

Annual report 2019



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Introduction

THE OIL FOR DEVELOPMENT PROGRAMME

The Oil for Development (OfD) Programme, launched in 2005, contributes to improved petroleum sector management through long-term institutional cooperation with partner countries. For the past 15 years, the Programme has assisted more than 30 countries in their efforts to secure long-term benefits for the population from their oil and gas resources. The overall objective is poverty reduction by promoting responsible management of petroleum resources. We base our efforts on the premise that responsible governance is an important precondition for sustainable economic growth and welfare for the citizens.

OUR APPROACH: PEER TO PEER

The main approach in the OfD Programme is long-term institutional cooperation where civil servants share Norwegian experience with resource management for the benefit of host country counterparts. Programme activities include working together with colleagues in the partner institution on tasks they are required to perform,

discussing policy issues, offering training programmes, workshops and delegation visits, conducting realistic exercises, participating in field visits and providing capacity development related to drafting of legal documents. Our partners appreciate this form of support, because it allows them to engage on a peer-to-peer basis.

We also support civil society organisations in their efforts to hold the authorities to account. We arrange dialogue meetings and training programmes and provide financial support. The Programme also arranges training and delegation visits to Norway for parliamentarians across our country portfolio. To complement our own assistance, we have established global partnerships with other international development partners also engaged in petroleum governance support. They include the International Monetary Fund (IMF) Trust Fund for Managing Natural Resource Wealth, The World Bank Trust Fund Extractives Global Programmatic Support (EGPS) and UN Environment (UNEP).

THE KEY INSTITUTIONS

Six directorates are the key providers of the OfD assistance:

- The Norwegian Petroleum Directorate
- The Norwegian Environment Agency
- The Petroleum Safety Authority Norway
- The Oil Taxation Office Norway in the Norwegian Tax Administration
- The Norwegian Coastal Administration
- Statistics Norway

Five ministries form the OfD Steering Committee:

- The Ministry of Foreign Affairs
- The Ministry of Petroleum and Energy
- The Ministry of Climate and Environment
- The Ministry of Finance
- The Ministry of Transport and Communications



THE CONTENT

The four components illustrated in the figure define the scope of the Programme's work and determine the division of responsibilities among the Norwegian public institutions involved in realizing the Programme goals. The Programme also supports civil society organizations, parliament, the media, and other relevant actors that contribute to holding authorities accountable.

2019 in review

COUNTRY RESULTS IN 2019

The country programmes constitute the core of the OfD Programme. Below is a list of key results and developments from the OfD country programmes in 2019:

- In **Iraq**, key stakeholders strengthened their capacity to assess and clean up oil-contaminated sites from the ISIL conflict through ‘hands-on’ training in remediation techniques.
- In **Myanmar**, more information about the oil and gas sector, and the revenue from the sector, was included in budget documents and therefore available for the public.
- In **Ghana**, the Regulation for pollution control from petroleum exploration and exploitation was finalised and submitted to the Attorney General’s Office.
- In **Tanzania** (Zanzibar), the Strategic Environmental Assessment (SEA) of the Pemba-Zanzibar block was finalized and submitted to the Zanzibar Environment Management Authority.
- In **Mozambique**, a course in drilling and well control qualified 4 participants to pass the final exam in “International Well Control Certificate, level 2”.
- In **Colombia** the programme document for a four-year cooperation agreement starting 2020 was finalized.
- In **Kenya**, the Ministry of Petroleum and Mining launched an online map providing detailed technical and financial information for all petroleum licences awarded so far.
- In **Lebanon**, the Ministry of Energy and Water approved the Application for Drilling in Block 4 submitted by Total and the Ministry of Environment approved the Environmental Impact Assessment for the drilling.
- In **Uganda**, OfD supported the National Environmental Management Authority in developing and implementing a database where all incoming Environmental Impact Assessments are registered.
- In **Angola**, economic skills have been improved through e-learning, with students completing several online courses.
- In **Somalia**, more than 50 civil servants from federal government institutions and representatives from several Federal Member States have been trained in issues related to responsible petroleum management.
- In **Cuba**, two initial workshops with all relevant Cuban and Norwegian institutions were conducted to start the development of the programme document. The Norwegian Petroleum Directorate also assisted the Cuban Ministry of Mines & Energy in their preparations for an offshore license round.



Photo: Shutterstock/Studio concept

WORKING WITH PARTNERS

In 2019, we continued to build strong partnerships with other important actors and organisations:

- The OfD Programme disbursed NOK 44 million to the following NGOs: Norwegian Church Aid, Crudo Transparente, Norwegian People’s Aid, Natural Resource Governance Institute, Norwegian People’s Aid, Oxfam, WWF, Global Witness. These organisations contribute to the objective of enhancing transparency and accountability in OfD partner countries.
- We partnered up with Chatham House to support the “New Producers Group,” facilitating exchange of research, documents, experiences and practices between member countries.
- Norad signed an agreement with the International Association for Impact Assessment, aiming to strengthen knowledge and education for impact assessment practitioners.
- We extended our cooperation with UNEP through the environment component.
- Norad entered into a new three-year cooperation agreement with the World Bank Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund and we continued to support the IMF’s revenue management assistance to partner countries.
- We continued our close cooperation with the EITI.



Preparing a biological treatment cell for oil contaminated soil in Kirkuk, Iraq. Photo: UN Environment

THE NUMBERS

A total of NOK 233.4 million was disbursed through the OfD programme in 2019. Except for Myanmar and Lebanon, all the largest OfD country programmes are

in Africa. As can be expected from a capacity building programme with a long-term horizon, the main partner countries have been the same for several years (Table 3).

Fig 1. Disbursements 2019, by OfD partner country

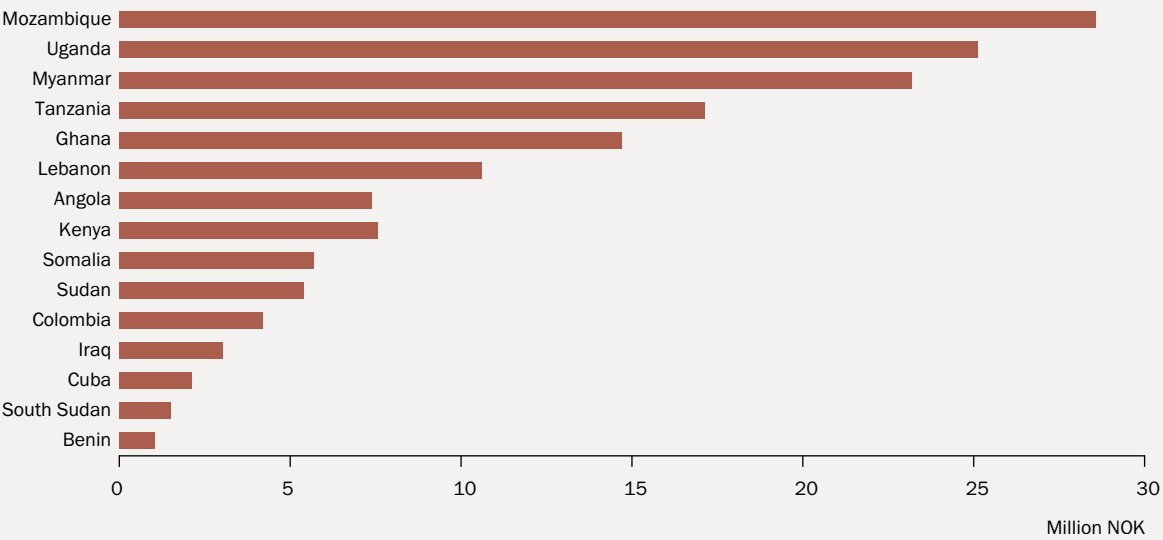


Fig 2. Disbursements 2019, by area of support (Million NOK)

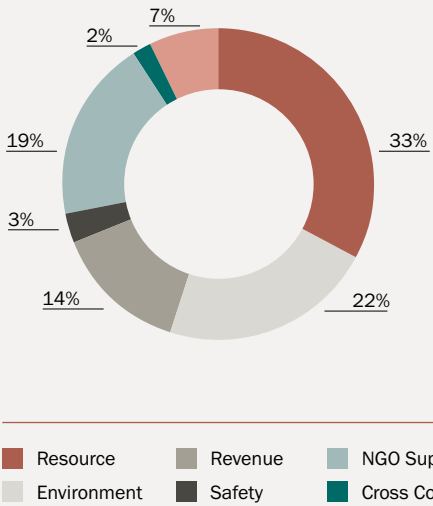


Figure 2 shows the distribution between the four components in the OfD programme: Resource, Environment, Revenue and Safety, in addition to NGO support. The disbursement share of the environment component has been increasing since 2016.

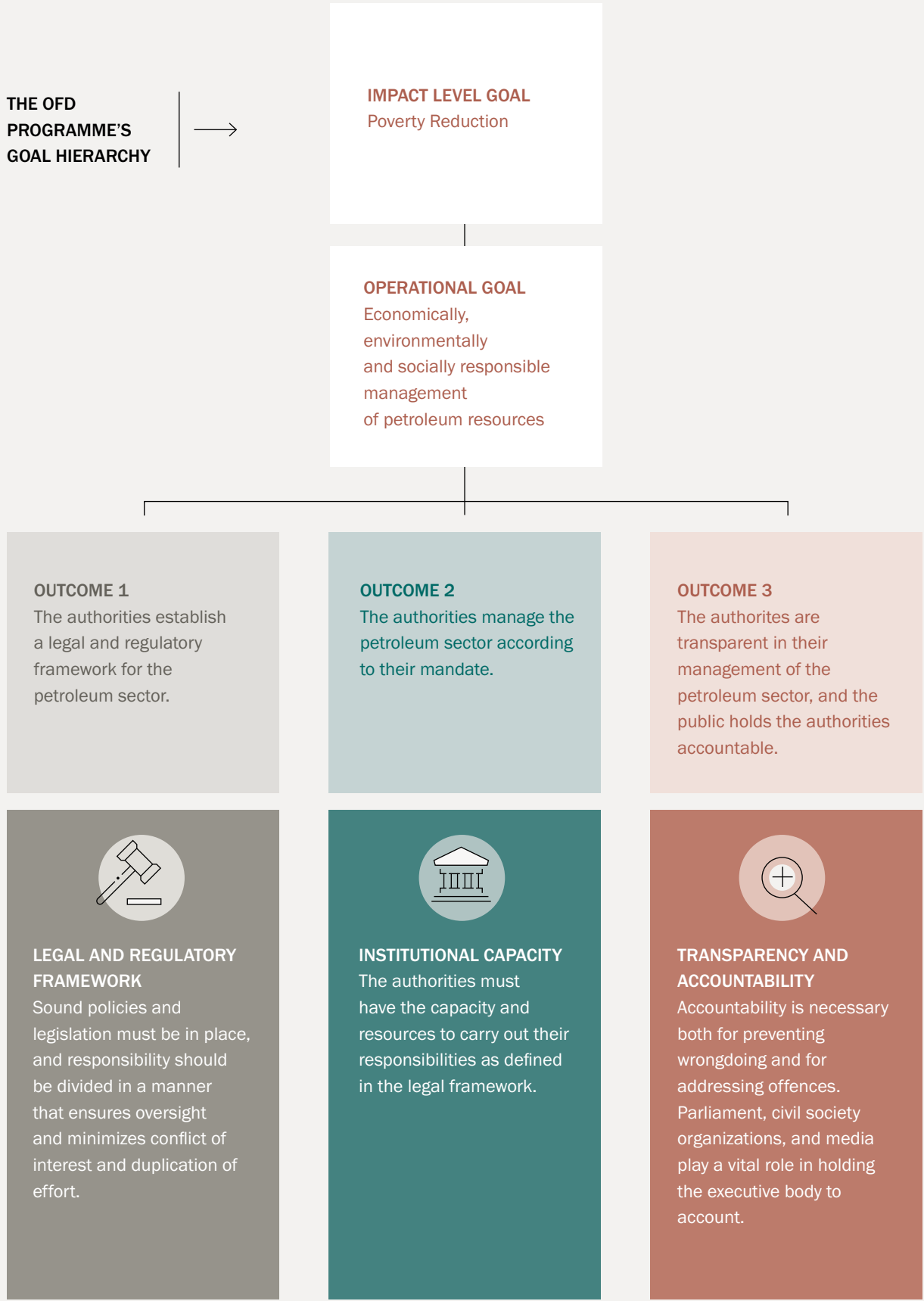
Facing the Resource Curse: Oil for Development Theory of Change

