



REPUBLIC OF GHANA

REPORT ON THE MANAGEMENT OF THE ENERGY SECTOR SUPPORT ACCOUNT

In accordance with Section 4 of
**ENERGY SECTOR LEVIES ACT,
2025 (ACT 1135)**

Presented to Parliament by
DR. CASSIEL ATO FORSON
Minister for Finance

On Tuesday, 31st March, 2026
for the 2025 Fiscal Year

ANNUAL REPORT

ON THE

MANAGEMENT OF THE ENERGY SECTOR SUPPORT ACCOUNT

FOR THE 2025 FISCAL YEAR

**SUBMITTED TO PARLIAMENT IN ACCORDANCE WITH SECTION 4 OF
THE ENERGY SECTOR LEVIES ACT, 2025 (ACT 1135)**

Acronyms and Abbreviations

BoG	Bank of Ghana
CAGD	Controller and Accountant-General's Department
GDP	Gross Domestic Product
MoF	Ministry of Finance
OCTP	Offshore Cape Three Points
PRG	Partial Risk Guarantee
TSA	Treasury Single Account
ESSA	Energy Sector Support Account
ESSDRL	Energy Sector Shortfall and Debt Repayment Levy



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FOREWORD

The energy sector remains fundamental to Ghana's national development. It powers households, supports industrial activity, and drives the broader economy. Safeguarding its financial sustainability and operational efficiency is therefore essential for ensuring energy security and sustaining long-term economic growth.

It was against this backdrop that the Government of Ghana, under the leadership of President John Dramani Mahama, embarked on bold and decisive reforms in 2025 to restore stability, credibility, and viability within the sector.

At the time the Government assumed office in January 2025, the energy sector had been severely strained by persistent payment arrears, mounting legacy debts, and growing financing shortfalls that posed significant risks to Ghana's macroeconomic stability and international credibility.

Notably, the World Bank Partial Risk Guarantee (PRG) of US\$500.00 million had been completely depleted under the previous administration due to the persistent non-payment for gas supplied to the power sector from the Offshore Cape Three Points (OCTP) field. Established in 2015 under the previous NDC Government, the PRG guaranteed payments to the project partners under the Sankofa Gas Project, helping secure nearly US\$8.0 billion in private sector investment into Ghana's energy sector.

In a strong demonstration of fiscal discipline and responsible leadership, Government had, as at 31st December 2025, fully repaid the GH¢6.94 billion (US\$597.15 million) (including interest) drawn under the World Bank Guarantee, thereby fully restoring the facility and reaffirming Ghana's international credibility.

In addition, Government settled all outstanding gas invoices owed to Eni and Vitol for electricity generation between January and December 2025, amounting to approximately GH¢5.46 billion (US\$480.00 million). Approximately GH¢4.54 billion (US\$393.00 million) was also paid in 2025, towards the settlement of legacy IPP debts, further consolidating the gains made in restoring stability to the sector.

These interventions were underpinned by major legislative reforms. The enactment of the Energy Sector Levies Act, 2025 (Act 1135), which repealed the Energy Sector Levies Act, 2015 (Act 899), marked a significant milestone in efforts to reset the management of energy sector levies and restore financial discipline within the sector. The new Act



establishes a more streamlined and coherent framework for mobilising and prudently utilising levy proceeds.

A central reform under the new framework is the rationalisation of the Energy Debt Recovery Levy, Energy Sector Recovery Levy, Price Stabilisation and Recovery Levy, and the Sanitation and Pollution Levy into the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL) to support the payment of energy sector shortfalls and energy sector legacy debts.

Government further increased the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL) by GH¢1.00 per litre on selected petroleum products to support the payment of energy sector shortfalls, reduce energy sector legacy debts, and stabilise power supply.

In 2025, Government spent a total of GH¢22.67 billion (US\$1.90 billion) to settle all energy sector payments including outstanding gas invoices of GH¢5.46 billion (US\$480.00 million) owed to Eni and Vitol for electricity generation between January and December 2025. An amount of GH¢4.54 billion (US\$393.00 million) was also used to settle legacy IPP debts, GH¢6.94 billion (US\$597.15 million) to restore the World Bank Partial Risk Guarantee and GH¢5.73 billion (US\$437.35 million) for the procurement of liquid fuel and gas to support power generation.

In 2025, total lodgement of the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL) into the Energy Sector Support Account amounted to GH¢8.81 billion. The amount supported the payment of shortfalls and legacy debts, thereby ensuring continued energy supply and contributing to the stabilisation of the broader economy. The early returns from these bold reforms are highly encouraging and reaffirm Government's commitment to sustaining the momentum of recovery within the sector.

This report, the first under the new Act 1135 framework, fulfils the statutory requirement under Section 4 of the Act by providing a comprehensive account of the management of the Energy Sector Support Account for the 2025 fiscal year.

