



CENTER FOR ENVIRONMENTAL MANAGEMENT AND
SUSTAINABLE ENERGY (CEMSE) AFRICA

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GHANAIANS ARE PAYING THE BILL

Eight Years of Petroleum Levies,
GH¢40.9 Billion Collected,
and a Sector Still in Crisis.

An Assessment of Petroleum Levy
Collections, Utilisation, and the Energy
Sector's Current Challenges.

GH¢16.4B+



GH¢14.9B+



\$9B DEBT



CEMSE
Africa



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\$9B
TOTAL SECTOR DEBT.

THE CRISIS PERSISTS:
GH¢40.9B Collected
Legacy debt cleared.
Yet, total energy sector debt
tripled from \$3B to \$9B.

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List of ACRONYMS

ESLA	ENERGY SECTOR LEVIES ACT
EDRL	ENERGY DEBT RECOVERY LEVY
ESRL	ENERGY SECTOR RECOVERY LEVY
SPL	SANITATION AND POLLUTION LEVY
PSRL	PRICE STABILISATION AND RECOVERY LEVY
EFL	ENERGY FUND LEVY
SOES	STATE OWNED ENTERPRISES
RFO	RESIDUAL FUEL OIL



INTRODUCTION

Over the past decade, Ghana has increasingly relied on petroleum levies as a critical tool for financing key sectors, particularly energy, roads, and sanitation. Every time a Ghanaian fills a vehicle with fuel, a portion of what they pay at the pump is quietly redirected to help finance the country's energy sector. These deductions were introduced under the Energy Sector Levies Act (ESLA). Between 2017 and 2024, six distinct petroleum levies collectively generated a staggering GH¢40.9 billion. Yet despite the scale of this revenue mobilisation, Ghana's energy and road sectors find itself in a deepening crisis. This article examines the performance of each of the six petroleum levies from 2017 to 2024, and analyses questions that persist around how much has been collected, how effectively these funds have been utilised, and whether the intended objectives are being achieved.

THE SCALE OF REVENUE MOBILISATION

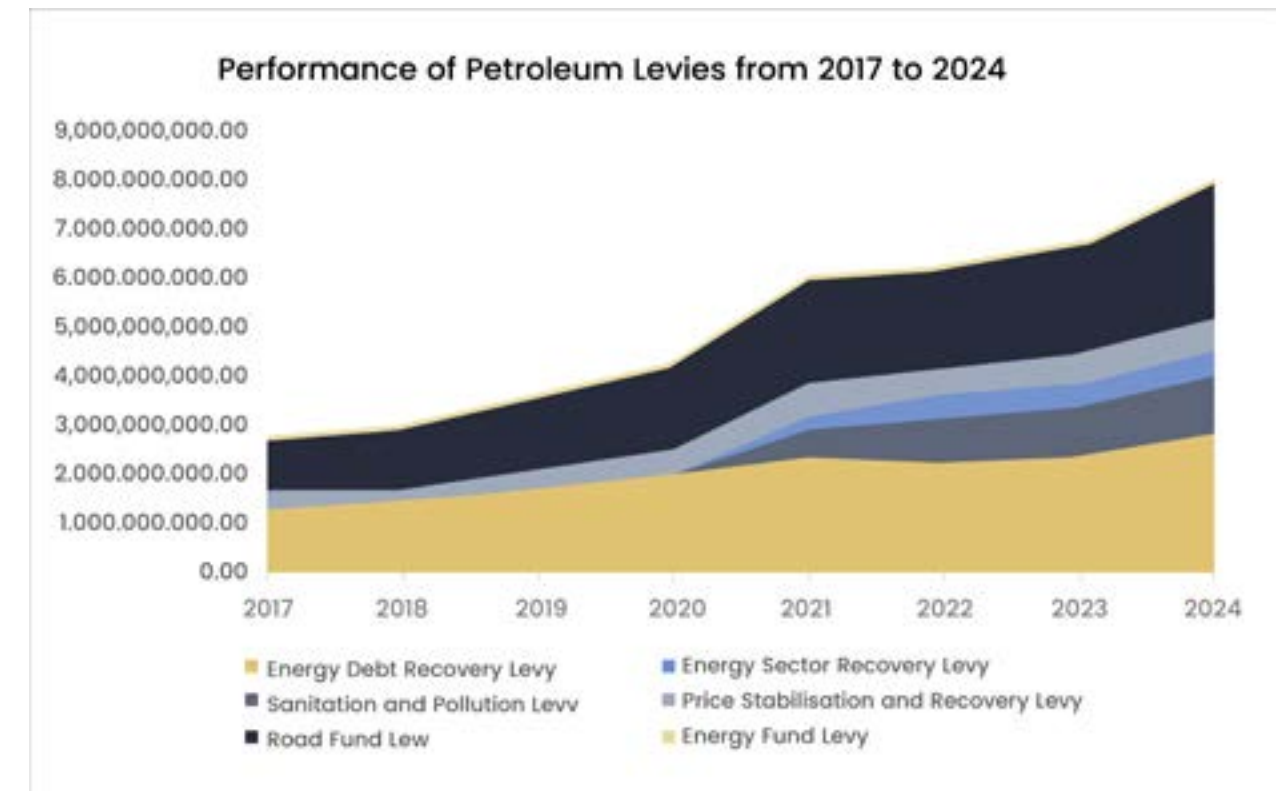
Table 1 below sets out the annual collections for each of the six levies from 2017 to 2024, drawn from the official ESLA Annual Reports published by the Ministry of Finance.

