



# OIL FOR DEVELOPMENT

2007-2008

Angola, Bolivia, Iraq, Madagascar, Mozambique,  
Nigeria, Sudan, Timor-Leste, Uganda, Vietnam  
Afghanistan, Bangladesh, Cambodia, Ecuador, Gha-  
na, Indonesia, The Ivory Coast, Kenya, Lebanon,  
Mauritania, Nicaragua, Palestinian Territory, São  
Tomé and Príncipe, South Africa, Tanzania, Zambia

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# PREFACE

Several decades of oil and gas experience have given Norway wide expertise in the field of petroleum sector management. Our administration of natural resources and resulting revenues has attracted considerable international attention, and many developing countries want to learn from the experience we have built up.

Today, petroleum exploration and production play an important role in an increasing number of developing countries, partly in response to the higher price of oil. Oil and gas hold the promise of becoming a vital resource for economic and social development.

Oil should be a blessing, not a curse. This means that petroleum revenues should be used to provide essential services for the many, and not be allowed to disappear into the pockets of the few; local communities should experience new economic opportunities from petroleum activities and not have their environment threatened; countries rich in petroleum should prosper, and not slide into conflict. The development of a national industry linked to the petroleum sector should become a reality.

The Norwegian Government's "Oil for Development" scheme (OfD) aims at enabling petroleum producing countries to utilize revenues from their oil and gas resources to reduce poverty and improve the living conditions of their populations in a manner which is environmentally benign. The programme therefore has a threefold focus on resource management, revenue management and environmental management. We believe that a competent public sector is crucial in ensuring good governance of the petroleum sector, and much of our focus is therefore on capacity building towards such public sector institutions. However, in our opinion this is not enough. A strong civil society and vibrant media are also vital in order to increase transparency and the pressure on governments to act in the interest of their own people. We support these efforts directly and indirectly.

There is a rapidly growing demand for Norwegian assistance with petroleum sector management, and Norway now cooperates with more than 25 countries in a large variety of areas. In addition to frequent requests for advice on how to best manage the petroleum resources and the resulting revenues, more countries are turning to us to learn how petroleum production can be pursued in an environmentally sound manner, in order to ensure that other economic sectors such as fisheries and tourism are not damaged. OfD also seeks to minimize the contribution of the hydrocarbons sector to climate change in our cooperating countries, for instance through the Global Gas Flaring Reduction Initiative (GGFR).

There are many challenges in implementing OfD and to what extent the Norwegian assistance can make a difference, depends on a range of historical, geographical and political factors. Each country has its own particular challenges and there are no "quick fixes".

We believe that our most crucial contribution is to help countries so that they can themselves manage their petroleum resources. This requires time, strong political will, and complex cross-cultural efforts. OfD is an important part of Norway's international development efforts and will continue to be so in the years to come.



**Mr. Erik Solheim,**  
*Minister of the Environment and Development Cooperation*



2007-2008

# OIL FOR DEVELOPMENT

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# INTRODUCTION

The Oil for Development initiative (OfD) aims to assist developing countries, upon their request, in their efforts to manage petroleum resources in a way that generates economic growth, promotes the welfare of the population in general and which is environmentally sustainable. Norway has to a large extent succeeded in translating oil in the ground to development for its people, and sharing these experiences constitutes a key component of OfD.

Still, what has worked well in Norway will not necessarily work elsewhere and the policies chosen in a given country will always have to be adapted to the particular challenges this country faces. OfD does not seek to export a Norwegian "model" for governance in the petroleum sector. The chosen solutions and policies must be tailored to the particular country.

The OfD initiative was launched by the Norwegian Government in September 2005. This report for 2007, which includes plans for 2008, is the first unified description of the initiative. It shows a rapidly growing programme in response to an increasing demand from a number of countries for the services of OfD. The budget for 2008 is NOK 240 million.

OfD represents a thematic broadening of the petroleum sector development assistance that Norway has provided since the early 1980s, which has amounted to approximately NOK 440 million over the period 1994 to 2004. The program was originally oriented towards resource management. Norwegian support started in countries like Mozambique and Vietnam where it helped to create legal and regulatory systems in the petroleum sector, build up and strengthen institutions like local ministries and directorates of energy and build capacity. Since then Norwegian assistance has broadened in scope and with the creation of OfD, revenue management, environmental management and good governance have become integral parts of the Norwegian assistance in this sector.

Resource management constitutes around 60 percent of OfD's activities and it is still the most important component of the program. However, the relative share of revenue management and environmental management in the OfD programme is increasing.

All support given through the OfD programme should be demand driven. Assistance will not be efficient unless the problems that are raised and the solutions found are truly accepted and understood in the receiving country.

Imposing external solutions on cooperating countries will simply not work

There are some recurrent themes that tend to emerge in all countries where OfD is active. The aspiration for national capacity building is very strong. Both governments and local businesses in OfD countries wish to develop educational and training programmes to strengthen the local work force and educate members of the government. This can be achieved by a variety of educational initiatives and by providing on-the-job training.

A number of recent studies illustrate that good governance is crucial to ensure that the potential wealth from oil, gas and other resources become a benefit to the general population. Good governance in particular implies clear divisions of roles, transparent policies, competent and non-corrupt regulatory authorities that can monitor and follow up the oil companies, and a strong civil society that can hold the government accountable for its actions. OfD is involved in developing civil society capacity in our cooperating countries through Norwegian and international Non-Governmental Organizations (NGOs).