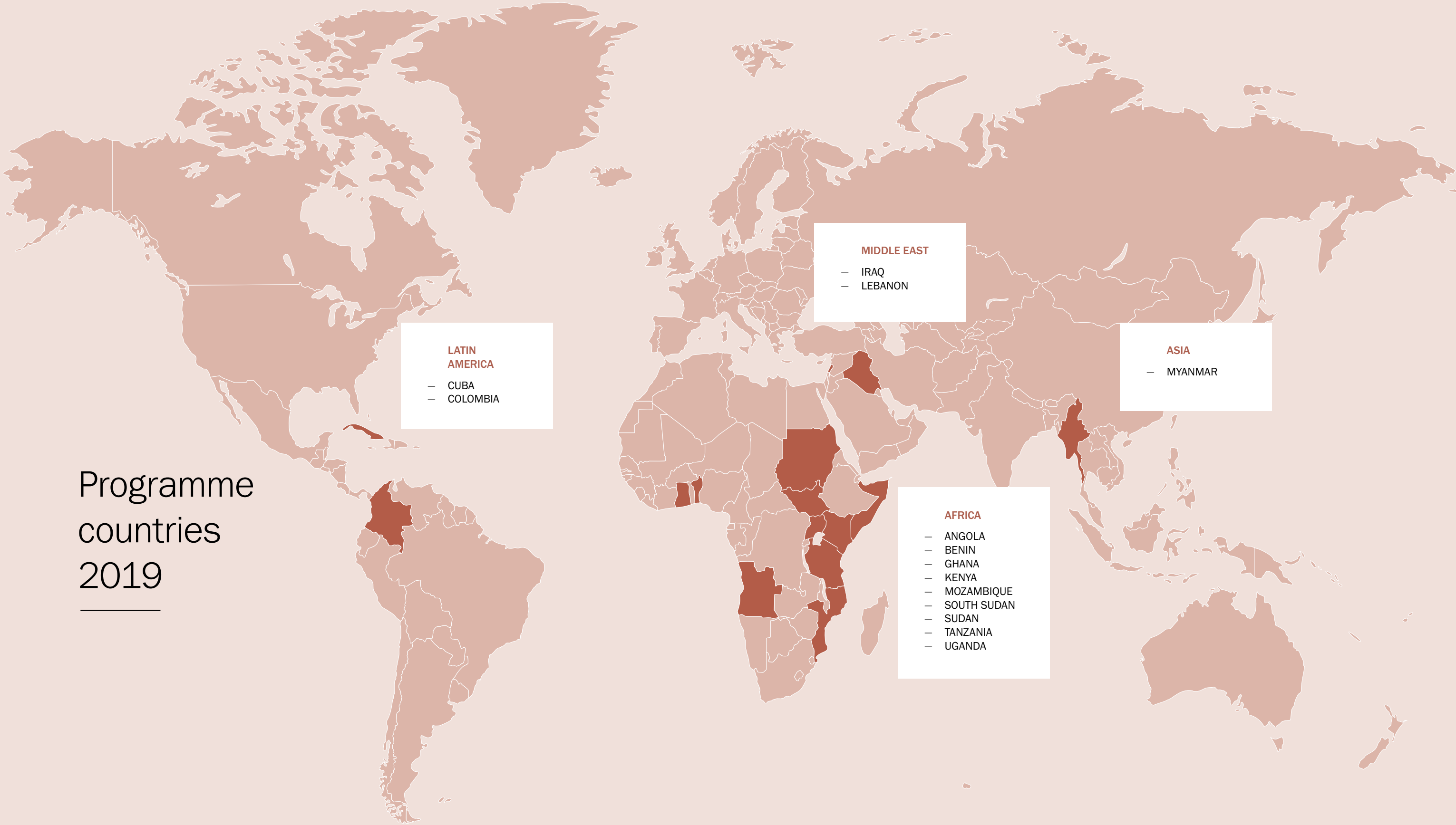
The term ‘resource curse’ refers to the paradox that resource-rich countries often exhibit poorer results across a range of development performance indicators compared to less resource-rich countries. Resource-rich countries are often characterised by corruption, lack of accountability and mismanagement, preventing the citizens from harnessing the benefits that natural resources can bring. Responsible management of petroleum resources is key to ensuring that the resources bring benefit to the society as a whole.

The OfD Programme assists countries by leveraging our expertise in working with governments and public institutions, as well as with civil society and other accountability institutions. We target four key components of petroleum sector management: resource, environment, safety and revenue management. Working within and across these four components, we aim to: 1) establish a sound legal framework, 2) build state capacity, and 3) enhance transparency and

accountability (ref. illustration). We refer to these as our three outcomes. Our theory of change suggests that by achieving results across these outcomes, one might expect that the country will increase the benefits and minimise the risks of the petroleum sector, laying the basis for a responsible management which in turn leads to poverty reduction.

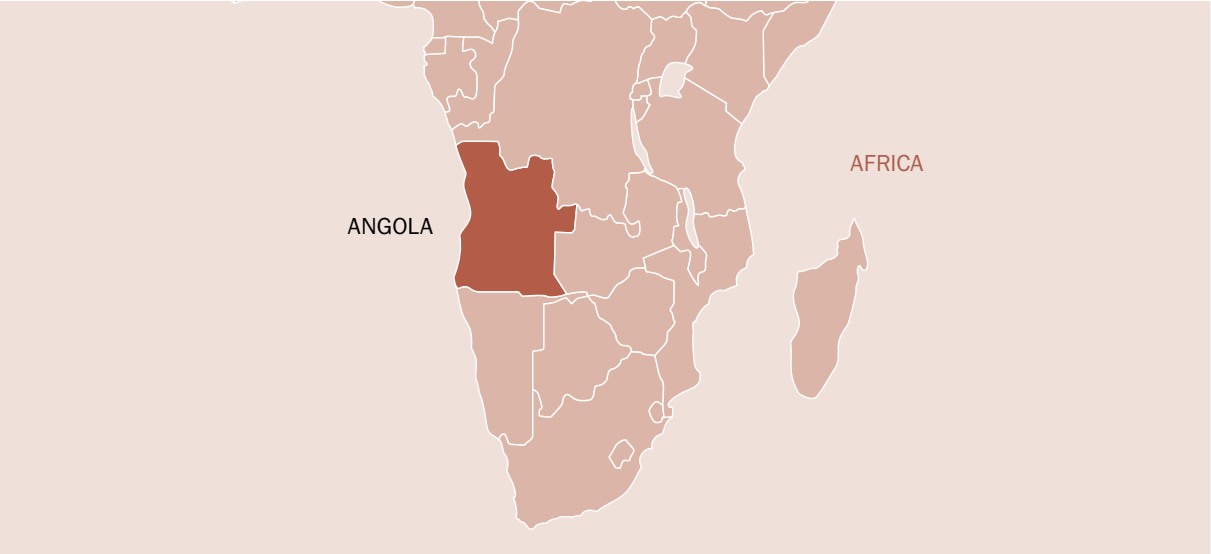
The Programme does not provide advice on how petroleum revenues should be distributed and spent, yet encourages transparent processes involving oversight bodies such as the parliament and offices of the auditor general, civil society and the media. We do not assume that our interventions alone are sufficient to achieve the overall objective. Rather, we view our assistance as a meaningful contribution to achieving this goal in partnership with and largely conditional upon the recipient government.





Programme
countries
2019

Angola



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KEY PROGRAMME FACTS:

Disbursed 2019: NOK 7.4 million

Angolan implementing institutions: Ministry of Mineral Resources and Petroleum (MIREMPET)

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Petroleum Safety Authority Norway

Civil society organisations supported: Norwegian Church Aid

Angola is currently the second largest oil producer in Sub-Saharan Africa after Nigeria. The country has received petroleum-related assistance through the OfD Programme since 2006.

In 2014, the governments of Angola and Norway signed a five-year programme agreement. In 2019, activities focused on safety and emergency preparedness issues, improved English and economic skills as well as petroleum law and international best practice.

The programme ended in 2019. However, the parties are discussing a possible one-year extension.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhanced legal and regulatory framework

- Participants from MIREMPET and the Oil Derivatives Regulatory Institute (IRDP) improved their knowledge about international best practice on petroleum law through a three-day introduction course by the Norwegian Ministry of Petroleum and Energy.

Increased institutional capacity

- Around 40 participants from MIREMPET, IRDP and the National Agency of Petroleum, Gas and Biofuels (ANPG) increased their auditor skills through participation in a lead auditor training course, based on ISO standards. A diploma was awarded based on a written examination.

- MIREMPET employees' English language skills have continued to improve, and four students obtained a Cambridge Certification.
- Economic skills have been improved in MIREMPET through e-learning, with eight students from the Statistics, Planning and Monitoring Department (GEPE) engaged in several courses.
- The ICT department improved its capability to monitor and troubleshoot the IT equipment through assistance in implementing systems management software.

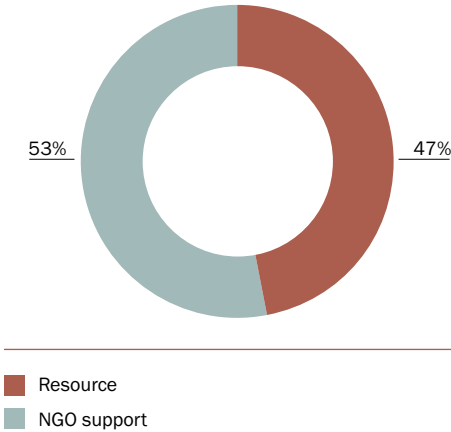
Transparency and accountability

- Norwegian Church Aid (NCA) and partners capacitated local communities to influence public budgets and plans. In Angola, 5 million women lack access to maternal and child health care, leading to high mortality rates. When women in Mufuma village saw that the municipal plans did not include health services for children and mothers, women organized themselves and addressed their concerns to the local government. Due to their advocacy, the government built and equipped a maternal and child health care center in the village.

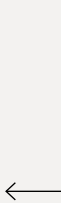
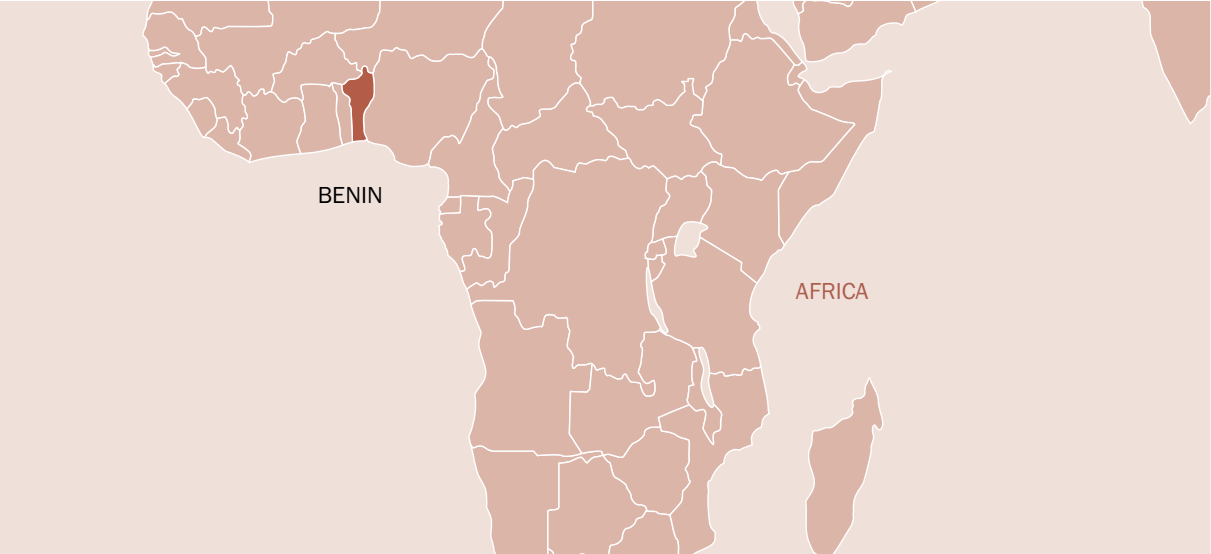
PROGRAMME CHALLENGES

- Insufficient administrative support in MIREMPET has had an adverse effect on the programme implementation.