TABLE 1: ANNUAL PETROLEUM LEVY COLLECTIONS 2017–2024 (GHC)

LEVY	ENER- GY DEBT RECOVERY LEVY	ENERGY SECTOR RECOV- ERY LEVY	SANI- TATION & POL- LUTION LEVY	PRICE STABI- LISATION & RECOV- ERY LEVY	ROAD FUND LEVY	ENERGY FUND LEVY	TOTAL
2017	1,293,02 9,005.88			345,31 4,041.99	1,151,95 9,195.23	30,65 4,836.98	2,817,95 7,276.31
2018	1,471,95 6,951.76			142,46 3,907.43	1,324,29 4,852.43	35,26 5,608.87	2,973,98 1,320.49
2019	1,712,59 9,636.92			269,58 8,922.08	1,552,85 9,326.57	38,79 4,057.93	3,573,84 1,943.50
2020	2,040,26 4,686.15			484,30 1,298.42	1,779,93 2,456.63	38,37 9,066.25	4,342,87 7,507.47
2021	2,373,88 8,412.07	566,08 5,627.84	264,81 8,176.23	629,35 1,271.80	2,177,45 4,632.41	47,37 4,170.81	6,077,96 7,285.32
2022	2,269,63 7,618.08	959,85 7,946.77	452,00 8,576.24	504,24 6,122.96	2,095,00 2,024.55	44,32 2,331.15	6,077,96 7,285.32
2023	2,435,24 2,091.79	998,22 7,903.80	470,87 7,332.27	610,43 5,579.14	2,253,24 6,713.75	47,81 7,339.03	6,815,84 7,059.78
2024	2,851,07 7,368.21	1,163,74 1,378.75	551,38 4,047.27	715,93 5,122.53	2,646,75 0,429.93	53,79 8,337.61	7,982,68 6,684.30
TOTAL	16,447,69 5,770.86	3,687,91 2,857.16	1,739,08 8,132.01	3,701,63 6,266.35	14,981,49 9,631.50	336,40 5,748.63	40,894,2 38,406.51