OfD is implemented through the cooperating partners, some of which are listed on the inside cover of this report. There is also close cooperation with Extractive Industries Transparency Initiative (EITI), The World Bank and Revenue Watch Institute. As of 2008 OfD is involved in projects in 26 countries. The cooperation ranges from offering limited assistance in specific thematic areas to broad, long-term institution building. 10 of the countries are core countries of cooperation while 16 are countries with more limited cooperation with the OfD programme. At the moment OfD does not want to increase the number of cooperating countries. The aim is rather to deepen the efforts in each country. However, over time OfD aims to develop more regional programmes. The aim is to concentrate our efforts in countries where OfD "can make a difference". Experience tells us this is most likely to be the case where OfD gets involved at an early stage of a country's oil activities; where the programme that is agreed on is comprehensive and long term, and where there is good cooperation with the government of the cooperating country.

Read more about Oil for Development on our website: [www.norad.no/ofd](http://www.norad.no/ofd)





Photo: Ole Imsland



## Who we are

Oil for Development (OfD) is a programme which unites the efforts of a range of different public and private institutions representing diverse skills and competences. Below follows a brief introduction of the Norwegian and international institutions that are involved.

### 2.1 The Steering Committee and the Secretariat

A ministerial steering committee has been established for OfD with representatives from four ministries: Foreign Affairs (MFA), Finance (MoF), Petroleum and Energy (MPE) and Environment (MoE). The OfD secretariat is in Norad (Norwegian Agency for Development Cooperation), and is responsible for coordination and implementation of the initiative. There are about ten persons working full time in the OfD secretariat. The steering committee formulates strategic directions, guidelines and priorities for the secretariat and implementing organizations, and decides on major project proposals.

### 2.2 The Norwegian embassies

The Norwegian embassies play an essential role in OfD, as extensive development cooperation responsibility is assigned to them. The embassies hold valuable local and regional knowledge and network extensively with government agencies, industry, civil society as well as international organizations and other donors in their respective countries. Requests for OfD assistance are normally channeled through the embassies, and embassy staff generally appraises and provides advice on proposals for cooperation. The OfD secretariat in cooperation with the respective ministries of the steering committee takes responsibility for the professional content of different initiatives.

### 2.3 Key implementing agencies

Key implementing agencies have been and remain the Norwegian Petroleum Directorate (NPD), Petrad (International programme for petroleum management and administration), the Pollution Control Authority (SFT), the Directorate for Nature Management (DN) and the Petroleum Safety Authority (PSA). A range of consultancies, research institutions and NGOs are also involved, as are personnel from the relevant government ministries. The Norwegian oil and gas industry is also drawn upon in transferring competence and knowledge.

Below follows a more detailed introduction of the institutions that are involved in implementing the OfD programme.

#### 2.3.1 The Norwegian Ministry of Foreign Affairs

The Norwegian Ministry of Foreign Affairs is both a preparatory and an executive body in connection with foreign policy matters, economic foreign policy issues and aid-related matters. The Ministry has two ministers, the Minister of Foreign Affairs and the Minister of International Development.

The Ministry of Foreign Affairs has an important co-ordinating and advisory role vis-à-vis other ministries since it is the Minister of Foreign Affairs who is responsible for the organization, coordination and implementation of Norwegian foreign policy.

Norway's development cooperation efforts are based on the UN Millennium Development Goals, and Norway is contributing to development in poor countries in many areas and through many different channels. In 2007 the Government spent close to NOK 21 billion for emergency relief and development cooperation. Areas that are given particular priority in the development cooperation budget are climate, environment and sustainable development, women and gender equality, good governance, anti-corruption efforts, oil and energy, peace building, human rights and humanitarian assistance. The Ministry also is responsible for a number of government institutions, e.g. Norad.

The Ministry of Foreign Affairs heads the steering committee for the OfD programme.

#### 2.3.2 The Norwegian Ministry of Petroleum and Energy

The Ministry of Petroleum and Energy (MPE) has the overall responsibility for petroleum administration and management of petroleum resources on the Norwegian continental shelf. This includes ensuring that the petroleum activities are carried out in accordance with the guidelines laid down by the Storting (parliament), which determines the framework for petroleum operations in Norway.

The primary functions of the MPE are:

- Development of the legal, regulatory and institutional framework
- Preparation and implementation of policies, such as opening of new acreage and licensing, approving of field development, production and transport plans, and handling of environmental impact assessments.
- Developing industry policies for the petroleum sector, including research technology development.
- Implementation of Memoranda of Understanding for cooperation with the authorities in other countries
- Internationalization of the Norwegian petroleum sector. INTSOK - the Norwegian Oil and Gas Partners - has been established to assist the MPE in this process.
- Monitoring state owned companies in the petroleum sector

The Ministry of Petroleum and Energy is a member of the steering committee for the OfD programme.

### 2.3.3 The Norwegian Ministry of the Environment

The Ministry of the Environment is responsible for overall environmental policy in Norway, coordinating the Government's environmental policy objectives, and ensuring follow-up and monitoring results of environmental policies. The Ministry serves as the secretariat for the Minister of the Environment, and is the catalyst for new policy and legislation. The basic legislation is the laws and regulations in the fields of pollution control, nature conservation, cultural heritage and planning and building.