Total disbursement to Angola in 2019. By OfD component (7.4 million NOK)



Benin



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 1.0 million

Benin implementing institutions: Not applicable, as no agreement is signed yet

Norwegian implementing institutions: Not applicable, as no agreement is signed yet

The first offshore oilfield in West Africa, the Seme field, was developed in 1979–1983 by Saga Petroleum. Between 1984 and 1998, various oil companies were involved in the production, which stopped in 1998.

Benin wants to extract the remaining oil and gas from the proven drilled structures, as well as explore for further resources, including in very deep waters.

An export oil pipeline is under construction from Niger, through Benin from the north to the terminal at Seme, close to the capital Porto Novo. The oil export from Niger will be transferred to oil tankers off the coast of Benin. This export will constitute around 90 000 barrels per day.

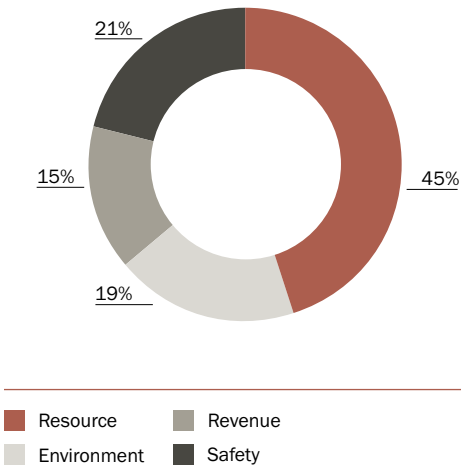
In January 2018, Benin formally requested support under the OfD programme. After considering Benin as a potential OfD partner, the OfD Steering Committee granted approval for a limited cooperation programme.

A joint programme proposal between the Beninese and Norwegian institutions was developed in 2019, with emphasis on developing a petroleum policy,

establishing a 'state of the art' data management system, as well as undertaking a pipeline exercise with a focus on health, safety and the environment.

A cooperation agreement is being prepared between Norad and the Benin Government.

Total disbursement to Benin in 2019.
By OfD component. (1.0 million NOK)



Colombia



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KEY PROGRAMME FACTS:

Disbursed 2019: NOK 4.2 million

Colombian implementing institutions: Not applicable, as no agreement is signed yet

Norwegian implementing institutions: Not applicable, as no agreement is signed yet

Civil society organisations supported: Crudo Transparente

While Colombia has been producing petroleum from onshore reserves for decades, the offshore petroleum sector is at an early stage.

Geological and seismic data indicate promising potential off Colombia’s Caribbean coast, where several international oil companies are conducting exploration activities. A comprehensive petroleum legal framework is in place for onshore activities but laws and regulations concerning the new offshore sector are still under development. Colombian authorities have asked for assistance to develop capacity to manage the offshore sector.

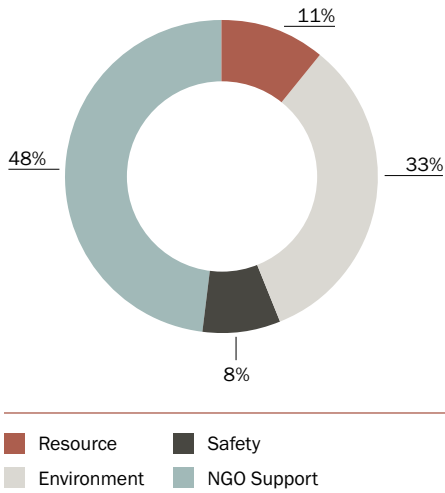
A limited OfD country programme focusing on offshore environment, safety and resource management was formally approved by the OfD Steering Committee in 2017. The planning process was concluded in 2019 with the development of a programme document, and several activities were conducted as preparation for the programme. Programme activities will emphasise cross-cutting issues and improved coordination between institutions. The Programme Agreement between Norad and the Colombian Ministry of Mines and Energy is due to be signed in 2020.

Transparency and accountability

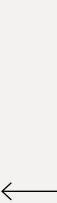
The Embassy of Norway in Colombia has signed a NOK 4 million cooperation agreement with the Colombian NGO *Crudo Transparente* for the period 2018–2020. *Crudo Transparente* is the only civil society organisation aimed exclusively at the petroleum sector in Colombia. Its main objective is to strengthen the governance of the petroleum sector in order to avoid conflicts and to promote peace-building. The three sub-goals (outcomes) of the organisation are:

1. Empowering stakeholders by producing political, economic, environmental and social analyses of the oil sector in Colombia;
2. Evaluating the quality of the oil royalties’ investment in Colombia, and
3. Creating mediation and concertation spaces in oil-influenced regions.

Total disbursement to Colombia in 2019. By OfD component (4.2 million NOK)



Cuba



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 2.1 million

Cuban implementing institutions: Not applicable, as no agreement is signed yet

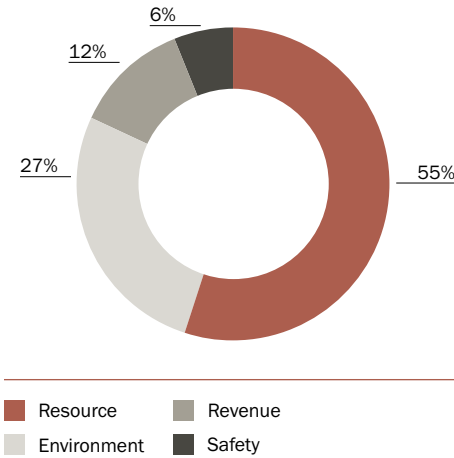
Norwegian implementing institutions: Not applicable, as no agreement is signed yet

Cuba produces limited amounts of oil onshore. The country holds a relatively high but still unexplored offshore petroleum potential and is currently preparing an offshore licensing round in the Gulf of Mexico.

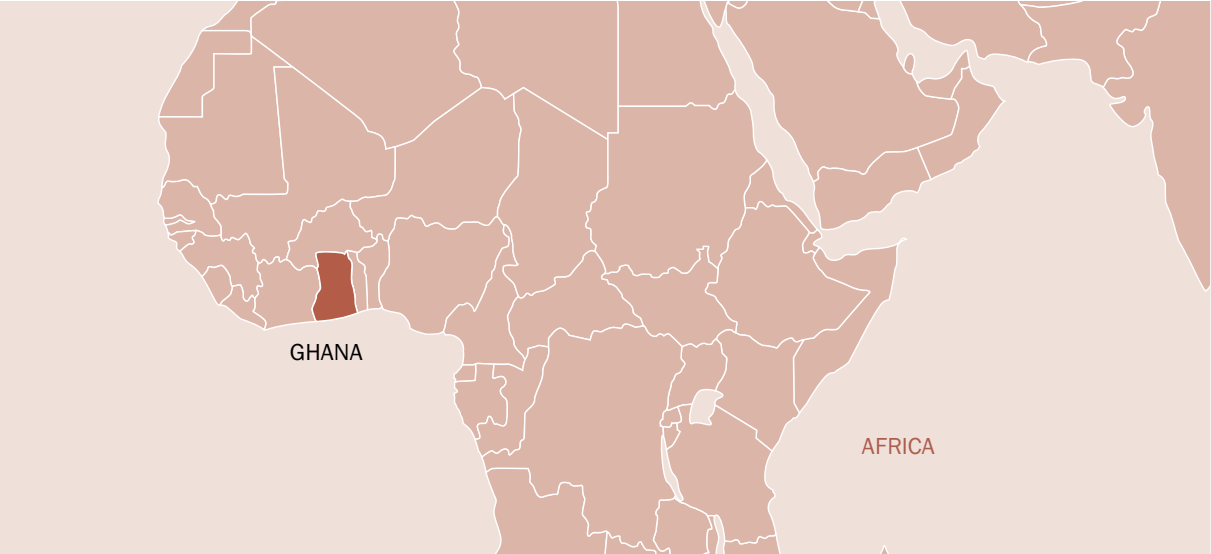
OfD’s engagement in Cuba was initiated in the wake of the Deepwater Horizon oil spill in the Gulf of Mexico in 2010. The main content in the second programme phase 2014–2018 was an annual four-week training course in basic petroleum management and administration, covering all four OfD components. More than 300 petroleum specialists received training.

In June 2019, the OfD Steering Committee approved the Cuban application for a new programme. An important basis for this decision was a one-week OfD seminar, where all the relevant Cuban and Norwegian institutions discussed the Cuban needs and expectations as well as possible goals and activities. The parties expect to finalise a programme document in 2020.

Total disbursement to Cuba in 2019.
By OfD component (2.1 million NOK)



Ghana



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 14.7 million

Ghanaian implementing institutions: Ministry of Energy, Petroleum Commission, Ministry of Environment, Science, Technology and Innovation, Environmental Protection Agency, Ministry of Finance, Ghana Statistical Service, Ghana Revenue Authority, Bank of Ghana

Norwegian implementing institutions: Ministry of Petroleum and Energy, Ministry of Climate and Environment, Ministry of Finance, Norwegian Petroleum Directorate, Norwegian Environment Agency, Petroleum Safety Authority Norway, Statistics Norway, Oil Taxation Office

Civil society organisations supported: Natural Resource Governance Institute, Oxfam America

International institutions supported: International Monetary Fund, UN Environment

Ghana and Norway have collaborated on petroleum governance issues since 2008, one year after the first discovery.

In 2019, Ghana produced oil and gas from three offshore fields. 2019 was the final year of the five-year agreements for the Resource Management and Environmental Management components. A near-end-review informed the decision to go ahead and plan a new three-year programme. A three-year agreement on Petroleum Revenue Management has been in place since 2018.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:
Enhanced legal and regulatory framework

- The environmental policy for the oil and gas sector was finalised through a series of stakeholder validations and expert reviews and is expected to be approved by Parliament in 2020.

- The Regulation for pollution control from petroleum exploration and exploitation was finalised and submitted to the Attorney General’s Office.
- An Operations Management Agreement between the Ministry of Finance and Bank of Ghana to govern the management of the Ghana Petroleum Funds was drafted. Insights into broader governance aspects of revenue and fund management as well as input to the draft were provided by experts with a background from petroleum fund management in Norway and other countries.

Increased institutional capacity

- The Strategic Environmental Assessment (SEA) for the onshore Voltain basin was finalised. The wide-ranging process, supported through the Norwegian Environment Agency, covered the period 2015–2019. The scenario analysis outlines issues to be addressed in order to protect the natural resources that people depend on for their livelihoods, reduce risks including user conflicts, and allow for transparency.

- Climate mitigation and monitoring, reporting and verification of greenhouse gas emissions from the petroleum sector in Ghana were addressed in capacity development efforts organised by the Norwegian Environment Agency.
- Staff at the Environmental Protection Agency learned how to use an online mail registration system to track mail received and monitor file movement within the Agency. The system is a necessary step towards an online permitting process system.
- The macroeconomic model used by the Ministry of Finance has been adapted to facilitate analysis of how the petroleum sector impacts the Ghanaian economy. Together with Statistics Norway, a dedicated model group updated the model to ensure relevance, developed a ‘drop in oil price’ scenario and made the tool accessible to senior staff and management.
- Staff at the Bank of Ghana’s petroleum funds secretariat were trained in various issues related to operational fund management.
- The Petroleum Commission continued to develop highly specialised skills in metering petroleum production for fiscal purposes, established a department for metering, and planned and conducted its second industry audit in this field. The Norwegian Petroleum Directorate supported the work and commented on the audit report for further learning.
- The Petroleum Commission has been assisted by Petroleum Safety Authority Norway in audit methodology and development of safety regulations and guidelines. Specific audits have been carried out with projects and activities where the competence on auditing have been practiced and the Safety regulations have been used.
- In preparation for the first open licensing round, the Petroleum Commission underwent training in how to conduct such processes as well as in geology to prepare for application evaluation. There was however no Norwegian involvement during the actual licensing round.

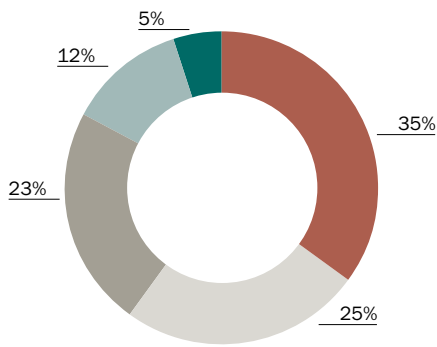
- Ghana Revenue Authority received assistance in tax audits and tax administration including transfer pricing and development of a Petroleum Audit Manual.
- The Petroleum Commission established a National Data Repository to store digital data. The Norwegian Petroleum Directorate provided process support and shared experience on how to secure and use the Government’s data.
- To hold authorities accountable for the spending of oil money, Oxfam conducted a value-for-money analysis and assessed the resulting change in policy. Through the citizen-driven Shama model, Oxfam worked with local government officials to facilitate their understanding of national to district revenue transfers, to support pro-poor expenditures and participation.

