trainer of trainers' reach out to the wider community or members of the relevant association or group.

- 4.4.15** Organise all Community Stakeholder Engagements not less than three (3) weeks and not more than 6 (six) weeks prior to commencing a Petroleum Activity in a Local Community.
- 4.4.16** Inform leadership of the Local Community of upcoming Stakeholder Engagement in person and/or in writing not less than seven (7) days prior to the start of the engagement.
- 4.4.17** Inform wider Community members of upcoming Stakeholder Engagement not less than seven (7) days prior to the start of the engagement using appropriate means, e.g. radio and local authority announcements, information, education and communication materials and community announcements.
- 4.4.18** Provide the Local Community with non-proprietary technical information such as; community safety, fishermen safety, exclusion zones, waste products and their management.
- 4.4.19** Make provision for the participation of a minimum of two (2) representatives from the Commission for all Stakeholder sensitisation/engagement activities. Notice of such Stakeholder Engagement to be undertaken must be communicated to the Commission at least four (4) weeks prior to the date.
- 4.4.20** Compile documentary evidence of Local Community's participation for each Stakeholder Engagement activity (Participation Logs, pictures, videos etc.)
- 4.4.21** Submit a copy of the report on the Stakeholder Engagement activity to the Petroleum Commission for its review and feedback where necessary not later than three (3) weeks after the engagement activity. The report should include information specified in Appendix 5.
- 4.4.22** Avoid speaking on culturally or other sensitive matters e.g. disputes on chieftaincy, political administration etc particularly during community engagement.

4.5 Grievance Management

The Commission recognises effective Grievance Management Mechanism as an important pillar of the Stakeholder Engagement process. The Commission aims to ensure a mutually beneficial way to settle complaints and grievances within the framework of the Company-Community Relationship. Upstream Petroleum Companies should develop and implement a simple, transparent, objective and legitimate Grievance Management Mechanisms to increase trust and improve communication.

To achieve the above, Companies should:

- 4.5.1** Identify project impacts at the time of initial Social Impact Assessment to inform the design of a Grievance Management Mechanism and anticipate potential sources of and reasons for grievances.
- 4.5.2** Engage early with stakeholders to ensure that the Grievance Management Mechanism is culturally acceptable to all affected groups and integrates traditional methods for raising and resolving issues.
- 4.5.3** Develop and establish a Grievance Management Mechanism to make provision for grievances to be communicated verbally or lodged in writing with the Company, record and acknowledge receipt of all incoming grievances, track the process of dealing with grievances and document the agreement reached to resolve the grievance.
- 4.5.4** Periodically review the adequacy of the Grievance Management process and modify where necessary.
- 4.5.5** Sensitise and publicise the Grievance Management procedure through appropriate forum.
- 4.5.6** The Grievance Management Mechanism should have clear procedures that are straightforward, rapid and provide the following:
 - (a) easy grievance filing processes for Stakeholders with various levels of literacy,
 - (b) easy access to the Company especially for Vulnerable Groups and
 - (c) be at no cost to the complainant.

- 4.5.7** Ensure appropriate protection of the complainant through the Company's whistleblowing policy, if any and ensure a culture of non-retaliation and respect for the Stakeholder's option to seek alternative avenues for raising a complaint where no amicable solution is found.
- 4.5.8** Explain upfront what claims are clearly outside the scope of the Grievance Management Mechanism and what alternative avenues Stakeholders can use to address these potential issues.
- 4.5.9** Aim to resolve grievances within thirty (30) days of a grievance(s) being lodged. If a more complex investigation is required, the complainant and the Petroleum Commission should receive an update explaining the actions required to resolve the grievance and the likely timeline for resolution.
- 4.5.10** Inform the Commission of all unresolved grievances for further action¹².
- 4.5.11** Keep Grievance Register which may be inspected periodically by the Commission.
- 4.5.12** Involve third parties, if necessary, such as Non-Governmental Organisations, Community-Based Organisations, Local Government Structures, Traditional Authorities, Community and Religious Organisations and Council of Elders in the community during the grievance resolution process.
- 4.5.13** In cases where Upstream Petroleum Sub-contractors establish and manage their own Grievance Management Mechanisms, Upstream Petroleum Companies should ensure that these mechanisms do not conflict with the Grievance Management scheme established by the Contractor.
- 4.5.14** Submit a report of all grievances to the Commission not less than fourteen (14) days after the end of the relevant quarter. The report should include:
- (a) Details of the complainant(s)
 - (b) Nature of complaint(s)
 - (c) Actions taken to address the complaint and applicable timelines
 - (d) Status of the complaint(s)