Environmental policy is divided into eleven areas, with a main focus on climate change, sustainable use and protection of biodiversity, and hazardous substances. The Ministry also has expertise in land use and urban and regional planning, mapping and geodata. It is involved in extensive international and bilateral co-operation, and has entered into cooperation agreements with a number of developing countries. The Directorate for Nature Management, the Norwegian Mapping and Cadastre Authority and the Norwegian Pollution Control Authority are subordinate agencies to the Ministry of the Environment.

The Ministry of the Environment is a member of the steering committee for the OfD programme and is directly involved in cooperation projects on environmental issues in many OfD countries. The Ministry also coordinates the involvement of its subordinate agencies in the OfD programme.

### 2.3.4 The Norwegian Ministry of Finance

The Norwegian Ministry of Finance is responsible for

- Planning and implementing economic policy
- Coordinating the preparation of the fiscal budget
- Giving guidelines for monetary policy
- Ensuring government revenues by maintaining and developing the tax system
- Managing government financial assets, including the Government Pension Fund
- Monitoring financial markets and drawing up regulations.

The Ministry has delegated the operational management of the Government Pension Fund to Norges Bank (Central Bank). The Ministry also has the responsibility for a number of government institutions e.g. the Directorate of Taxes and Statistics Norway.

The Ministry of Finance is engaged in a wide international cooperation, both with other countries, e.g. tax agreements, and in international organizations primarily concerned with cooperation on economic policy.

The Ministry of Finance is a member of the steering committee for the OfD programme. The Ministry is actively involved in Timor-Leste and Madagascar. In Timor-Leste

Norwegian advisors, mainly based locally, have assisted the Ministry of Finance and the Central Bank in the design and implementation of a petroleum fund and also on the economic policy more generally. In Madagascar, the Ministry of Finance is one of the implementing institutions of a project on economic policy and of a project that includes government take and the taxation of petroleum.

### 2.3.5 The Norwegian Petroleum Directorate (NPD)

The Norwegian Petroleum Directorate is administratively subordinate to the Ministry of Petroleum and Energy (MPE).

The NPD shall contribute to create the greatest possible values for the society from oil and gas activities by means of prudent resource management based on safety, emergency preparedness and safeguarding the natural environment.

The primary functions of the NPD are to:

- Exercise administrative and financial control to ensure that petroleum exploration and exploitation is carried out in accordance with prevailing legislation, regulations, guidelines, decisions and licensing terms
- Ensure that petroleum exploration and exploitation is pursued in accordance with the guidelines laid down by the MPE.
- Advise the MPE on issues relating to submarine natural resource exploration and exploitation
- Issue regulations relating to resource management
- Supervise the industry's compliance with regulations for resource management
- Perform resource assessments and maintain a resource inventory
- Ensure that petroleum activities minimize discharges and emissions to the external environment
- Manage and make available petroleum data and information
- Audit fiscal metering systems
- Ensure security of deliveries
- Handle CO2 tax issues on behalf of the Ministry of Finance
- Emphasize cost-effectiveness in exploration and production, cost-effectiveness in utilization of the infrastructure and coordination across production licenses
- Support sister organizations in other petroleum producing countries through institutional cooperation or technical assistance.

The NPD has assisted developing countries in petroleum resource management for more than 25 years. The assistance is mainly directed towards long-term institutional cooperation with sister organizations having similar governance functions on a wide range of issues.



The NPD assists Norad and the Ministry of Foreign Affairs in planning and implementing petroleum sector support to authorities in selected countries and regional organizations under the OfD programme.

#### 2.3.6 Petrad

Petrad is a non-profit Norwegian government foundation established in 1989 to facilitate transfer of knowledge and experience within petroleum management, administration and technology for authorities in countries in Africa, Asia, Latin America and the countries of the former Soviet Union.

Petrad organizes tailor-made courses and seminars on a wide range of topics relating to the management of petroleum resources. The programmes last from one day to 10 weeks and are staged in Norway and abroad. All of Petrad's courses and seminars have a practical focus. Petrad also offers and facilitates advisory and consultancy services in institutional development throughout all phases of petroleum sector development. Petrad's Capacity and Training Needs Assessment (CTNA) service is an organizational development tool designed to perform a systematic analysis of institutional competence needs. Petrad draws on key personnel and lecturers from the Norwegian and international petroleum industry.

Petrad organizes 8-week courses on Petroleum Policy and Resource Management and Petroleum Development and Operations in Stavanger, Norway. In addition, Petrad organizes training modules world wide, as well as tailor-made seminars covering a range of different topics within petroleum management, administration and technology.

#### 2.3.7 The Norwegian Pollution Control Authority (SFT)

The Norwegian Pollution Control Authority is a subordinate agency of the Ministry of the Environment. The SFT's goal is to promote sustainable development. Priority is given to work on climate change and the effects of energy consumption, harmful chemicals, and environmental problems in built-up areas, since these are some of the most serious threats to sustainable development. The SFT's power of authority is laid down in the Pollution Control Act, the Product Control Act and regulations connected to the acts.