Increased transparency and accountability

- Ghana Statistical Service released statistics on investments in the Ghanaian oil and gas industry for the first time ever, combining the efforts to produce statistics for the purpose of modelling and policymaking and disseminating them publicly free of charge.
- Ghanaian news outlets such as Goldstreet and Joy News produced stories about petroleum sector governance after journalists and editors attended events on the interpretation of extractive data and revenue management organised by the Natural Resource Governance Institute.

PROGRAMME CHALLENGES

The OfD collaboration with Ghana is well established. While there were no significant challenges threatening the execution of the programme, some workstreams slowed due to competing priorities. Coordination across institutions in the sector is a future key area for improvement.



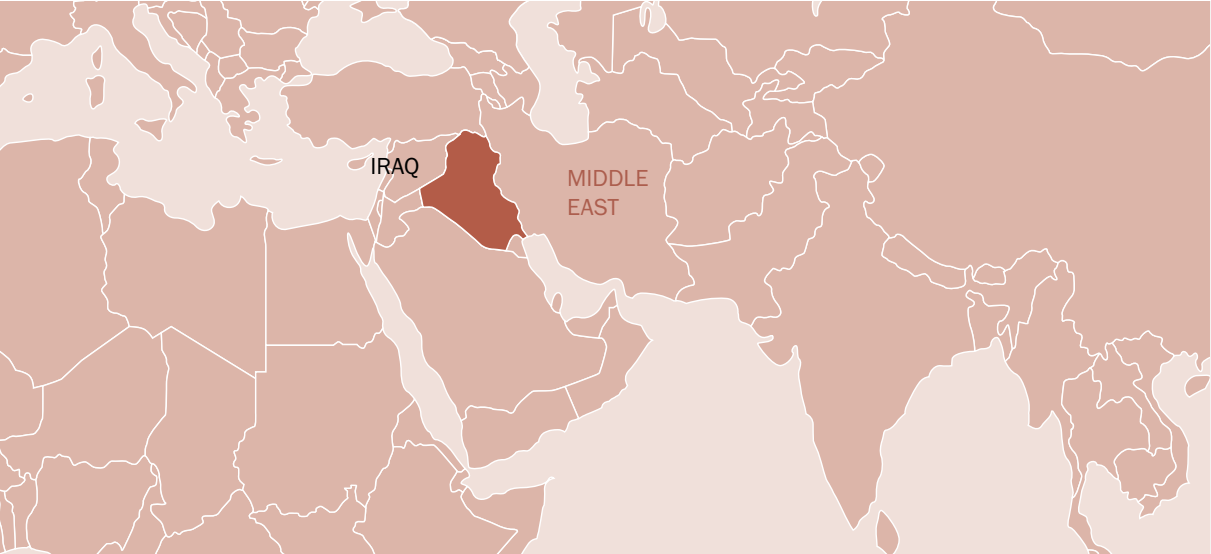
Total disbursement to Ghana in 2019. By OfD component (14.7 million NOK)

Resource Revenue Cross Component
Environment NGO Support



Ghana. Accra. 2016. Ministry of Energy and Petroleum (MOEP). Photo: Foto:Carl De Keyzer/Magnum Photos/NTB

Iraq



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KEY PROGRAMME FACTS:

Disbursed 2019: NOK 3.0 million

Iraqi implementing institutions: Ministry of Oil and Ministry of Health and Environment

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Norwegian Environment Agency, Petroleum Safety Authority Norway

International institutions supported: UN Environment

Iraq has the world’s fifth largest proven petroleum reserves, and the country is still re-developing its oil and gas reserves after years of sanctions and wars.

The first five-year cooperation programme between Iraq and Norway ended in 2009. The cooperation resumed in 2013 and expired in the first quarter of 2018. A new programme was established in 2019.

Increased institutional capacity

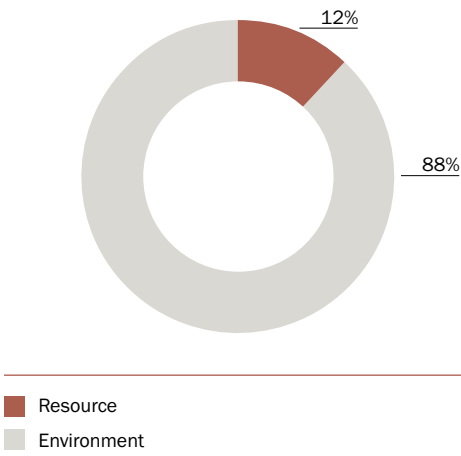
- Staff members in the Ministry of Oil (MoO) and the Ministry of Health and Environment (MOHE) enhanced their capacity on how to develop inventory of greenhouse gases from the upstream oil and gas sector.
- Iraq’s capacity to assess and clean up oil-contaminated sites from the ISIL conflict was strengthened through the delivery of ‘hands-on’ training in remediation techniques. ‘Learning by doing’-exercises included setting up a bioremediation demonstration trial at the North Oil Company headquarters’ in Kirkuk, which is being maintained and monitored over a six-month period. The Ministry of Health and Environment (MoHE) is replicating similar clean-up actions in the Salman oilfield in southern Iraq and promoting bioremediation as a pragmatic and cost-effective treatment option. The training workshop was

delivered by the UN Environment Programme (UNEP) and involved participants from the Ministry of Oil and MoHE, including state-owned oil companies and governorate level environmental offices. It builds on previous training events in 2018 on contaminated site assessment and environmental sampling. Specifically, the oil remediation course seeks to help the Ministries of Oil and Environment deal with 74 oil-polluted sites in conflict-affected areas that they identified in a rapid mapping survey carried out with technical guidance from UNEP.

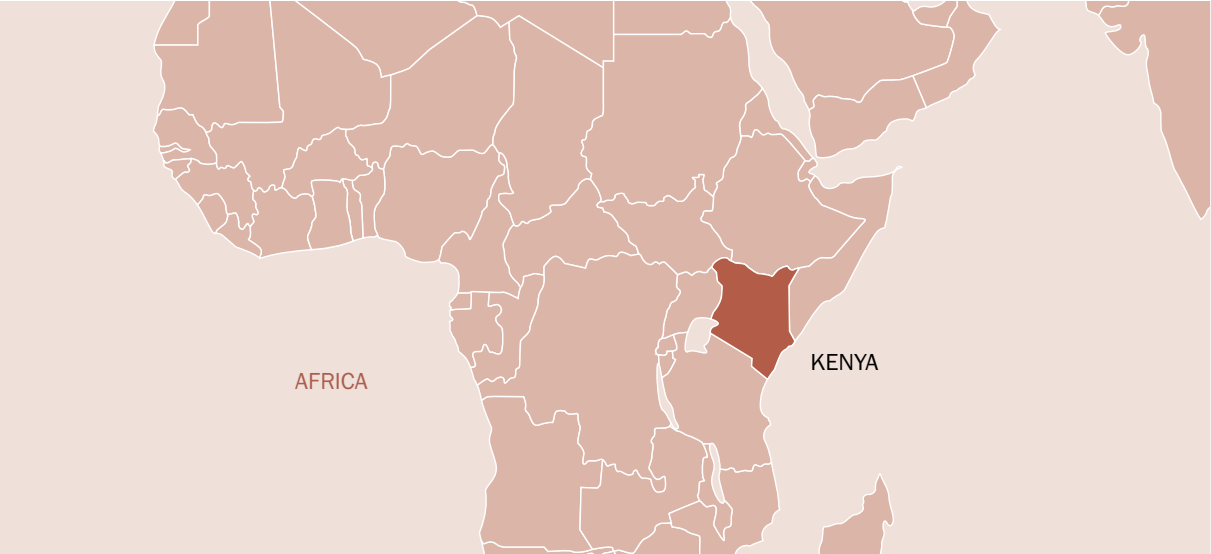
PROGRAMME CHALLENGES

- Due to security considerations, many OfD activities have been conducted outside of Iraq. Financial and political challenges has led to uncertainty regarding the OfD programme and its partners.

Total disbursement to Iraq in 2019.
By OfD component (3.0 million NOK)



Kenya



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 7.6 million

Kenyan implementing institutions: Not applicable, as no agreement is signed yet

Norwegian implementing institutions: Not applicable, as no agreement is signed yet

Civil society organisations supported: World Wildlife Fund

International institutions supported: International Monetary Fund and UN Environment

Kenya’s only commercial oil discovery to date was made in 2012, in the South Lokichar Basin in Turkana county.

Recoverable reserves are currently estimated to constitute 560 million barrels. In August 2019, the first shipment of oil was exported, under an Early Oil Pilot Scheme. A final investment decision on the field development and pipeline could be taken in 2020, enabling commencement of full-scale production from 2023. Norway and Kenya have developed a comprehensive programme for institutional cooperation, but the formal agreement is yet to be signed. In anticipation of such an agreement, several technical capacity-building activities were undertaken during the first half of 2019. However, due to the delayed signing of the agreement, no institutional cooperation activities have been carried out since July 2019.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:
Enhanced legal and regulatory framework

- A new Upstream Petroleum Law was approved in March 2019. The Government is also working on various other legislative instruments necessary for

the sustainable development and management of the sector. OfD provided comments to the National Treasury on the draft Sovereign Wealth Fund Bill.

Increased institutional capacity

- Staff from the Kenyan Ministry of Petroleum and Mining (MoPM), the Turkana county government and the National Oil Corporation of Kenya (NOCK) enhanced their competence in training workshops held by the Norwegian Petroleum Directorate (NPD) on data management and petroleum economics. MoPM and NOCK shared their acquired knowledge in petroleum data management at international events in Europe and Africa.
- The cooperation aimed at incorporating the petroleum sector into the macroeconomic planning model used by the National Treasury and the Kenya Institute for Public Policy Research and Analysis (KIPPRA) continued in 2019. Three technical workshops were held, in which experts from Statistics Norway shared their experience and insight.
- Officials from the National Environmental Management Authority (NEMA) and the county governments of Lamu, Kisumu, Mombasa and Turkana benefitted from a workshop on chemicals and waste management in oil and gas exploration

and production organised by UN Environment in collaboration with the Norwegian Environment Agency (NEA).

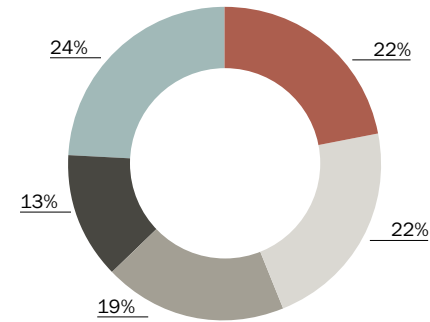
- Forty officials from Kenya Maritime Authority (KMA) and other national and local authorities passed a course in Mombasa on how to handle an oil spill, earning them an International Maritime Organisation (IMO) level 3 course diploma. The training was organised by the Norwegian Coastal Administration (NCA).
- Officials from KMA attended a training course in Nairobi arranged by UN Environment in collaboration with NCA, IMO and the International Tanker Owners Pollution Federation. The participants were trained on how to operationalise national oil spill contingency planning and how to strengthen cooperation between local and national level authorities.