Source: Author's construct from Annual ESLA Reports 2017 – 2024

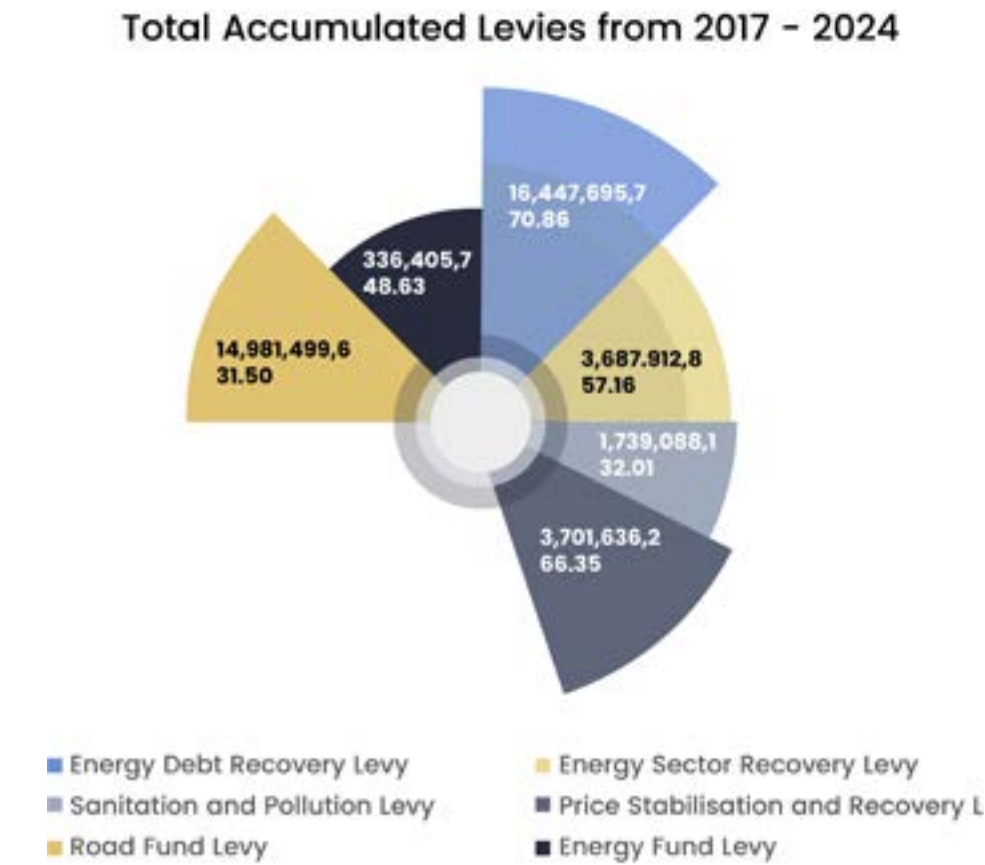
FIGURE 1: PERFORMANCE OF PETROLEUM LEVIES FROM 2017 TO 2024 (GHC)



Source: Author's construct from Annual ESLA Reports 2017 – 2024

The Energy Debt Recovery Levy (EDRL) is by far the largest single levy, accounting for GH¢16.45 billion which is approximately 40.2% of total collections over the eight-year period. The Road Fund Levy (RFL) is the second largest levy, generating GH¢14.98 billion over the period which is also approximately 36.6% of total collections. Collection of levies for both the Energy Sector Recovery Levy (ESRL) and the Sanitation and Pollution Levy (SPL) started in 2021. Despite their shorter operational period, they have already generated GH¢3.69 billion and GH¢1.74 billion respectively. The Price Stabilisation and Recovery Levy (PSRL) collected GH¢3.70 billion over the period. Finally, The Energy Fund Levy (EFL) is the smallest of the six levies, generating GH¢336.4 million over the eight-year period.