The SFT's main tasks include:

- Monitoring and providing information about environmental development
- Providing the Norwegian Ministry of the Environment with advice, assessments and expert support
- Exercising authority through regulations and control measures

- Assessing the degree to which the different sectors of society have achieved their environmental goals
- Instructing and guiding county governors within the SFT's area of responsibility
- Promoting Norwegian objectives in international environmental cooperation and helping to improve the efficiency of the environmental protection work of developing countries

To help create sustainable development, the environmental authorities will put more emphasis on sustainable production and consumption and will increase their efforts in the international arena. To this end, the SFT aspires to actively participate in the OfD programme as one of the main contributors on the environmental pillar. The SFT will give advice and long-term support within its areas of responsibility, including evaluation of environmental impact assessments, discharges to sea, emissions to air, the use and discharge of chemicals, waste management, reporting, environmental monitoring, contingency, decommissioning, audits and inspections.

#### 2.3.8 The Directorate for Nature Management (DN)

The Directorate for Nature Management is the national executive and advisory management authority concerning the conservation and sustainable use of biological diversity. The DN is one of five central government agencies under the Ministry of the Environment.

The DN has key responsibilities related to the conservation of biological diversity, outdoor recreation and sustainable use of natural resources. The DN has regulatory and management responsibilities for Norwegian legislation related to environmental impact assessments and land use issues, national parks and other protected areas, outdoor recreation, nature inspection and ranger services, wildlife management and freshwater fish, invasive and endangered species, environmental aspects of biotechnology and the Svalbard environment.

An important function for the DN is to ensure that issues related to biodiversity are integrated in relevant sector plans and policies. To this end the DN works closely with other sectors at the strategic level, particularly regarding land use planning.

The DN's main task related to the petroleum sector and the OfD programme is to contribute to a clarification of the environmental impacts in the early stages of the development, particularly regarding selection of areas, mapping of environmental values, and vulnerability and threat assessments.

### 2.3.9 Petroleum Safety Authority Norway (PSA)

The Petroleum Safety Authority Norway has regulatory responsibility for safety, emergency preparedness and the working environment in Norwegian offshore petroleum operations and at certain petroleum facilities and associated pipeline systems on land. The PSA reports to the Ministry of Labour and Social Inclusion

Through its own supervisory activities, and in co-operation with other agencies holding independent regulatory responsibility for health, safety and the environment (HSE), the PSA ensures that the petroleum industry is subject to comprehensive supervision. The PSA provides information and advice to stakeholders in the petroleum industry, cooperates with other HSE authorities both nationally and internationally, and contributes to sharing and promoting knowledge about HSE in society at large.

The aim of the PSA's international work is to support the recipient country in creating and/or developing a regulatory regime in the safety and working environment area, which facilitates the development of petroleum activities in an acceptable manner. The most significant part of the PSA's international development work involves projects run by Norad. The PSA has also provided contributions to courses and programmes organized by Petrad as well as hosted delegations visiting Norway as part of, or ahead of, an assistance project. In most such projects, regulation of safety and the working environment has been one topic in a broader petroleum-related context.

### 2.3.10 Other involved agencies

In 2008 more than NOK 18 million will be spent on civil society. A range of consultancies and research institutions are also involved in implementing the OfD initiative. Current framework agreements are with Econ Pöyry, the Bridge Group A/S and International Petroleum Associates Norway A/S (IPAN) and run to 1 September 2009. OfD may draw upon Norad's general framework agreements as well. Moreover, Rogaland Training & Education Centre (RKK) is involved in projects in Angola and Vietnam.

Norway and the World Bank have developed a programme of cooperation ("The Petroleum Governance Initiative") covering issues such as petroleum sector governance, revenue management, environmental challenges and community development approaches. OfD funds this initiative with NOK 20 million per year.

OfD also cooperates with other multilateral institutions such as the IMF, the UNDP and the African Development Bank. A particularly important multi-stakeholder partner is the Extractive Industries Transparency Initiative (EITI), which supports improved governance in resource rich countries through the full publication and verification of company payments and government revenues from oil, gas and mining.

Civil society organizations are becoming increasingly important in realizing the objectives of OfD. In 2008 more than NOK 18 million will be spent on civil society capacity building, and the major share of the funds are allocated by OfD to Norwegian and international non-governmental organizations (NGOs) in an annual selection process. These organizations then provide various types of capacity building to their partner organizations in the OfD cooperating countries. In a pilot project that assesses the merits of more formalized cooperation with a civil society partner OfD provides core funding over three years to the New York-based Revenue Watch Institute (RWI).

OfD draws upon the competence of Norwegian and international oil and service companies on a range of issues. The companies can assist OfD cooperation programmes in areas such as education/vocational training, technology transfer and generating industrial/economic spin-offs from oil sector activities. In addition the companies hold valuable environmental experience that should be made available – also in the form of multi-stakeholder partnerships. Furthermore, OfD cooperation with the petroleum industry will be considered in the context of community development projects, possibly through cooperation with multilateral organizations like the World Bank and the UNDP.

Importantly, OfD's objective is to strengthen capacity and competence in government institutions and civil society, not to secure contracts for Norwegian or international companies. Cooperation with the industry will therefore be based on careful analyses of roles and responsibilities of different stakeholders, and efforts are made to ensure that OfD is contributing to a level playing field among competing oil industry players, and not the opposite. Guidelines for OfD cooperation with the petroleum industry can be found and downloaded on the OfD website.



OFD PROJECTS  
- CORE COUNTRIES



## OfD Projects – core countries

In 2007 Oil for Development had long-term co-operation with ten countries: Angola, Bolivia, Iraq, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda and Vietnam.

In March 2008 Ghana became a new core country, while Iraq became a country of limited cooperation.