Increased transparency and accountability

- NPD has been assisting MoPM in the systematisation and digitalisation of its technical and financial petroleum data for a number of years. As a direct result of this cooperation, MoPM published the first interactive map in 2019, providing the industry and general population alike with online access to this vital information.
- The World Wildlife Fund successfully advocated for

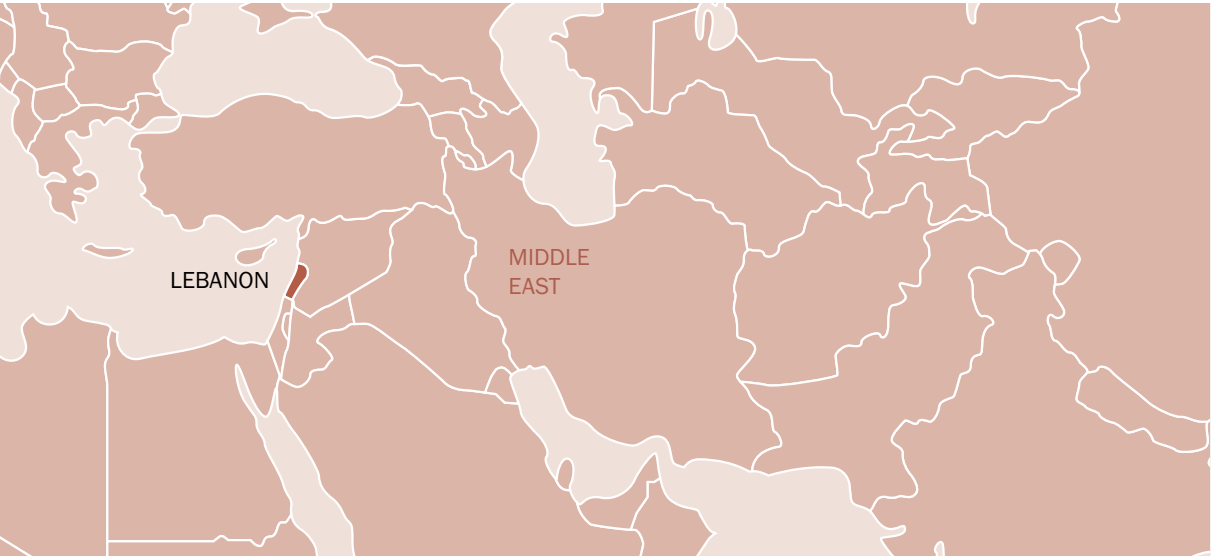
a rerouting of the planned 820 km crude pipeline from Turkana to the port of Lamu. As a result of this, the route proposed by the project developer in its December 2019 Environmental and Social Impact Assessment Report will not intersect areas that are considered to be particularly environmentally sensitive. One such area is the habitat in Samburu county which hosts the endangered Grevy’s zebra.

Total disbursement to Kenya in 2019.
By OfD component (7.6 million NOK)



Resource Revenue NGO Support
Environment Safety

Lebanon



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 10.6 million

Lebanese implementing institutions: The Lebanese Petroleum Administration, Ministry of Energy and Water, Ministry of Environment, Ministry of Finance

Norwegian implementing institutions: Ministry of Petroleum and Energy, Ministry of Climate and Environment, Ministry of Finance, Norwegian Petroleum Directorate, Norwegian Environment Agency, Petroleum Safety Authority Norway

International institutions supported: UN Environment

In December 2017, Lebanon approved the awarding of two exclusive petroleum licences for exploration and production in blocks 4 and 9. Drilling on block 4 will commence in 2020.

On 17 May 2018, the Council of Ministers approved the recommendation of the Lebanese Petroleum Administration (LPA) to prepare for Lebanon’s Second Offshore Licensing Round.

OfD support to Lebanon started in 2006. The second phase of the programme began in January 2015 and the third phase commenced with the signing of the new agreements in June 2018. The third phase of the programme has been designed around fit-for-purpose activities that meet the needs of the operational phase of Lebanon’s petroleum sector development.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhanced legal and regulatory framework

- On behalf of the Right Holders in block 4, the Minister of Energy and Water approved the

Application for Drilling Permit (ADP) submitted by Total. The support in mobilising the OfD experts was key in the successful review of the ADP.

- The Ministry of Environment (MoE) approved the Environmental Impact Assessment (EIA) for drilling in block 4. The Norwegian Environmental Agency has been instrumental in strengthening the capacity in MOE and provided support in the process leading up to the approval.
- Guidelines concerning “Overarching Principles and Management requirements in Exploration Drilling and other related well operations” and “Technical and Operational Safety and Environmental Requirements for Exploration Drilling and Well Related Activities” were finalised for approval with the support from Petroleum Safety Authority Norway (PSA).

Increased institutional capacity

- Through support from the Norwegian Petroleum Directorate (NPD), the Lebanese Petroleum Administration (LPA) was able to reduce the risk associated with identified carbonate targets offshore Lebanon and, more importantly, formulate questions that required answers from International Oil Companies before proceeding.

- Expert personnel from the PSA have worked shoulder to shoulder with LPA in their preparation for the first exploration drilling. On the job training and workshops have supported LPA to professionally carry out its mandate and responsibilities.

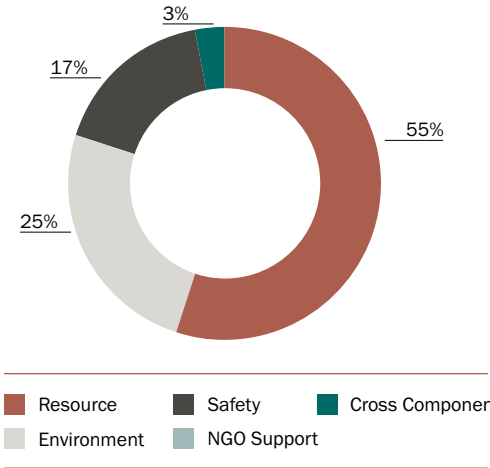
Increased transparency and accountability

- A delegation of parliamentarians took part in a study trip to Norway to increase their knowledge and understanding of the petroleum sector and the role of parliament as an oversight and control body.
- A town hall meeting was held in Beirut in September 2019 to inform a broader civil society on the EITI process and encourage the Civil Society Organisations (CSOs) to elect their representatives to the Multi Stakeholder Group. More work is needed in order to strengthen the capacity of the CSOs in the petroleum sector and enable them to hold the Government to account.

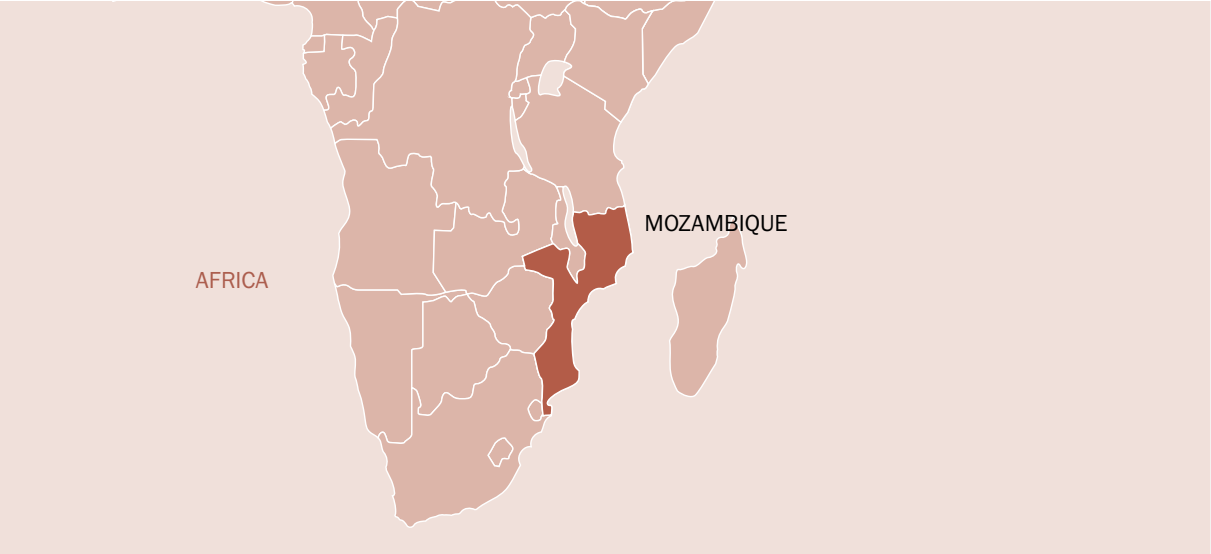
PROGRAMME CHALLENGES

- There is a need for rational planning to ensure that activities serve the direct needs of the Lebanese institutions at the current stage of the sector. This requires fewer general training activities and more on-the-job initiatives and activities that are linked to specific outputs.

Total disbursement to Lebanon in 2019.
By OfD component (10.6 million NOK)



Mozambique



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 28.6 million

Mozambican implementing institutions: The National Petroleum Institute, Ministry of Natural Resources and Energy, Ministry of Land, Environment and Rural Development, National Maritime Authority, National Institute of Statistics

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Ministry of Finance, Norwegian Environment Agency, Norwegian Coastal Administration, Petroleum Safety Authority Norway, Statistics Norway

Civil society organisations supported: Centre for Public Integrity, Oxfam America, Norwegian People's Aid, World Wildlife Foundation Mozambique

International institutions supported: International Monetary Fund, UN Environment

Norway has been providing petroleum-related support to Mozambique for more than 30 years.

The first OfD agreement was signed in 2005. In the period 2010 to 2014, offshore gas discoveries estimated at 170 trillion cubic feet of gas (TCF) were made in the Rovuma basin. Mozambique is now the third-largest natural gas reserve holder in Africa. Operators are currently planning both onshore and floating liquefied natural gas plants in northern Mozambique. Production is expected to start in 2024. The OfD programme to date, comprising the resource and safety components has been followed by a new and broader programme approach¹.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhanced legal and regulatory framework

- Extensive legal support has been provided to the National Petroleum Institute (INP) to handle changes in the Exploration and Production Concession

Contracts (EPCC). The need is particularly due to ExxonMobil buying part of ENI East Africa and taking over part of ENI's role as operator in Area 4. Support has also been given on gas sales and unitisation issues. For Area 1, similar EPCC and contractual issues were also on the agenda due to Anadarko's sale of its interest to TOTAL via Occidental.

- The Petroleum Safety Authority Norway (PSA) assisted INP in its process to update the Petroleum Operations Regulations, and the Licensing Regulations for Petroleum Facilities and Activities.

Increased institutional capacity

- INP was assisted by the Norwegian Petroleum Directorate (NPD) in updating the petroleum resource inventory, and in carrying out a nomination process for the 6th concession round. INP has also received assistance with its petroleum data model.
- INP was assisted by NPD and a consultant in establishing a total fiscal metering model for the Pande/Temane gas production and transport system. This is required to fully understand the total precision of the different parts of the metering system, including the offtake points in Mozambique and South Africa.

- The INP is growing, and now has more than 100 employees. NPD has seconded a semi long-term mentor in geo-sciences to INP for four months to assist with capacity development. Several INP employees and colleagues from other institutions have participated in different training courses held at the NPD.
- PSA provided a course in drilling and well control in Maputo, followed-up by a well control course in Stavanger based on the International Well Control Certificate. The four participants passed a final exam in International Well Control Certificate, level 2.
- PSA assisted INP in performing an audit of the concessionaire Sasol's management systems for emergency preparedness for Central Process Facilities, and also assisted with an audit of the Matola Gas Company management systems for emergency preparedness.
- PSA assisted INP in performing an audit of ENI's management system for drilling offshore. The audit was performed at ENI's offices in Maputo and on the drill ship SAIPEM 12000.
- The Norwegian Environment Agency (NEA) in collaboration with the Nansen programme organised a workshop on environmental information and data

- for the Cabo Delgado area. The workshop created an arena for multiple government authorities, research institutions and other stakeholders to meet and discuss environmental information and data needs, and how to secure collaboration between institutions.
- UN Environment and OfD presented their Capacity Needs Assessment (CNA) in March. The CNA report maps challenges and needs for the environmental management of Mozambique's developing oil and gas sector. The report forms a roadmap for further collaboration in this field under the OfD programme.
- A consultant engaged by Norad started supporting MEF on the development of a LNG revenue forecasting model.
- Statistics Norway (SSB) provided training to INE as part of capacity development in petroleum-related statistics. Statistical topics included: investment statistics related to the petroleum value chain, external trade statistics in goods and services, and ways to incorporate the petroleum activities into the national accounts and statistical business registers.
- The results of a joint workshop with SSB, INE, Autoridade Tributária de Mozambique and INP identified some investment data that have already

1 The Programme Agreement was signed on 12 February 2020.

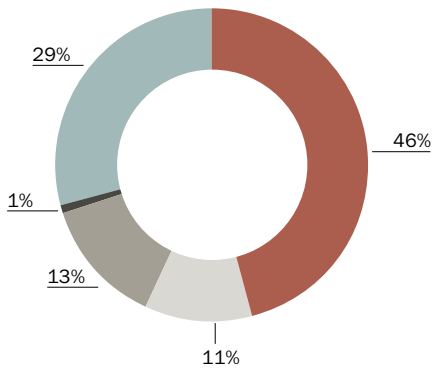
- been collected which could potentially be used to compile investment statistics. Further work is needed before these data can be used to develop statistics.
- As part of the training on external trade, INE has acquired increased knowledge regarding the treatment of large investment objects – such as platforms built and then imported.
 - SSB identified and discussed possible improvements to INE's statistical business register.