¹²Petroleum Commission Act, 2011 (Act 821) Sections 19 & 20

4.6 Payments and Donations

As part of the customary laws of the Republic of Ghana, persons and companies who visit the palace(s) of a Chief in Ghana, either voluntarily or by invitation are required to make cash and non- cash donations to the chief and may also receive gifts in return at the discretion of the Chief. Under the laws of Ghana, Chiefs are not 'public officers' and cash and non-cash donations are customary.

It is necessary for Upstream Petroleum Companies to engage with Chiefs and other traditional authorities in Social Performance related activities such as for Community Entry, Stakeholder Engagement and Grievance Management. The Commission aims to foster partnerships between Upstream Petroleum Companies and Chiefs while respecting customarily recognised norms of Ghana. Upstream Petroleum Companies need to demonstrate respect for traditional institutions and customs.

To achieve the above, Upstream Petroleum Companies should:

- 4.6.1** Adopt a cash payment and non-cash donations policy that covers engagements both within and outside the traditional residences of the Chief. The policy should:
- (a) specify events, activities and circumstances under which cash payments and non-cash donations can be made to a Chief;
 - (b) categorise such payments or donations as:
 - i. Transportation reimbursement
 - ii. Costs of Customary Drinks and
 - iii. Honorarium for additional role played¹³.
 - (c) Set out a payment or donation structure that recognises the distinctions between specific chieftaincy ranks as laid out in Section 58 of the Chieftaincy Act, 2008; Act 758 to wit,
 - a. The Asantehene and Paramount Chiefs
 - b. Divisional Chiefs
 - c. Sub-divisional Chiefs
 - d. Odikrofo and
 - e. Other Chiefs recognised by the National House of Chiefs.

¹³Where a chief acts as a resource person for stakeholder engagement processes including grievance resolution; to share/solicit information; risk/impact management; guidance on social intelligence, monitoring of social performance, etc.

4.6.2 Take into consideration the following factors in deciding on the quantum of payment:

- (a) the rank of the Chief and his/her ordinarily recognised retinue.
- (b) cost of transportation to and from the Company's programme venue for the Chief and retinue.
- (c) cost of customary drinks
- (d) cost of hosting an event e.g. Hiring of chairs, canopies etc where applicable by the chief
- (e) honorarium for any special roles played e.g. as a resource person, a mediator for grievance resolution etc.

4.6.3 Refer to Appendix 6 for Recommendation/Indicative Payments.

4.6.4 Companies should not make any cash payment or non-cash donation to a Government official for the performance of their official duties.

4.6.5 Companies should provide accommodation, meals, transportation and any other costs for travel to and from a location outside a government official's ordinary place of work for Social Performance activities in the Local Community.

4.7 Community Resettlement

Government aims to reduce risks and negative impacts to the greatest extent possible and restore Livelihood in the process of Resettlement. Upstream Petroleum Companies operating in Ghana should develop a well organised, practical, just and participatory Resettlement scheme.

To achieve the above, Upstream Petroleum Companies should aim to apply the following Guidelines:

4.7.1 Undertake Resettlement in accordance with applicable Ghanaian laws and International Best Practices.

4.7.2 Minimise involuntary Resettlement by making every effort to avoid the need to resettle people and communities.

- 4.7.3 Compensate fully and fairly for adverse effects on the community where Resettlement cannot be avoided.
- 4.7.4 Ensure that the Resettlement programme includes full Resettlement and Livelihood Restoration and must take into consideration the relocation or loss of shelter, loss of assets or access to properties, loss of income sources or means of livelihood, whether or not the affected persons must move to another location.
- 4.7.5 Submit copies of the Resettlement Framework and Resettlement Action Plan to the Commission for review and approval of cost prior to commencing a Resettlement.
- 4.7.6 Submit Resettlement Monitoring Reports as part of the Company's quarterly report to the Commission.