FIGURE 2: TOTAL ACCUMULATED LEVIES FROM 2017 – 2024



Source: Author's construct from Annual ESLA Reports 2017 – 2024

SCALE OF UTILISATION

Fund from Petroleum Levies Collected

The primary utilisation of EDRL funds has been to service ESLA Plc bonds, paying interest and principal on the GH¢6.664 billion in bonds issued between 2017 and 2019. This has provided critical relief to the commercial banks and trade creditors who were owed money by energy sector State Owned Enterprises (SOEs). However, the fundamental problem with this approach is that it addressed the debt that existed at ESLA's inception without preventing new debt from accumulating. Between 2017 and 2024, the overall energy sector debt actually grew from approximately USD 3 billion at the end of 2016 to USD 9 billion at the end of 2024, a threefold increase despite GH¢16.45 billion in EDRL collections. The ESLA Plc bond mechanism addressed legacy bank debt but left untouched the structural drivers of new debt accumulation.

RFL proceeds have been deployed across three primary uses, i.e direct road maintenance and rehabilitation grants to the Ghana Highway Authority, Department of Urban Roads, and Department of Feeder Roads; debt service on loans contracted by the Ghana Road Fund for capital projects; and administrative expenses. The RFL represents the most straightforward utilisation narrative among the six levies, with a clear institutional home, established project pipeline, and relatively transparent reporting. However, challenges such as collection shortfalls driven by commercial losses in the petroleum distribution chain, under-reporting by oil marketing companies, and lodgment delays have meant that actual disbursements to road agencies have frequently fallen short of programmed amounts.

As at 2024, levies of GH¢20.14 billion from EDRL and ESDR have been collected to be used to support the power sector. The government paid off USD 1.470 billion in 2025 to reset the sector and re-profiled \$1.1 billion in legacy debt over a four-year period.

PRICE STABILISATION AND RECOVERY LEVY: THE PREMIX AND RFO SUBSIDY UTILISATION

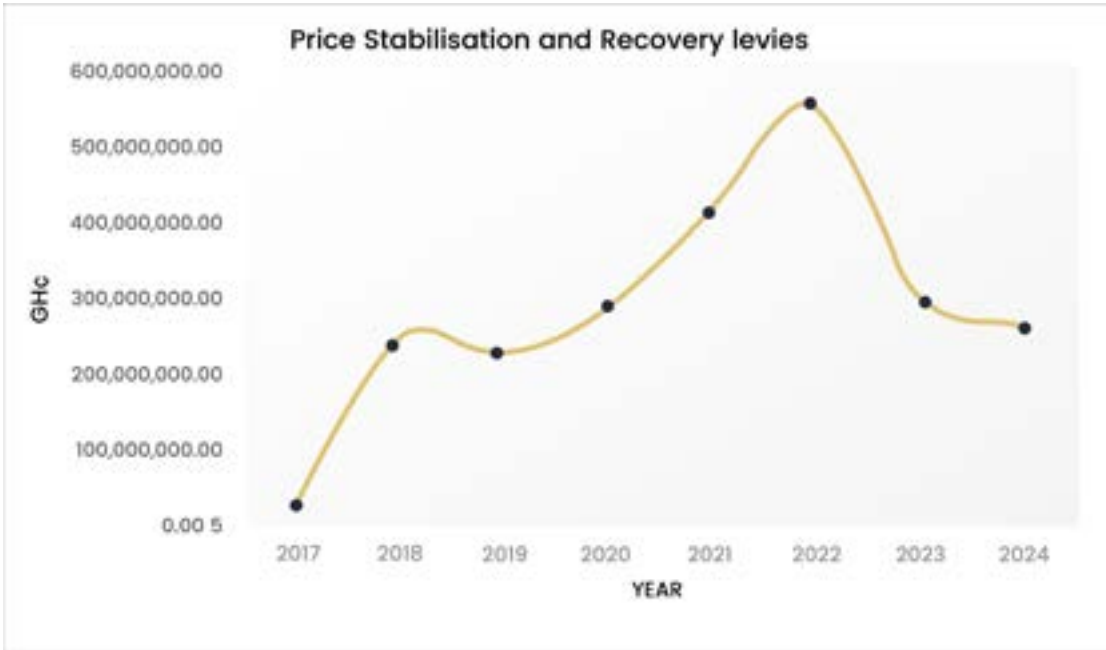
The PSRL has shown erratic performance across the years as shown in Figure 3. Its dual mandate is to smooth fuel price volatility for consumers and to subsidise premix fuel and Residual Fuel Oil (RFO) for fishing communities and industrial users.