Increased transparency and accountability

- The civil society organisation Centre for Public Integrity (CIP) raised the issue of accountability in the operationalisation of the proposed High Authority of the Extractive Industry, emphasising the need for it to be independent from the executive authority.
- CIP further engaged with the Government of Mozambique (GoM), INP, the national state petroleum company (ENH) and the private companies in a public debate on the risks of transfer pricing in the extractive industries, and in particular the petroleum sector. CIP also contributed to the debate on the financing of exploration and development costs associated with ENH's ownership shares.
- NPD supported INP in improving its website, including information about licences.

PROGRAMME CHALLENGES

- The giant scale of the resources represents an immense challenge to the Mozambique government institutions' capacity to regulate the petroleum sector.
- The international oil companies are continuously putting pressure on Mozambique to move regulatory issues into specific contracts with the companies. The use of English law and of Single Purpose Companies, sometimes under non-transparent jurisdictions, makes the supervisory work very complex and dilutes both the national control and the potential future revenues.
- Ongoing world-scale gas extraction and Liquid Natural Gas (LNG) development projects will require cost and schedule control to estimate and protect future government income. This issue is made more complex by the concessionaires' use of a corporate structure with limited transparency.
- A strong focus will be required on future LNG sales because some of the International Oil Companies are selling the gas to affiliates, where artificial pricing may occur.
- Under the current country programme, key staff in the INP have faced a very heavy workload. The institution is still waiting for the final approval of its new organisational structure.
- The process of formalising data exchange agreements between INP and INE is not yet in place, and this risks delaying the actual work on compiling petroleum-related statistics.



Total disbursement to Mozambique in 2019. By OfD component (28.6 million NOK)

Resource Revenue NGO Support Environment Safety



Oil platform in Mozambique. Photo: Lukasz Z/Shutterstock

Myanmar



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 23.2 million

Myanmar implementing institutions: Ministry of Electricity and Energy, Ministry of Natural Resources and Environmental Conservation, Ministry of Planning, Finance and Industry, Ministry of Transport and Communication.

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Petroleum Safety Authority Norway, Ministry of Climate and Environment, Norwegian Environmental Agency, Ministry of Transportation and Communication/Norwegian Coastal Administration, Norad

Civil society organisations supported: Global Witness, Natural Resource Governance Institute, Norwegian People’s Aid

International institutions supported: International Monetary Fund

Myanmar is one of the world’s oldest oil producers, with production dating back to the 19th century. Natural gas comprises 90% of the total production.

Norway and Myanmar finalized a five-year programme document in 2017. An OfD Memorandum of Understanding (MoU) between Norway and Myanmar (2017–2022) was signed by the Norwegian Embassy in Yangon and the Ministry of Planning, Finance and Industry (MOPFI) in May 2017, after which institutional cooperation agreements were signed between the relevant institutions in Norway and Myanmar.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhanced legal and regulatory framework

- The Government of Myanmar has been revising the model Production Sharing Contract in preparation for a new licensing round (work still ongoing) based on comments and input from, among others, OfD experts.
- The Government of Myanmar has submitted a new upstream petroleum law to parliament.

Increased institutional capacity

- The Ministry of Electricity and Energy (MOEE) and MOPFI have jointly developed capacity to undertake five year petroleum revenue forecasts after receiving training from OfD and the World Bank (through a joint project).
- MOEE has participated in workshops organised by the Norwegian Petroleum Directorate and as a result has increased its capacity to conduct resource assessments and manage field development plans.
- MOPFI’s Large Taxpayers’ Office has been working together with an OfD audit expert and has conducted several petroleum tax audits, which have resulted in additional claims and potential additional tax revenues for the Government.
- The Department of Marine Administration in the Ministry of Transport and Communication has increased its capacity in the field of oil spill response and started a programme for sensitivity mapping after participating in several table-top

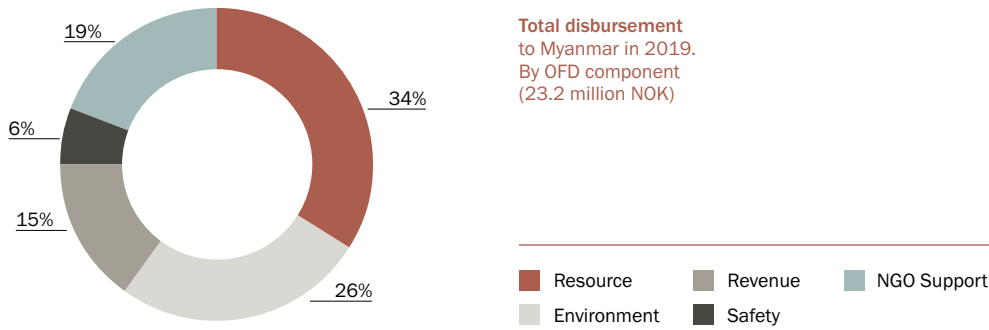
- exercises together with the Norwegian Coastal Administration.
- MOEE has increased understanding of how to conduct audits and inspections of pipelines through training and fieldtrips together with the Petroleum Safety Authority Norway.
- With the assistance of the Norwegian Environmental Agency (NEA), the Environmental Conservation Department (ECD) in the Ministry of Natural Resources and Environmental Conservation has assessed Environmental Impact Assessments (EIAs) and issued environmental compliance certificates (the EIA backlog has been cleared).
- ECD has increased its capacity to conduct audits through a trial audit conducted together with NEA.
- ECD has started developing various environmental datasets in collaboration with NEA.
- Safety awareness increased in MOEE and MOGE through field trips and seminars.

Increased transparency and accountability

- The Government’s budget documents to parliament contain more detailed information than before about the oil and gas sector, including disaggregated figures on types of revenue, revenues from various petroleum fields and revenues from upstream and transportation respectively. These changes are a direct result of Norad’s consultants sharing international best practice with MOPFI.
- OfD experts and civil society partners Global Witness, NRGi and Norwegian People’s Aid supported the leading Civil Society Organisation (CSO) coalition Myanmar Alliance for Transparency and Accountability (MATA) in engaging effectively in the EITI process by providing technical assistance and capacity development, including on beneficial ownership disclosures. Beneficial ownership disclosures were made legally binding in 2019, in line with the EITI requirements.

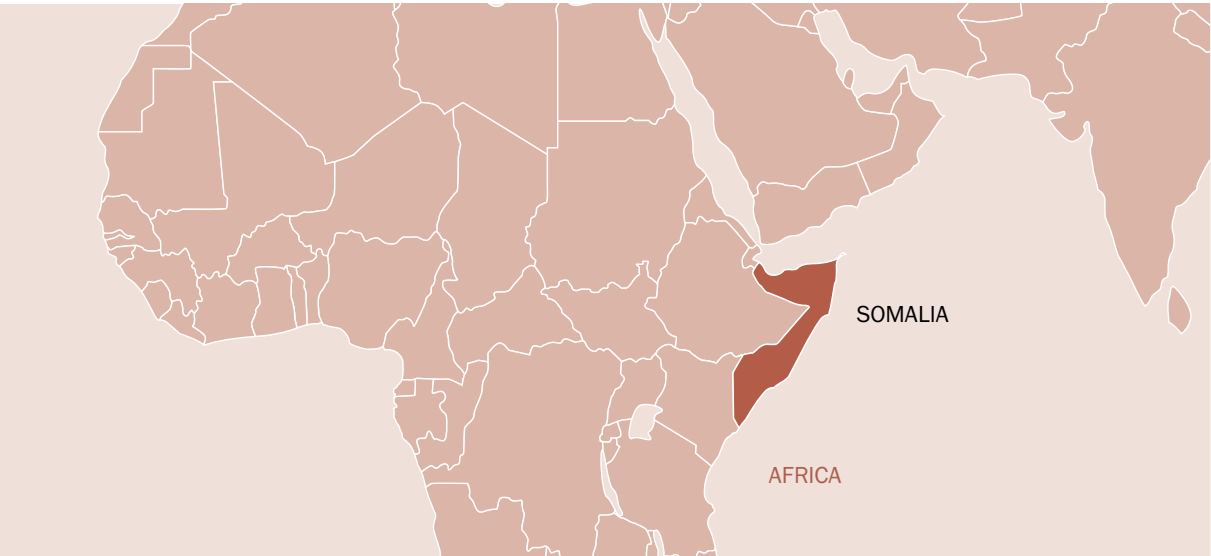
PROGRAMME CHALLENGES

- Due to political processes in Myanmar, the progress in some of the programme outcomes is slower than anticipated.
- There is a potential to improve the communication between the Myanmar and Norwegian institutions when planning activities.
- Continuity regarding persons involved in the programme (from both countries) is essential.



Natural gas station in border of Myanmar and Thailand. Photo: Nakornthai/Shutterstock

Somalia



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KEY PROGRAMME FACTS:

Disbursed 2019: NOK 5.7 million

Somali implementing institutions: Not applicable, as no agreement is signed yet

Norwegian implementing institutions: Not applicable, as no agreement is signed yet

International institutions supported: UN Environment

The petroleum sector in Somalia is at an early stage, with no current exploration or production activities.

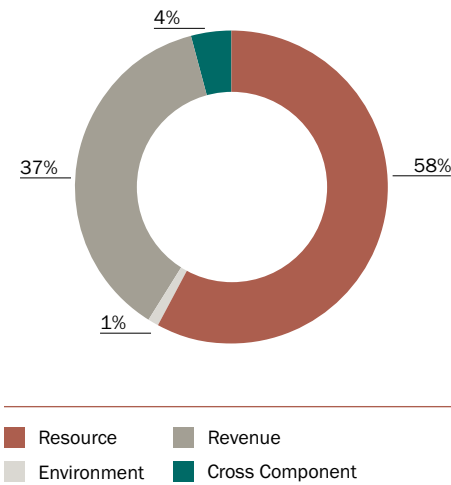
Seismic data that has been acquired in recent years indicates promising potential for petroleum resources.

The Petroleum Law was approved by the Parliament in December 2019. In 2019, Somalia and Norway discussed the priorities and needs of the Somali petroleum sector. NPD have carried out two training workshops on good governance in the petroleum sector for both Federal Government Institutions and representatives from Federal Member States. The Ministry of Finance in Somalia has been trained in taxation and macroeconomics.

The Directorate of Environment in Somalia and the Ministry of Petroleum have participated in several regional environmental training courses carried out by UN Environment and NEA.

The Ministry of Petroleum and Mining in Somalia was assigned responsibility for coordinating the planning of an OfD programme. A steering committee consisting of members from key government institutions has been established to ensure information-sharing across the institutions and coordination.

Total disbursement to Somalia in 2019.
By OfD component (5.7million NOK)



South Sudan



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 1.5 million

Civil society organisations supported: Norwegian People's Aid

International institutions supported: International Monetary Fund

When South Sudan gained its independence as a sovereign state in 2011, the country benefitted from high petroleum revenues, accounting for more than 90% of the total state revenues.

At the time of independence, the OfD Programme provided capacity development support to the Ministry of Petroleum and the Ministry of Finance. When a civil war broke out in December 2013, the bilateral OfD cooperation was reduced to a minimum and suspended in 2016. An IMF capacity development programme for petroleum revenue management was supported by OfD and continued with some training both in South Sudan and in neighbouring countries. This programme ended in April 2020. Further OfD support to South Sudanese authorities is contingent on political commitment to implementing the peace agreement and the extent to which the OfD programme possesses the tools needed to support the same peace agreement.

Through this period, OfD has supported the Norwegian People's Aid (NPA) in an effort to retain the possibility for civil society to hold authorities accountable for the management of petroleum revenues and environmental considerations. The programme was implemented in the oil-producing areas of former Unity and Upper Nile, in addition to advocacy activities in Juba. There have also been activities in Jonglei.