4.8 Managing Social Performance Function

The Commission regards the Social Performance Management function as a Non- Technical Risk Management tool which should be mainstreamed as part of the core business operations by Companies. Upstream Petroleum Companies should provide the requisite resources (financial, human capital etc) to enable the Company to adopt and implement these Guidelines effectively.

To achieve the above, Upstream Petroleum Companies should:

- 4.8.1 Develop a Social Performance policy as well as an implementation strategy and furnish the Commission with same.
- 4.8.2 Engage Social Performance practitioners with the requisite qualifications, expertise and experience to implement the Social Performance policy and implementation strategy.
- 4.8.3 Engage Community Liaison Officers (CLO) and where necessary, Fishing Liaison Officers (FLO) from within the Local Community. The CLO and FLO should be persons who have secured relationships of trust with the community and can articulate their needs.
- 4.8.4 The CLO or FLO should be able to liaise with the various social groups and authorities within the Local Community to create the needed platforms to engage with Stakeholders.

- 4.8.5 The CLO or FLO must be resident in the Local Community.
- 4.8.6 Ensure that all consultants/ implementing agencies/partners engaged to provide Social Performance Services are registered with the Petroleum Commission.
- 4.8.7 Undertake Social Performance Audit as part of the Company's annual reporting processes and furnish the Commission with a copy of the Audit Report.

4.9 Reporting

The Commission considers Social Performance reporting as a useful tool to document and report on the implementation of Social Performance as well as to capture lessons learnt. Upstream Petroleum Companies should endeavour to adopt a reporting system which provides information that is timely, accurate and relevant.

To achieve the above, Companies should:

- 4.9.1 Ensure updates on Social Performance are provided in the Company's Quarterly Reports to the Commission, not later than fourteen (14) days after the relevant quarter.
- 4.9.2 Submit Annual Social Performance report as part of the Company's Annual report to the Commission.
- 4.9.3 Ensure reports include actual performance against targets and benchmarks set by the Company using the templates provided in Appendix 3 and 4.
- 4.9.4 Ensure annual Social Performance reports are published in versions that can be read and understood by all Stakeholders.

APPENDIX

APPENDIX 1A: REFERENCE DOCUMENTS

- The 1992 Constitution of the Republic of Ghana
- Petroleum Commission Act, 2011 (Act 821)
- Petroleum (Exploration and Production) Act, 2016 (Act 919)
- Chieftaincy Act, 2008 (Act 759)
- Environmental Protection Agency Act, 1994 (Act 490) as amended
- Public Services Commission Act, 1994 (Act 482)
- Local Government Act, 2016 (Act 936)
- Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I 2258)
- Petroleum (Local Content and Local Participation) Regulations, 2013 LI 2204, LI 2435 (As Amended)
- National Corporate Social Responsibility Policy (Ghana) (2016)
- International Finance Corporation (IFC) Environmental and Social Performance Standards (2012)
- International Finance Corporation (IFC) Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2007)
- International Finance Corporation (IFC) Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2010)
- The Ten Principles of the United Nations Global Compact (2000)
- International Petroleum Industry Environmental Conservation Association (IPIECA) Guidelines on Improving Social and Environmental Performance for the Oil and Gas Industry (2019)
- ISO 26000 Guiding Standards on Social Responsibility (2010)
- United Nations Sustainable Development Goals (SDGs) (2015)
- United Nations Guiding Principles on Business and Human Rights (2011)
- OECD Guidelines for Multinational Enterprises (2011)
- Energy Policy Ghana (2020)