Being a core cooperation country normally implies that OfD assistance is provided within all the key thematic areas: resource management, environmental management and revenue management. OfD promotes a holistic perspective where these areas are integrated to form the overall governance framework of the sector. Good governance is thus a cross-cutting aspect, rather than a separate component, of such a framework.

For a country to be eligible for any form of assistance from OfD the following criteria must be met:

- Cooperation must be demand driven
- The country must be OECD/DAC-eligible (or other financing must be supplied)
- Significant petroleum production or potential must be present
- Norwegian experience and expertise must be relevant
- Demand for capacity and competence building in public institutions must be identified

With these criteria met, further scrutiny of the following dimensions often comes into play:

- Overall feasibility, quality and timing of proposals
- Availability of relevant Norwegian/international competence

To be eligible for becoming a core cooperation country, no absolute criteria must be met apart from those outlined above. Due to overall capacity constraints,

however, only a limited number of new countries are likely to qualify for more extensive cooperation on petroleum governance. Hence, applications for such support will be subject to close scrutiny. Focus will be on the identification of areas for cooperation where Norwegian competence is highly relevant and can make a difference.

Moreover, the situation in terms of overall political and economic governance must be conducive to effective cooperation and high impact. For longer-term OfD cooperation to be considered, there must be well-documented political commitment to good governance, including transparency and anticorruption. The overall situation with respect to human rights and the rule of law must be acceptable and/or on well-documented course towards improvement. Norway gives priority to the Extractive Industries Transparency Initiative (EITI) and motivation to engage with EITI will be seen as a clear advantage. Governments must be committed to poverty reduction and improved welfare for the population. The same holds for commitment to ensure sustainable development.

Norwegian presence in the form of embassies and existing programmes of development cooperation will generally enhance the chance of successful OfD cooperation.

Cooperation and coordination with other donor countries, multilateral organizations and international NGOs are important OfD priorities. Longer-term and more extensive cooperation will be provided in situations where Norway is well placed to contribute in overall international efforts to support improved petroleum sector governance and revenue management.

Angola, Bolivia, Iraq, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda, Vietnam, Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana, Indonesia, The Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestinian Territory, São Tomé and Príncipe, South Africa, Tanzania, Zambia





Photo: Ole Imsland

# ANGOLA

**Project:**

Institutional cooperation programme on petroleum sector development MINPET – NPD, phase II

**Cooperating institution:**

Ministry of Petroleum (MINPET)

**Goals:**

Promote improved management of national petroleum resources as one of the tools for sustainable economic and social development in Angola.

**Objectives:**

Improve capability to exercise regulatory control and to develop policies and strategies to ensure better administration of the Angolan petroleum resources.

**Project period:** 2008–2011

**Total budget:** NOK 27 mill

**Programme:**

The project consists of the following five components:

- Regulatory framework
- Responsibilities and organization of MINPET
- Data management and information systems
- Multi-sector activities
- Angolanization and general training

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**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate

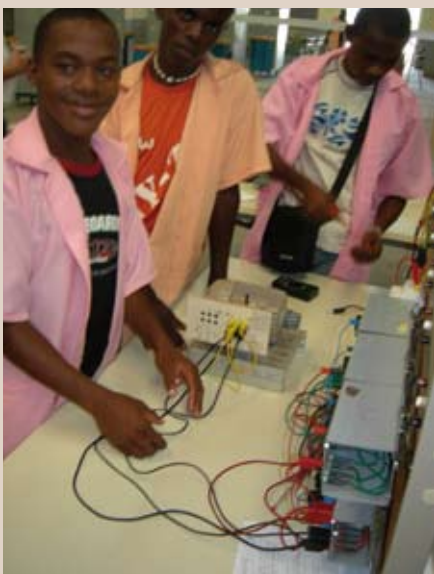


Photo: Ole Imsland


**COUNTRY FACTS:**
**Official Name:**

Republic of Angola

**Capital:**

Luanda

**Chief of state:**

President Jose Eduardo dos Santos.

**Head of Government:**

President Jose Eduardo dos Santos.

**Population:**

12 263 596 (2007)

**Petroleum sector,**
**key figures:**

*Average oil production:*

1.42 mill bbl/day (2006)

*Annual gas production:*

11.2 bill m<sup>3</sup> (2006)