In 2019, NPA reports the following results from this project:

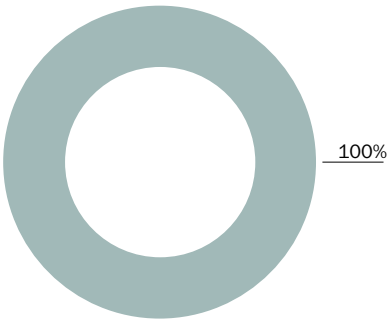
- NPA supported the Civil Society Coalition on Natural Resources (CSCNR), a coalition of 45 civil society organisations, to develop and disseminate a strategic plan with five key pillars; (i) Responsible Investment in Petroleum and Mining, (ii) Environmental and Social Rights Protection, (iii) Land and Property Rights, (iv) Public Financial Management, and (iv) Policy Analysis and Research.
- NPA and CSCNR successfully advocated for the Ministry of Petroleum to include civil society participation in the annual government and investors' South Sudan Oil and Power Conference.
- NPA partners raised public debates in the media

through six radio talk shows/call-ins or debates in Juba and Bentiu, as well as several news articles regarding transparency of oil revenues. This prompted the National Legislative Assembly to summon the Minister for Finance to account for the net oil revenue share to local communities and oil-producing states.

- In Rubkona county, Unity State, Hope Restoration South Sudan held a training course for local community members on the key provisions of the South Sudan Petroleum Revenue Management Act (PRMA) 2013. Following the training, they formed an informal body called Community Association on Extractives and Environmental Transparency (CAEET), comprising 13 persons. They have submitted a petition to the county authorities demanding transparency in management of oil revenue and proper environmental management, as well as access to information regarding oil activities.
- The Workers Trade Union of Petroleum and Mining successfully advocated for the establishment of a sub-office at Dar Petroleum Operating Company

(DPOC).² They also advocated for the establishment of a labour court and for oil companies to provide life insurance to oil workers. These two demands were accepted by the petroleum and labour ministries respectively but are yet to be implemented.

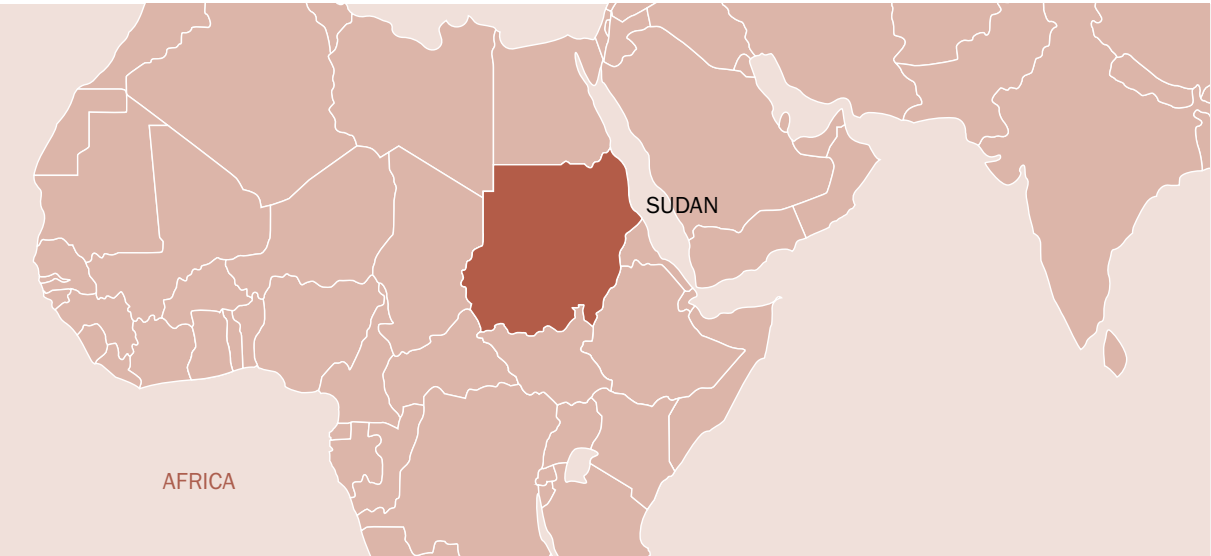
Total disbursement to South Sudan in 2019.
By OfD component (1.5 million NOK)



■ NGO support

2 <https://radiotamazuj.org/en/v1/news/article/gpoc-employees-extend-deadline-for-planned-strike>

Sudan



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KEY PROGRAMME FACTS:

Disbursed 2019: NOK 5.4 million

Sudanese implementing institutions: Ministry of Energy and Mines, Oil Exploration and Production Administration, General Directorate for Environment, Safety and Health

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Norwegian Environment Agency, Petroleum Safety Authority Norway, Norwegian Mapping Authority

The secession of South Sudan in 2011 has had dramatic consequences for Sudan’s income from oil production, as almost 80% of the oil came from the southern part of the country.

Since 2005, Norway has been assisting both South Sudan and Sudan with the implementation of the Comprehensive Peace Agreement and later agreements.

A programme agreement between the governments of Sudan and Norway was signed in 2012. In 2016, Norway and Sudan signed a new four-year agreement for an OfD programme, building on the achievements from the previous phase. Due to the volatile security and political circumstances in Sudan in 2019, the cooperation was

put on hold for most of the year. Sudan has requested a continuation of the support from 2020 onwards.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Increased institutional capacity:

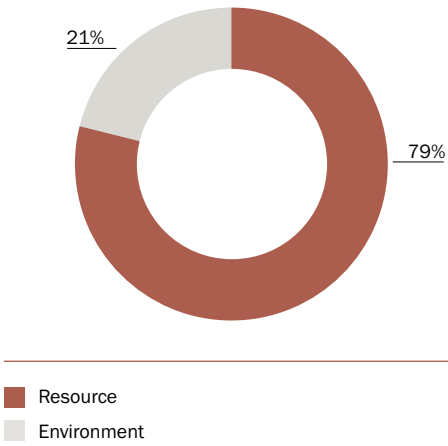
- A report on petroleum legacy waste (drill cuttings and mud, sludge, chemicals) describing amounts, properties and treatment and disposal options was submitted to the General Directorate of Environment, Health and Safety (GDEHS). The report was based on inspection and sampling carried out in the field by a joint Bridge Consult/GDEHS team and lab analysis in Norway and Khartoum.
- The Norwegian Mapping Authority hosted a group from the Ministry of Energy and Mining (MEM) to work on Petro GIS. The project builds capacity for MEM staff to be able to conduct similar projects without OfD support in the future. The intention is to establish a sustainable infrastructure for acquiring, maintaining and distributing spatial oil related data.
- New equipment for tape transcription was procured and transported to Khartoum with OfD support. The

- format of the available data needs to be transcribed to be usable and storable.
- The EOR project for the Neem Field started in December 2018 with Petrad assigned as Norwegian consultant. Two visits to Khartoum, a kick-off meeting and a work session with both the reservoir simulation group and laboratory group were executed.

PROGRAMME CHALLENGES

Ensuring ownership and implementation of the policy and legal framework has been an ongoing challenge. The Sudan context is difficult, and transparency and accountability have not been easily addressed.

Total disbursement to Sudan in 2019. By OfD component (5.4 million NOK)



Tanzania



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 17.1 million

Tanzanian implementing institutions: Ministry of Energy, Petroleum Upstream Regulatory Authority, Prime Minister’s Office (Labour and Employment), Occupational Safety and Health Agency, Vice President’s Office – Environmental Division, National Environment Management Council, Surface and Marine Transport Regulatory Authority, Ministry of Lands, Housing, Water, and Energy (Zanzibar), Zanzibar Petroleum Regulatory Authority, Zanzibar Department of Environmental and Occupational Health, Zanzibar Environmental Management Authority, and Zanzibar Maritime Authority.

Norwegian implementing institutions: Ministry of Petroleum and Energy, Norwegian Petroleum Directorate, Norwegian Environment Agency, Petroleum Safety Authority Norway, Norwegian Mapping Authority

Civil society organisations supported: Natural Resource Governance Institute, World Wildlife Fund, Oxfam America

Research support: Twinning arrangement between REPOA – Policy Research for Development, and CMI – Chr. Michelsen Institute.

Gas resources in Tanzania are estimated at more than 55 trillion cubic feet. Two fields are producing gas for the domestic market.

The OfD Programme has been engaged in Tanzania since 2013 and is currently in its second phase. The programme agreement for phase II (2017–2020) was signed in July 2018.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhance legal and regulatory framework

- Assistance was provided to Tanzania to establish regulations and guidelines for the upstream petroleum sector.

Increased institutional capacity

- The Norwegian Environmental Agency assisted the Government of Zanzibar in conducting a Strategic Environmental Assessment (SEA) of the Pemba-

Zanzibar block. The final report was submitted to the Zanzibar Environment Management Authority in October 2019.

- The Norwegian Coastal Administration assisted the Zanzibar Maritime Authority to prepare and establish a Marine Oil Spill Recovery Contingency Plan.
- The Norwegian Petroleum Directorate assisted the Government of Zanzibar in identifying its near-term responsibilities in resource management and develop the regulatory institution for upstream petroleum activity.
- Staff from Tanzania Mainland and Zanzibar institutions benefited from several training courses and study trips on petroleum resource management organised by the Norwegian Petroleum Directorate.
- Staff from Tanzania Mainland and Zanzibar environmental authorities participated in regional workshops on environmental data management and development of an environmental sensitivity atlas
- A needs assessment of petroleum revenue management was undertaken, and training courses were held for relevant institutions on Tanzania mainland and Zanzibar.
- The institutions following up Safety in the upstream

petroleum industry in Tanzania mainland and Zanzibar were assisted by Petroleum Safety Authority Norway (PSA) in audit methodology, follow-up of projects and companies and development of safety regulations.

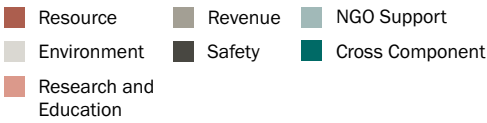
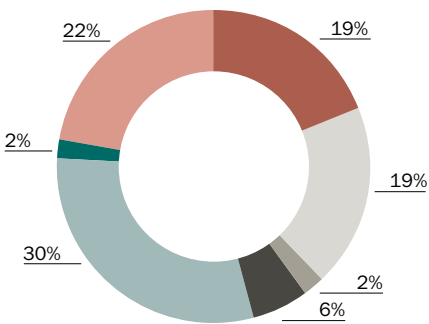
Increased transparency and accountability

- In partnership with civil society partners Oxfam and NRGI, Oil for Development supported the EITI process in Tanzania, as well as meaningful participation in decision-making processes by communities impacted by the petroleum industry.

PROGRAMME CHALLENGES

- Programme implementation has been impacted by administrative challenges and delays.
- Changes introduced to the legal framework and a shrinking civic space are a continued cause of concern.

Total disbursement to Tanzania in 2019. By OfD component (17.1 million NOK)



Uganda



KEY PROGRAMME FACTS:

Disbursed 2019: NOK 25.1 million

Ugandan implementing institutions: Ministry of Energy and Mineral Development (MEMD), Petroleum Authority Uganda (PAU), Ministry of Finance, Planning and Economic Development, Ministry of Gender, Labour and Social Development, Ministry of Water and Environment, National Environmental Management Authority, Uganda Wildlife Authority, National Forestry Authority, Uganda Revenue Authority, Uganda Bureau of Statistics.

Norwegian implementing institutions: Ministry of Petroleum and Energy, Ministry of Climate and Environment, Ministry of Finance, Norwegian Petroleum Directorate, Norwegian Environment Agency, Norwegian Coastal Administration, Petroleum Safety Authority Norway, Oil Taxation Office, Statistics Norway

Civil society organisations supported: Natural Resource Governance Institute and World Wildlife Fund

Norway has been assisting Uganda in developing the country’s petroleum sector since the 1980s. Onshore commercial discoveries of oil were made in 2006 in the Lake Albert area.

Since then, several OfD country programmes, typically with a duration of three to five years, have been completed. The current cooperation programme, which started in December 2018, is comprehensive and comprises resource, safety, environment and revenue management.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES:

Enhanced legal and regulatory framework

- The OfD Programme supports the Ministry of Finance, Planning and Economic Development (MoFPED) in developing a Fiscal Rule under the Public Finance Management Act, customised to the Ugandan economy, including expected oil revenues. The Ministry is now finalising a draft proposal which includes quantitative fiscal targets to guide fiscal policy over the medium to long term.
- The OfD Programme supported the authorities in Uganda in developing regulations under the

Midstream Act related to the planned East African Crude Oil Pipeline (EACOP) within the areas of fiscal metering, decommissioning and third-party access.

- The President assented to the new National Environment Act in February 2019 and it came into force in June. Also the Petroleum Waste Regulation came into force in 2019. These regulations are given by Nema under the Petroleum Acts from 2013. Both the Act and the Petroleum Waste Regulations have been developed with support from the Norwegian Environment Agency under the OfD Program.