APPENDIX 1B: STAKEHOLDERS CONSULTED

STAKEHOLDER
<p>INDUSTRY</p> <ul style="list-style-type: none">• Upstream Petroleum Companies (Exploration and Production)• Service Providers
<p>GOVERNMENT OF GHANA AGENCIES</p> <ul style="list-style-type: none">• Ministry of Energy• Ghana Maritime Authority (GMA)• Environmental Protection Agency (EPA)• Ghana Navy• Fisheries Commission• Department of Game and Wildlife• Forestry Commission
<p>LOCAL GOVERNMENT</p> <ul style="list-style-type: none">• Ellembelle District Assembly• Jomoro District Assembly• Nzema East District Assembly• Sekondi Takoradi Metropolitan Assembly• Shama District Assembly• Ahanta West District Assembly• Keta Municipal Assembly• Anlo District Assembly• South Tongu District Assembly• Ketu South District Assembly• Ada East District Assembly
<p>COMMUNITY BASED ORGANISATIONS (CBOs)</p> <ul style="list-style-type: none">• Ghana National Canoe Fishermen Council (GNCFC)• Western Regional Coastal Foundation (WRCF)• Ben Kwao Group• Vegetable Farmers Association• KIBS Foundation• Ayongo Foundation

CSOs

- Integrated Social Development Centre (ISODEC)
- Penplusbytes
- Friends of the Nation (FoN)
- Centre for Environmental Impact Analysis (CEIA)
- Public Interest Accountability Committee (PIAC)
- Centre for Social Impact Studies (CESIS)
- Africa Centre For Energy Policy (ACEP)
- CSO Platform on Oil and Gas (CSPOG)

REPRESENTATIVES OF WRHC WORKING GROUP

- Essikado Traditional Area
- Nsein Traditional Area
- Wassa Amenfi Traditional Area
- Western Nzema Traditional Area
- Lower Dixcove Traditional Area
- Lower Axim Traditional Area

TRADITIONAL AUTHORITIES

- Anlo Paramountcy
- Aflao Paramountcy
- Sokpe Paramountcy
- Keta Paramountcy
- Fieve Paramountcy
- Agave Paramountcy
- Ada Paramountcy
- Vume Paramountcy
- Agogo Traditional Area
- Ejura Traditional Area
- Beposo Traditional Area
- Nkoranza Traditional Area
- Nsuta Traditional Area
- Kumawu Traditional Council
- Dagbong Traditional Council
- Mamprugu Traditional Council

COMMUNITY STAKEHOLDER GROUPS

- Chief Fishermen
- Fishmongers

MEDIA

- Jubilee Radio
- Holy Radio
- Ada Radio

APPENDIX 2: FEEDBACK FORM

As part of your quarterly reporting to the Commission, we encourage you to provide feedback on the effectiveness of these Guidelines in the space provide below:

APPENDIX 3: SOCIAL INVESTMENT PLAN TEMPLATE

This Reporting Template has been developed to provide guidance on the submission of Social Investment Plan(s). Kindly use the form below to submit your Social Investment Plan(s) to the Petroleum Commission

DATE:	
NAME OF COMPANY:	
TYPE OF COMPANY:	E & P / SERVICE PROVIDER
NAME OF PROJECT/PROGRAMME	
PROJECT (Please Underline)	SOCIAL INVESTMENT / SOCIAL IMPACT MITIGATION
LOCATION OF THE PROJECT (TOWN, DISTRICT, REGION)	
PROJECT DETAILS (BACKGROUND, ASSESSMENT, TARGET, IMPACT ETC)	
ESTIMATED PROJECT START DATE:	
ESTIMATED PROJECT END DATE:	
PROJECT STATUS:	
ESTIMATED BUDGET:	
AMOUNT SPENT (ON-GOING PROJECTS)	
STAKEHOLDER ENGAGEMENT (LEVELS OF ENGAGEMENT)	
DISTRICT ASSEMBLY:	
TRADITIONAL LEADERS:	
COMMUNITY LEADERS:	
PROJECT UNDERTAKEN BY:	CONTRACTOR / SELF
PROJECT FUNDED / SPONSORED BY:	
ADDITIONAL INFORMATION:	
PROJECT CONSENTED TO BY COMMISSION? (Kindly indicate date of consent)	
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> PENDING	
NAME & SIGNATURE:	

APPENDIX 4: QUARTERLY & ANNUAL SOCIAL PERFORMANCE REPORT TEMPLATE

You are kindly requested to use the form below to submit your quarterly Social Performance report