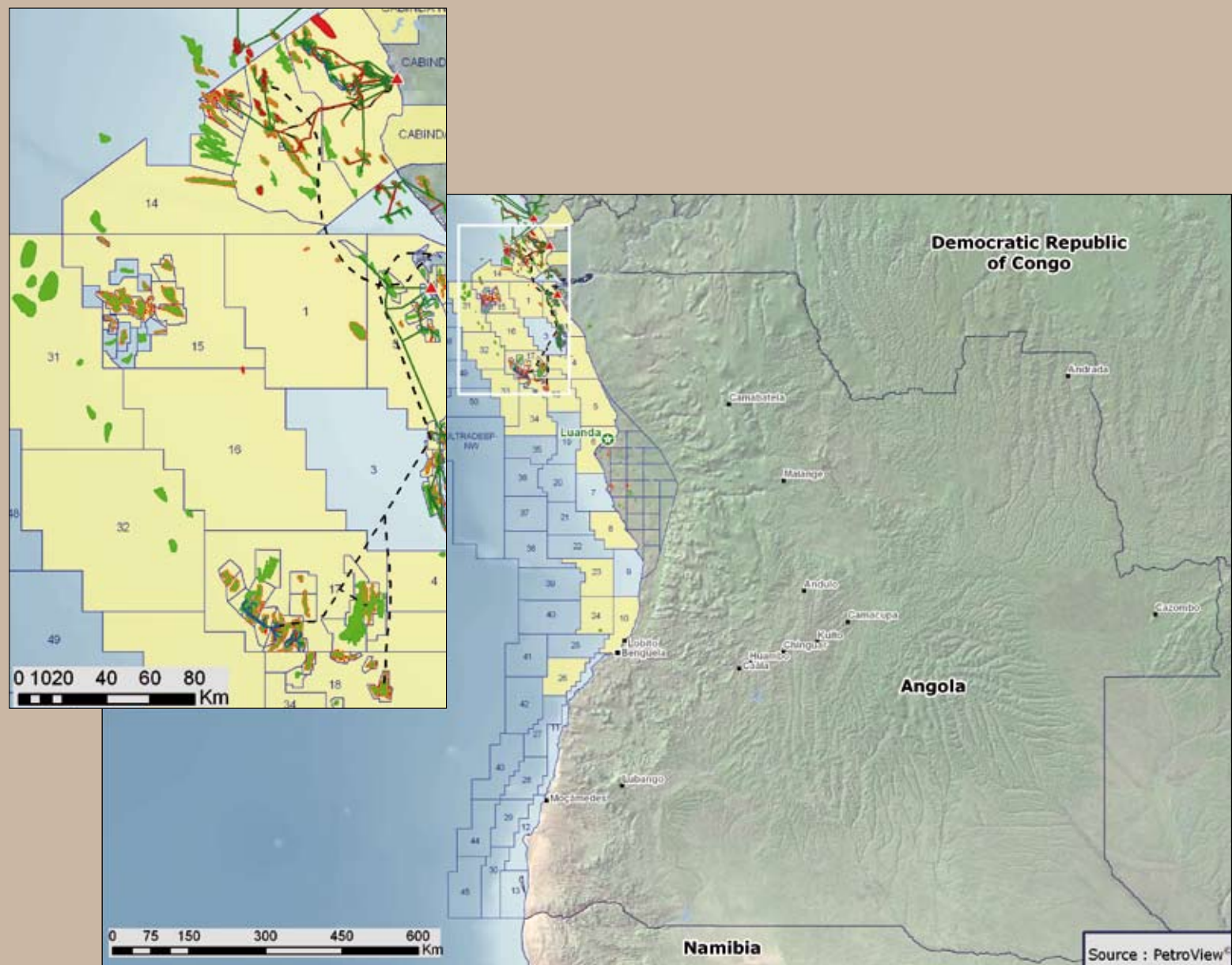
**Organization of the sector:**

Ministry of Petroleum Policy  
- regulatory and supervisory body

Sociedade Nacional de Combustiveis de Angola (Sonangol) - State owned oil company.

Sole concessionaire and partner in concession agreements and in some PSAs with international oil companies







### Brief history of the cooperation

Norwegian assistance within the petroleum sector in Angola started in 1987 when Norway and Angola signed an agreement for a four-year assistance programme (1987–1991) with a budget of NOK 17 million. The assistance programme was extended in 1991 when a new agreement was signed for a new period of four years (1991–1995) with a budget of NOK 28.5 million. The objective of the Norwegian assistance was to assist Angola in institutional competence building in order to improve the government's capabilities to develop, direct and control the petroleum activity. Later, Angola requested continued assistance and the phase I of a new programme was implemented in the period 2000–2004 with a budget of NOK 22 million.

In order to share Norwegian experience on effects of oil-related offshore activities on the marine environment and the impact of these activities on fisheries and marine biodiversity a programme on environmental monitoring and training of Angolan scientists and technicians was initiated in 2006. The Norwegian participating organization is the Institute of Marine Research (IMR).

The Norwegian Petroleum Directorate (NPD), the Petroleum Safety Authority Norway (PSA), the Norwegian Pollution Control Authority (SFT) and the Institute of Marine Research (IMR) have written a report regarding governance issues in the petroleum sector, management of aquatic life and environmental management. This report was presented to Norad and the MFA in 2005 and a follow-up meeting was called by Norad in June 2006. Training and transfer of knowledge supporting the implementation of a marine environmental monitoring plan has been included in the programme.

### Activities in 2007

A phase II of the new programme was planned by MINPET with input from the NPD during the period 2005–2006 and a new agreement between Norway and Angola regarding technical assistance in the petroleum sector was signed on 4 October 2006. Implementation planning of Phase II has been carried out during 2007 and the first months of 2008.

A delegation from Norway together with the Minister of International Development, Mr Erik Solheim and Deputy Minister of Petroleum and Energy Ms. Anita Utseth, visited Angola early February 2007 for discussions on further cooperation between Norway and Angola, specifically in the petroleum sector.

The NPD visited MINPET to discuss the implementation plan for the new programme in February and June 2007. The NPD has entered an agreement with "HI" for joint cooperation in Angola.

An Angolan marine environmental monitoring plan for offshore petroleum activities was presented for ASEPA in Luanda in April 2007. MINPET confirmed their commitment to impose this plan for petroleum operators on the Angolan shelf. The plan was presented for regional representatives in a World Bank meeting in Oslo in April 2007 and could serve as a template plan for other African countries with offshore petroleum activity.