I acknowledge and commend the critical role played by the Ministry of Finance and the ESLA Working Group in the preparation of this report.

Government remains firmly committed to advancing reforms that will enhance energy security, restore financial discipline, and support macroeconomic stability. Working



together with all stakeholders, we must sustain the reform momentum and reshape the sector to reliably and sustainably power Ghana's future. The mission remains clear: a stronger energy sector to drive a stronger economy.


DR. CASSIEL ATO FORSON, MP
MINISTER FOR FINANCE



EXECUTIVE SUMMARY

1. The enactment of the Energy Sector Levies Act, 2025 (Act 1135) in April 2025 marked a significant milestone in the Government's ongoing efforts to strengthen the financial sustainability and operational efficiency of the energy sector. The Act repealed the Energy Sector Levies Act, 2015 (Act 899) and its amendments, and established a consolidated framework to promote the prudent and efficient utilisation of levy proceeds. This was intended to address energy sector payment shortfalls, legacy debts, and related matters.
2. A key reform under Act 1135 was the consolidation of four petroleum-related levies into a single levy, the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL), to enhance transparency, streamline administration, and improve revenue mobilisation efficiency.
3. Subsequent amendments passed in June and July 2025 strengthened the levy framework through rate adjustments to raise additional revenue and targeted measures to curb leakages, particularly relating to Marine Gas Oil.
4. **Performance of the Energy Sector Shortfall and Debt Repayment Levy in 2025**
A total of GH¢5.75 billion (0.4% of GDP) was programmed for the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL) in the 2025 Budget Statement and Economic Policy of Government. This was revised upward by GH¢2.87 billion to GH¢8.62 billion (0.6% of GDP) during the 2025 Mid-Year Budget Review, mainly following amendments to the Energy Sector Levies Act, 2025 (Act 1135).
5. Against the revised target, actual ESSDRL collections amounted to GH¢8.66 billion, surpassing the programmed amount by GH¢39.88 million (0.5%).
6. Lodgements for the period under review amounted to GH¢8.81 billion, exceeding collections by GH¢158.25 million (1.8%). An amount of GH¢1.26 billion was also brought forward into 2025 as balances on the various accounts making up the Energy Sector Support Account, bringing the total funds available to GH¢10.07 billion.
7. Total utilisation from the Energy Sector Support Account in 2025 amounted to GH¢9.82 billion, comprising payments for energy sector shortfalls and the repayment of legacy debt in line with the provisions of Act 1135, leaving a balance of GH¢252.23 million.
8. However, the magnitude of the energy sector shortfalls and legacy debt rendered the proceeds from the Energy Sector Shortfall and Debt Repayment Levy inadequate to fully settle the obligations for the 2025 fiscal year.



9. As a result, an additional amount of GH¢12.85 billion was paid by the Controller and Accountant-General's Department from the Treasury Main Account. This comprised GH¢5.16 billion and GH¢7.69 billion for the payment of energy sector shortfalls, and the repayment of legacy debt, respectively.
10. In total, an amount of GH¢22.67 billion was paid for the settlement of energy sector shortfalls and repayment of legacy debt.



SECTION ONE: INTRODUCTION

11. Government, on 2nd April 2025, enacted the Energy Sector Levies Act, 2025 (Act 1135). This landmark legislation formally repealed the Energy Sector Levies Act (ESLA), 2015 (Act 899) and its subsequent amendments, with the primary purpose of promoting prudent and efficient utilisation of proceeds generated from the levies to address energy sector shortfall payments, and energy sector legacy debts.
12. The primary measure of Act 1135 was a consolidation of some of the existing revenue streams. Specifically, the Energy Debt Recovery Levy, Energy Sector Recovery Levy, Price Stabilisation and Recovery Levy, and the Sanitation and Pollution Levy were merged into a single levy: the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL). The enactment ensured easy navigation and comprehension of the ESLA.
13. Section 4 of Act 1135 requires that:

“the Minister shall submit to Parliament an annual report on the management of the account established under section 3 for the preceding year by the 31st day of March of the ensuing year”.
14. This is a report on the management of the Energy Sector Support Account for the 2025 fiscal year.
15. The 2025 Annual Energy Sector Support Account Report is structured as follows:
 - Section One: Introduction;
 - Section Two: Performance of the Energy Sector Support Account In 2025; and
 - Section Three: Summary and Conclusion.



SECTION TWO: PERFORMANCE OF THE ENERGY SECTOR SUPPORT ACCOUNT IN 2025

2025 Programme

16. A total of GH¢5.75 billion was programmed for the ESSDRL in the 2025 Budget Statement and Economic Policy of Government, representing 0.4 percent of GDP. The programme was revised upwards by GH¢2.87 billion (49.9%) to GH¢8.62 billion (0.6% of GDP) during the 2025 Mid-Year Budget Review.
17. The revision mainly resulted from the amendment of the ESLA, 2025 (Act 1135), to increase the rate of the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL) to generate additional revenue to support the payment of energy sector shortfalls, reduce energy sector legacy debts, and stabilise power supply.