DATE:	
NAME OF COMPANY:	
TYPE OF COMPANY:	E & P / SERVICE PROVIDER
NAME OF PROJECT/PROGRAMME:	
PROJECT TYPE:	SOCIAL INVESTMENT / SOCIAL IMPACT MITIGATION
LOCATION OF THE PROJECT (TOWN, DISTRICT, REGION)	
PROJECT COST:	
PROJECT STATUS:	
ESTIMATED DATE OF COMPLETION:	
ESTIMATED DATE OF COMMISSIONING:	
ADDITIONAL INFORMATION:	

APPENDIX 5: SUGGESTED FORMAT FOR REPORTS ON STAKEHOLDER ENGAGEMENTS

- Introduction/Background
 - Objective and Purpose of Engagement / Consultation Exercise
 - Location of stakeholder engagement (indicating names of selected communities)
 - Identification and clustering of selected communities for the exercise
 - Institutional Representatives
 - Community sensitisation and engagement exercise
 - Key Issues discussed / Key messages
 - Key issues raised by communities / responses
 - Recommendation / Way Forward
-
- (a) The profile of the community or stakeholders
 - (b) Attendance sheets with names and phone numbers of all participants
 - (c) Copies of pictures and videos taken during the engagement
 - (d) A list of issues/questions raised at the engagement and the names of persons who asked them

Appendix 6 - Recommendation / Indication of Payments of Donations

PURPOSE	INDICATOR	GHANA CEDIS EQUIVALENT OF USD ¹⁴
Visit to Paramountcy including Divisional Chiefs from respective communities	<ul style="list-style-type: none"> • Customary • Hours spent • Transportation • Administrative (invitation/ calls) 	200-250 plus two (2) bottles of Schnapps/ Kola nuts
Visit to Divisional Area	<ul style="list-style-type: none"> • Hours spent • Refreshment 	50 to 100 plus two (2) Schnapps/ Kola nuts
Invitation to Conferences, Workshop & other meeting: <ul style="list-style-type: none"> ➤ Paramount Chiefs and Queen-mothers ➤ Divisional Chiefs and Divisional Queen-mothers 	<ul style="list-style-type: none"> • Hours spent • Proximity / Transportation Driver, Linguist 	<ul style="list-style-type: none"> • 150-200 plus Refreshment • 60-100 plus Refreshment
Community Durbar	<ul style="list-style-type: none"> • Refreshment (At companies' discretion) 	Refreshment
Invitation of Chief Fishermen to workshop/conference (outside district)	<ul style="list-style-type: none"> • Hours spent • Incentive for not attending to their business • Transportation (distance) 	30 plus Refreshment

¹⁴Amounts to be reviewed every two (2) years

<p>Invitation of Chief Fisherman to engagement within a district</p>	<ul style="list-style-type: none"> • Incentive for not attending to their business • Transportation (distance) 	<p>30 plus Refreshment</p>
<p>Invitation of Canoe Owner</p>	<ul style="list-style-type: none"> • Hours spent • Transportation (distance) 	<p>50 plus Refreshment</p>
<p>Resourcing Canoe Crew upon invitation</p>	<ul style="list-style-type: none"> • Hours spent • Incentive for not attending to business • Transportation (distance) 	<p>50 plus Refreshment</p>
<p>Delegated Duty Information Dissemination by Chief Fisherman on behalf of company</p>	<ul style="list-style-type: none"> • Hours spent • Incentive for not attending to business • Transportation • Administrative Cost • Logistics (chairs, phone calls other mobilisation) • Radio discussion 	<p>TBD by plan and budget</p>

Appendix 7 Levels of Engagement and Recommended Rank of Team Leaders

LEVEL OF ENGAGEMENT	RANK OF TEAM LEAD
Overlord of a Kingdom	Chief Executive Officer or Not below the Rank of Director/Senior Manager
Sub Chief	Not below the Rank of Senior Manager/ Manager
Community leader Assemblyman Chief fisherman Konkohema Canoe owners Fisherfolks Farmers	Not below the Rank of Officer

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