TABLE 2: PSRL COLLECTIONS VS PREMIX AND RFO SUBSIDY DISBURSEMENTS 2017–2024 (GHC)

Year	PSRL Collect- ed (GHC)	Premix & RFO Subsidies (GHC)	Subsidy as % of PSRL	Balance (GHC)
2017	345,314,041.99	21,729,215.16	6.3%	323,584,826.83
2018	142,463,907.43	245,447,603.00	172.3%	-102,983,695.57
2019	269,588,922.08	233,759,985.00	86.7%	35,828,937.08
2020	484,301,298.42	288,432,274.00	59.6%	195,869,024.42
2021	629,351,271.80	419,842,376.00	66.7%	209,508,895.80
2022	504,246,122.96	559,008,478.00	110.9%	-54,762,355.04
2023	610,435,579.14	302,921,916.86	49.6%	307,513,662.28
2024	610,435,579.14	302,921,916.86	36.8%	452,385,823.88
TOTAL	715,935,122.53	263,549,298.65	63.1%	1,366,945,119.68

Source: Author's construct from Annual ESLA Reports 2017 – 2024

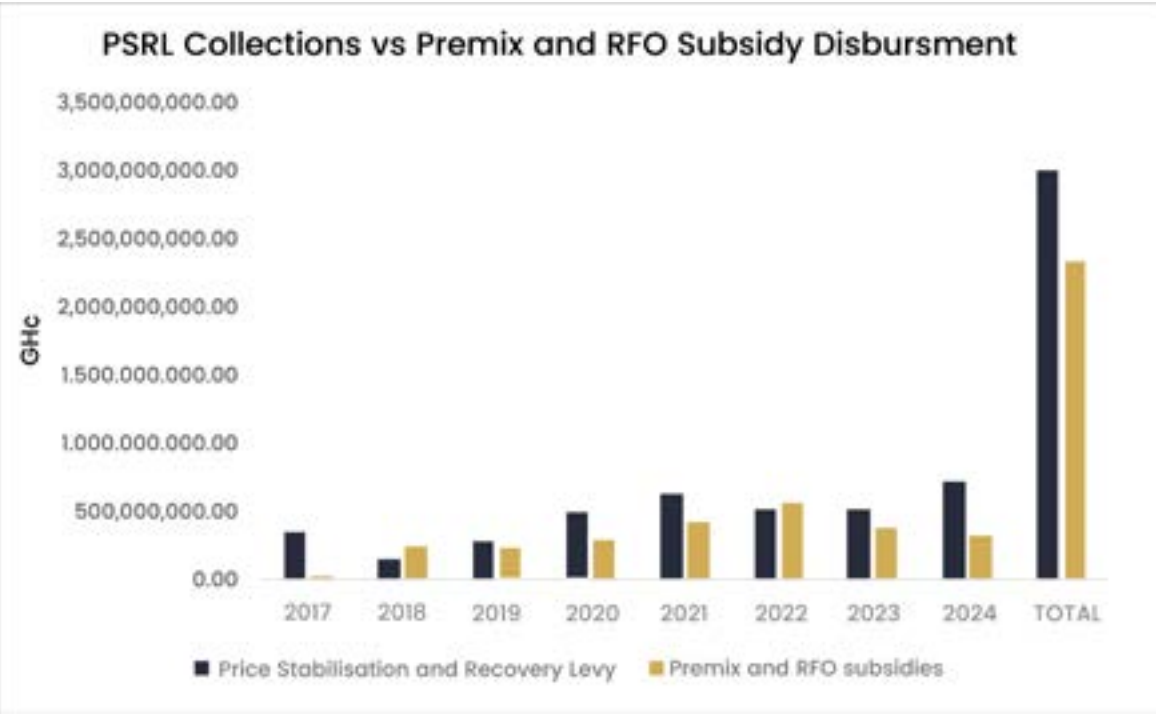
FIGURE 3: COLLECTION OF PSR LEVIES FROM 2017 – 2024