Throughout 2007 analyses of sediment samples taken from Angolan waters were conducted at accredited laboratories in Norway and at the same time Angolan scientists were trained in marine environmental monitoring work and monitoring of marine pollution.

### Plans and activities for 2008

- Work in phase II will start in the 2nd quarter of 2008 with 3 years duration and has a budget of NOK 27 million.
- The agreement between MINPET and the NPD was signed in May 2008.
- As an initial activity of the new programme, the NPD has proposed a strategy process to be carried out within MINPET. This strategy process is vital for the performance and success of the different programme activities.
- The programme will also require a resident advisor within MINPET for the duration of the programme as a prerequisite for efficient implementation of the activities.



Photo: Ole Imsland

# BOLIVIA

**Project:**

Capacity building for the Bolivian Ministry of Hydrocarbons and Energy

**Cooperating institution:**

Ministry of Hydrocarbons and Energy (MHE)

**Goals and objectives:**

Major changes are being implemented in the Bolivian petroleum sector. The MHE and other institutions are in need of capacity building, which OfD aims to provide.

**Project period:**

2008–2012

**Total budget:**

Under development

**Programme:**

The project consists of the following main components:

- Environmental management
- Legal framework
- Monitoring and control
- Support to civil society

**Contact:**

Oil for Development: Mr. John Tore Vatnar, [jtv@norad.no](mailto:jtv@norad.no)

**Cooperating institutions in Norway:**

Norwegian Directorate for Nature Management  
Ministry of Finance  
Norwegian Petroleum Directorate


**COUNTRY FACTS:**
**Official Name:**

Republic of Bolivia

**Capital:** La Paz

**Chief of state:**

President  
Juan Evo Morales Ayma

**Head of Government:**

President  
Juan Evo Morales Ayma

**Population:**

9 119 152 (2007)

**Petroleum sector, key figures:**

*Average oil production:*

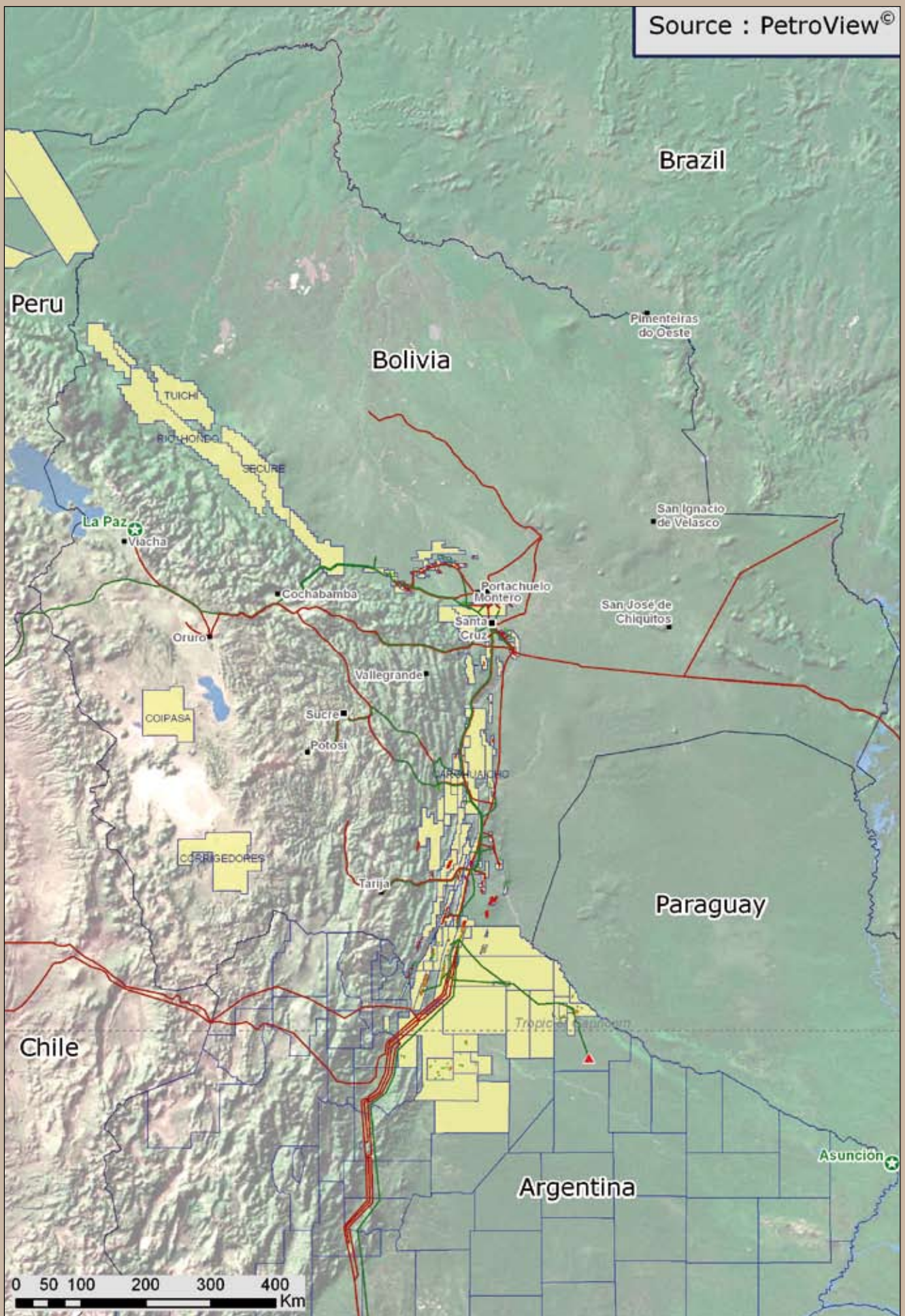
48 000 bbl/day (2006)

*Annual gas production:*

11 bill m3 (2006)

**Organization of the sector:**

Ministerio de Hidrocarburos e  
Energia





### **Brief history of the project**

Upon a request from the Bolivian government, petroleum related development cooperation between Norway and Bolivia was initiated in 2006. The cooperation is in a start-up phase, and is well coordinated with other donor countries, such as Canada and the Netherlands.