Increased institutional capacity

- With assistance from the Norwegian Petroleum Directorate (NPD), the resource authorities in Uganda have increased their competence in assessing reservoir management and field development plans, as well as building simplified reservoir simulation models. It is important that such development plans

are approved based on conditions that enable the authorities to supervise and influence the operations also after granting production licences.

- Within the safety component, the Petroleum Safety Authority (PSA) supported the Ugandan authorities in institutional capacity development in drilling and well operations, pipeline integrity management, occupational health and safety management and auditing technical and operational safety for onshore facilities.
- The Norwegian Environment Agency (NEA) supported the National Environmental Management Authority (NEMA) with technical advice in the drafting of Environmental Impact Assessment (EIA) Certificates for the Kingfisher development and the East African Crude Oil Pipeline (EACOP). The programme further supported NEMA in developing and implementing an EIA database where all incoming EIAs are registered. This improves access to relevant documents and facilitates internal work processes including

- compliance monitoring of the conditions in the certificates.
- Within the revenue component, oil and gas investments were included in the national accounts for the first time in 2019. The Uganda Bureau of Statistics (UBOS) published the rebased GDP with oil and gas investments, which had a large effect on the gross value added from the mining and quarrying industry. Statistics Norway has contributed to both the collection of investment statistics from the oil and gas sector and the updating of the national accounts system to include the oil sector. In 2019, UBOS also introduced a statistical business register and started working on populating the register. The Uganda Revenue Authority (URA) received assistance in tax audits and tax administration including transfer pricing policy.
 - Officials from NEMA and a District enhanced their capacity on operationalizing national oil spill contingency planning and how to strengthen cooperation between local and national level authorities through a training course arranged by UN Environment in collaboration with NCA, IMO and the International Tanker Owners Pollution Federation.

Increased transparency and accountability

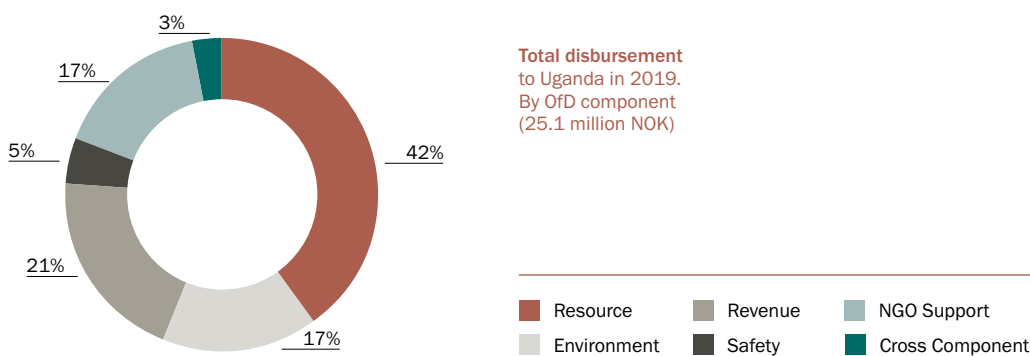
- The NEA supported authorities in Uganda in their public consultation processes related to the Environmental and Social Impact Studies for the Kingfisher development and the East African Crude Oil Pipeline (EACOP).
- Uganda's Cabinet agreed to implement EITI, and a Multi Stakeholder Group was constituted to oversee implementation. The OfD Programme will support

initial implementation activities to the extent required.

- The Natural Resource Governance Institute's (NRGI's) capacity development support for vanguard journalists in Uganda has helped journalists produce more data-driven investigative stories. This has revealed licence owners and flagged issues of beneficial ownership and conflicts of interest. The data journalism project has also helped produce up to nine publicly available datasets (via data.ug).

PROGRAMME CHALLENGES

- The petroleum sector in Uganda will require significant infrastructure investments to develop and produce the resources. These comprise upstream field installations, treatment plants, an export pipeline, and in addition there are plans for an oil refinery. In September 2019, the planned investment decision by the licensees was put on hold.
- The development of the sector has taken longer than anticipated and plans are often changed. This is a challenge for the OfD Programme since optimal scheduling of programme activities becomes difficult and activities are often reprioritised.



Murchison Falls, a waterfall between Lake Kyoga and Lake Albert on the White Nile River in Uganda. Photo: Dennis Wegewijs/Shutterstock



Exercise in oil spill preparedness in Tanzania. Photo: Ken Opprann

Annex

Table 1: Annual OfD disbursements, by region and year (1000 NOK)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2006–19
Africa	35 678	52 429	79 655	89 901	102 109	164 100	117 392	164 492	176 009	134 848	151 272	129 316	101 296	114 695	1 498 497
Asia	18 195	30 908	37 773	52 635	32 687	24 400	15 608	7 139	6 889	11 331	9 656	13 042	13 187	23 194	273 451
Middle East	3 000	13 310	11 144	5 717	3 503	8 150	5 255	12 023	10 231	14 059	14 162	18 407	14 364	13 615	133 325
Latin America	353	2 058	4 875	9 155	14 441	20 500	20 349	9 851	4 326	4 514	3 124	2 742	3 253	6 340	99 541
Global and other	25 108	49 295	71 499	49 592	69 332	74 000	95 787	61 308	44 828	46 090	32 370	54 312	31 351	75 618	704 872
Total	82 334	148 000	204 946	207 000	222 072	291 150	254 391	254 813	242 283	210 842	210 584	217 819	163 452	233 462	2 709 686

Table 2: Disbursements to OfD Country programmes in 2019, by component/area of support (1000 NOK)

Country	Resource	Environment	Revenue	Safety	NGO Support	Cross Component	Research and Education	Total
Angola	3 483 217				3 900 000			7 383 217
Benin	468 590	196 525	150 480	218 732				1 034 327
Colombia	474 303	1 404 898		325 032	2 000 000			4 204 233
Cuba	1 169 843	569 311	257 676	138 471				2 135 301
Ghana	5 168 560	3 686 135	3 428 199		1 742 956	682 197		14 708 047
Iraq	363 188	2 653 177						3 016 365
Kenya	1 639 529	1 673 365	1 436 916	976 261	1 834 361			7 560 431
Lebanon	5 819 171	2 694 480	15 000	1 787 310		283 128		10 599 089
Mozambique	13 275 671	3 104 627	3 772 949	180 370	8 252 402			28 586 019
Myanmar	7 815 323	6 015 139	3 447 734	1 460 738	4 455 041			23 193 975
Somalia	3 321 550	42 128	2 118 167	2 310		206 118		5 690 273
South Sudan					1 500 000			1 500 000
Sudan	4 276 529	1 132 465						5 408 994
Tanzania	3 266 593	3 225 119	312 607	1 005 333	5 201 807	341 188	3 768 796	17 121 442
Uganda	10 536 130	4 350 609	5 378 203	1 331 095	4 283 488	-758 961		25 120 563
Sub-total	61 078 197	30 747 977	20 317 931	7 425 651	33 170 055	753 671	3 768 796	157 262 278
Global Unspecified	15 019 433	20 960 030	11 510 675	706 179	10 854 488	4 366 791	12 200 000	75 617 597
Africa Regional		595 945			-13 932			582 012
Sub-total	15 019 433	21 555 975	11 510 675	706 179	10 840 556	4 366 791	12 200 000	76 199 609
Total	76 097 630	52 303 952	31 828 606	8 131 830	44 010 610	5 120 462	15 968 796	233 461 887

Table 3: Annual disbursements to OfD country programmes in the period 2006–2019 (NOK 1000)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2006–19
Afghanistan	64	3 289	8 570	13 039	5 738	3 100	0	0	0	0	0	0	0	0	33 800
Angola	2 984	11 162	7 888	13 548	15 635	9 100	2 332	6 556	9 988	8 637	18 834	16 277	6 261	7 383	129 202
Bangladesh	3 045	3 045	10 210	8 783	3 000	0	0	0	0	0	0	0	0	0	28 083
Benin	0	0	0	0	0	0	0	0	0	0	0	0	0	1 034	
Bolivia	353	1 401	2 805	5 976	8 696	12 800	15 252	4 564	2 839	0	0	0	0	0	54 686
Cambodia	107	2 410	2 773	3 907	856	0	0	0	0	0	0	0	0	0	10 053
Colombia	0	0	0	0	0	0	0	0	0	0	0	303	1 639	4 204	1 942
Cuba	0	0	0	0	1 073	3 400	3 097	4 556	1 101	4 514	3 124	2 439	1 614	2 135	24 918
Equador	0	657	1 724	1 954	3 803	3 300	0	0	0	0	0	0	0	0	11 438
Ghana	0	0	3 428	8 308	15 576	36 000	24 791	19 092	26 787	15 202	22 688	16 938	17 054	14 708	205 864
Indonesia	500	500	1 010	0	0	0	0	0	0	0	0	0	0	0	2 010
Iraq	3 000	10 500	4 844	3 286	1 392	550	375	7 383	5 434	3 048	1 396	6 125	3 422	3 016	50 755
Ivory Coast	0	0	1 148	3 463	51	0	4	0	0	0	0	0	0	0	4 666
Kenya	0	30	1 500	1 163	700	0	0	0	0	2 285	4 933	6 568	6 958	7 560	24 137
Lebanon	0	2 422	5 600	2 431	2 111	7 600	4 880	4 640	4 797	11 011	12 766	12 282	10 942	10 599	81 482
Liberia	0	0	0	0	0	550	206	395	345	0	0	0	0	0	1 496
Madagascar	643	6 272	12 574	4 303	91	0	0	0	0	0	0	0	0	0	23 883
Mauritania	315	358	745	815	854	0	0	0	0	0	0	0	0	0	3 087
Mozambique	8 496	14 900	18 802	13 861	5 614	17 200	4 429	18 131	22 525	37 947	32 307	31 653	34 176	28 586	260 041
Myanmar	0	0	0	0	0	0	0	1 181	6 889	11 331	9 656	13 042	13 187	23 194	55 286
Nicaragua	0	0	346	1 225	869	1 000	2 000	720	328	0	0	0	0	0	6 488
Nigeria	6 769	5 655	4 511	4 559	3 743	4 600	6 941	3 387	0	0	0	0	0	0	40 165
Palestinian Territory	0	388	700	0	0	0	0	0	0	0	0	0	0	0	1 088
Sao Tomé and Príncipe	607	200	50	1 125	1 874	1 600	3 505	1 448	2 112	0	0	0	0	0	12 521
Sierra Leone	0	0	0	0	0	550	184	0	409	0	0	0	0	0	1 143
Somalia	0	0	0	0	0	0	0	0	0	0	682	533	2 999	5 690	4 214
South Africa	6 000	500	2 392	1 102	0	0	0	0	0	0	0	0	0	0	9 994
Sudan	5 039	4 800	13 476	10 951	27 037	44 200	13 262	26 084	13 000	8 770	2 079	14 379	8 468	5 409	191 545
South Sudan							27 976	18 337	24 735	14 873	11 739	2 727	7 102	1 500	107 489
Tanzania	700	1 431	1 447	1 492	623	1 500	5 944	20 453	28 775	30 314	31 211	18 689	11 501	17 121	154 080
Timor Leste	14 258	15 889	13 553	19 670	21 570	19 800	13 738	5 958	0	0	0	0	0	0	124 436
Uganda	3 055	7 121	8 419	13 808	30 298	48 800	27 818	50 609	47 333	16 820	26 799	21 552	5 383	25 121	307 815
Uruguay	0	0	0	0	0	0	0	11	58	0	0	0	0	0	69
Vietnam	221	5 775	1 657	2 464	1 523	1 500	1 870	0	0	0	0	0	0	0	15 010
Zambia	1 070	0	2 127	1 978	13	0	0	0	0	0	0	0	0	0	5 188
Subtotal	57 226	98 705	132 299	143 211	152 740	217 150	158 604	193 505	197 455	164 752	178 214	163 507	130 707	157 262	1 988 076
Regional	0	2 700	4 283	10 734	18 685	15 050				0	0	3 511	1 394	582	56 357
Global	25 108	46 595	68 364	53 055	50 647	58 950	95 787	61 308	44 828	46 090	32 370	50 801	31 351	75 618	665 254
Subtotal	25 108	49 295	72 647	63 789	69 332	74 000	95 787	61 308	44 828	46 090	32 370	54 312	32 745	76 200	721 611
Total	82 334	148 000	204 946	207 000	222 072	291 150	254 391	254 813	242 283	210 842	210 584	217 819	163 452	233 462	2 709 686



Norwegian Ministry
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