Source: Author's construct from Annual ESLA Reports 2017 – 2024

Between 2017 and 2024, a total of GH¢2.33 billion was disbursed as premix and RFO subsidies from the PSRL out of total PSRL collections of GH¢3.70 billion as shown in Figure 3 and Table 2. Approximately 63% of PSRL collections have been directed toward these subsidies, with the remainder used for the price stabilisation function. In 2018, premix and RFO subsidies (GH¢245.4 million) actually exceeded PSRL collections (GH¢142.5 million), implying cross-subsidy from other revenue sources or arrears. The subsidy cost has grown significantly from GH¢21.7 million in 2017 to GH¢263.5 million in 2024, reflecting fuel price inflation, cedi depreciation, and growing demand from the fishing sector. In 2022, subsidies actually exceeded collections again (GH¢559.0 million against GH¢504.2 million collected), confirming the structural underfunding of this subsidy programme. The premix subsidy serves a critical social protection function for Ghana's coastal and inland fishing communities, who depend on affordable fuel for their outboard motors. Any rationalisation of the PSRL must carefully consider the welfare implications for this vulnerable group.

FIGURE 4: PSRL COLLECTIONS VS PREMIX AND RFO SUBSIDY DISBURSEMENT



Source: Author's construct from Annual ESLA Reports 2017 – 2024

COMPARATIVE ANALYSIS

Revenues Allocated to ESLA and Capital Expenditure in Health and Education

An analysis of Budget allocation by the Government of Ghana for Capital Expenditure to the Ministries of Health and Education as depicted in Table 3 shows more revenues have been allocated to paying power sector falls from 2017 to 2024 than allocations to capital expenditure in education and health combined.

TABLE 3: GOG BUDGET ALLOCATION FOR EDUCATION AND HEALTH FROM 2017 – 2024 (GHC)

Allocation	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Education	16,558,132	12,822,910	9,500,000	16,800,000	24,500,000	78,050,000	32,294,000	55,000,000	245,525,042
Health	56,000,000	63,000,000	47,500,000	57,396,929	45,500,000	242,119,000	134,501,691	295,000,000	941,017,620
Total									1,186,542,662

Source: Author's construct from Annual Budget Statement and Economic Policy 2017 – 2024

For the period, just about GH¢1.2 Billion was allocated for capital expenditure by GO in health and education despite the infrastructure requirement in both sectors. With over GH¢40 billion mobilised in petroleum levies, a fundamental reform in the utilisation of these levies to cater for social infrastructure such as schools and health facilities in the ministries of education and health is imperative.

CONCLUSION

Governments since 2016 has committed resources from ESLA proceeds to settle power sector shortfalls and road sector improvement programmes. The ESLA framework has demonstrated that Ghana can collect substantial sums through pump-price levies, with collection performance broadly tracking economic growth and petroleum consumption trends. The GH¢40.9 billion in eight years represents a significant and largely successful revenue mobilization exercise. Notably, roads have been maintained, fishing communities have received subsidies, and ESLA Plc has retired a tranche of legacy banking debt. However, the energy sector remains in debt today than when ESLA began. The data establishes that ESLA has performed critically well, however more structural reforms are needed to reduce the accumulation of new debts and efficient utilization of proceeds. Fortunately, the government of Ghana intends to complete the payment of legacy energy sector debts by 2030, which give the government fiscal space to repurpose the levies to improve infrastructure in both health and education to improve human capital.