2025 Actual Collection

18. Actual collection for the ESSDRL amounted to GH¢8.66 billion. This exceeded the 2025 revised ESSDRL programme of GH¢8.62 billion by GH¢39.88 million (0.5%).
19. The overperformance is mainly due to the following:
- increase in volumes of petroleum products due to increased economic activity, and stability of fuel prices; and
 - measures by Government to curb the diversion of petroleum products.

2025 Lodgement

20. Total lodgement for the 2025 fiscal year amounted to GH¢8.81 billion exceeding collection by GH¢158.25 million (1.8 percent).

Table 1: 2025 Performance of the Energy Sector Support Account (In GH¢M)

Account Name	Programme	Collection	Lodgement	Coll.-Prog.	Lodg.-Coll.
Energy Sector Support Account	8,616.13	8,656.00	8,814.25	39.88	158.25

Source: MoF, CAGD

21. The balance brought forward into 2025 on the various accounts making up the Energy Sector Support Account totalled GH¢1.26 billion. Together with the total lodgement for 2025 of GH¢8.81 billion, the total funds available for utilisation was GH¢10.07 billion.



2025 Utilisation

22. Total utilisation from the Energy Sector Support Account in 2025 amounted to GH¢9.82 billion. Out of this amount, GH¢6.32 billion was used for the payment of energy sector shortfalls, and GH¢3.51 billion was used for the repayment of legacy debt in line with Section 3 of the Energy Sector Levies Act, 2025 (Act 1135).
23. However, the magnitude of the energy sector shortfalls and legacy debt rendered the proceeds from the Energy Sector Shortfall and Debt Repayment Levy inadequate to fully settle the obligations for the 2025 fiscal year.
24. As a result, an additional amount of GH¢12.85 billion was paid by the Controller and Accountant-General's Department from the Treasury Main Account. This comprised GH¢5.16 billion and GH¢7.69 billion for the payment of energy sector shortfalls, and the repayment of legacy debt, respectively.
25. In total, an amount of GH¢22.67 billion was expended from the Energy Sector Support Account and Treasury Main Account for the settlement of energy sector shortfalls and the repayment of legacy debt.

Table 2: Summary of 2025 Utilisation

Item	Energy Sector Support Account	T-Main Account	Total Payment	% Share
Energy Sector Shortfall Payment	6,315,650,068.55	5,160,477,558.25	11,476,127,626.80	50.62%
Legacy Debt Repayment	3,505,219,651.21	7,688,361,437.04	11,193,581,088.25	49.38%
Total	9,820,869,719.76	12,848,838,995.29	22,669,708,715.05	100.00%
% Share	43.3%	56.7%	100.0%	

Balance on the Energy Sector Support Account

26. Given the total amount available of GH¢10.07 billion and the total utilisation on the Energy Sector Support Account of GH¢9.82 billion, the resulting balance on the account as at 31st December 2025 was GH¢252.23 million, as shown in Table 3 below.

Table 3: Summary of 2025 ESSA Inflows and Outflows (In GH¢)

Item	Amount
Balance Brought Forward - 1st January 2025 (A)	1,258,848,700.53
2025 Lodgment (B)	8,814,250,358.23
Total Amount Available for 2025 (C=A+B)	10,073,099,058.76
2025 Actual Utilisation (D)	9,820,869,719.76
Balance as at 31st December 2025 (E=C-D)	252,229,339.00



SECTION THREE: SUMMARY AND CONCLUSION

27. The reforms introduced under the Energy Sector Levies Act, 2025 (Act 1135), as amended, have focused the use of the proceeds of the Energy Sector Shortfall and Debt Repayment Levy to tackle longstanding financial challenges in the energy sector.
28. Government ensured that the entrusted resources are prudently utilised in accordance with the law, thus ensuring the objectives of the ESLA are achieved.
29. Revenues mobilised were utilised to reduce accumulated legacy debt, finance the regular settlement of shortfalls within the energy sector, and restore the World Bank Partial Risk Guarantee. These interventions have ensured stable power supply for households and businesses across the country while strengthening investor confidence in the sector.
30. To further demonstrate Government's commitment to restoring the financial viability of the energy sector, additional resources beyond the proceeds of the Energy Sector Shortfall and Debt Repayment Levy were deployed towards the settlement of energy sector shortfalls and legacy debt obligations.
31. Government remains steadfast in its commitment to safeguarding the financial viability of the energy sector as a critical foundation for Ghana's economic transformation.





REPUBLIC OF GHANA

MINISTRY OF FINANCE

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