### **Activities in 2007**

Together with Canada and the Netherlands, Norway provided input to a seminar on petroleum sector organization. In continuation of the seminar, further cooperation on the issue was provided during the spring of 2007.

A range of seminars on revenue management was organized in the summer of 2007, with contributions from the Norwegian Ministry of Finance.

Within the civil society sphere, OfD supported the dialogue between Norwegian and Bolivian trade unions. In addition, a local NGO project aiming to raise the civil society engagement in the petroleum sector was supported.

A workshop focusing on the long-term plan for petroleum related development cooperation was organized in November 2007.

### **Plans and activities for 2008**

In 2008 preparations for developing an OfD programme for Bolivia will be carried out. The planned programme will focus on:

- Environmental management: Assistance to the MHE, including the areas of Environmental Impact Assessment, regulations and guidelines, strategic planning and environmental data management. Assistance will be provided by the Norwegian Directorate for Nature Management and other relevant Norwegian institutions.
- Legal framework: Assistance to the MHE on petroleum law issues.
- Monitoring and control: Assistance from the Norwegian Petroleum Directorate to the MHE on the formation of a new unit to cover upstream exploration and production monitoring and control.
- Civil society: Continued support.
- Participation in public seminars, contributing to an informed debate and sharing international experiences with the petroleum sector.

Angola, Bolivia, Iraq, Madagascar, Mozambique  
Nigeria, Sudan, Timor-Leste, Uganda, Vietnam  
Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana,  
Indonesia, The Ivory Coast, Kenya, Lebanon,  
Mauritania, Nicaragua, Palestinian Territory, São  
Tomé and Príncipe, South Africa, Tanzania, Zambia

# IRAQ

**Project:**

Institutional and technical assistance

**Cooperating institution:**

Ministry of Oil, Iraq

**Goals and objectives:**

Institutional and technical governance assistance within the upstream and downstream petroleum sectors.

**Project period:** September 2005–June 2008

**Total budget:** NOK 27.5 mill

**Programme:**

The programme consists of the following main components:

- Data management
- Transfer of technology regarding increased oil recovery (IOR)
- Petroleum sector training
- Industry technology assistance and transfer of experience regarding development of local industry capacities
- Policy

**Contact:**

Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Cooperating institutions in Norway:**

Ministry of Petroleum and Energy  
Norwegian Petroleum Directorate  
Petrad  
INTSOK


**COUNTRY FACTS:**
**Official Name:**

Republic of Iraq

**Capital:**

Baghdad

**Chief of state:**

President Jalal Talabani

**Head of Government:**

Prime Minister Nuri al-Maliki

**Population:**

27 499 638 (2007)

**Petroleum sector, key figures:**

*Average oil production:*

1.93 mill bbl/day (2006);

pre war production (in 2002)

was 2.03 mill bbl/day

*Annual gas production:*

17.6 bill m<sup>3</sup> (2006)

**Organization of the sector:**

Ministry of Oil

6 Directorates:

Studies & Planning

Reservoir & Field

Development

Technical

Economic & Finance

Administration & Legal

National Manufacturing

**15 operating companies,**
**among them:**

North Oil Company

South Oil Company

North Gas Company

South Gas Company

Oil Exploration Company

Iraq Drilling Company

Oil Projects Co

Other companies for refining, transport and marketing

### **Brief history of the project**

The Iraqi Ministry of Oil requested support from Norway in a letter dated 6 September 2004. The scope for the cooperation was discussed with representatives from the Iraqi Ministry of Oil in Norway in May 2005, resulting in the 5 programme components specified above. The MoO, the MPE, Petrad, INTSOK, Statoil, Hydro and the NPD were represented in the Steering Committee of the project, which started working in August 2005.

During 2005 and 2006 the parties gradually refocused the work objectives based upon the experience gained, the data available and the priority needs of the MoO:

The data management efforts have focused on clean-up of legacy data for an Iraqi oil field, establishment of reporting guidelines for data, a DM strategy in Iraq, and improvement of Schlumberger's DM project.

Originally there were plans to establish a general IOR strategy. An MoO decision to include only 6 fields in the study led to some redefining of the phase I scope of work. However, the project's overall objectives were not altered.

During 2006 it became clear that the MoO wanted to use the project to provide tailor-made training within priority areas. Petrad was requested to design a training programme for petroleum contract negotiators.

The planning of a high level policy workshop has started with assistance from the MPE and Petrad.

### **Activities in 2007**

The 4th Joint Steering Committee meetings were conducted in Stavanger in July.

An external evaluation of the project was carried out by Bridge Consulting. The findings were in general positive.

It was decided to start preparing a request for continuation of the cooperation.

### **Data management**

On-the-job training activities and work shops were carried out, resulting in test loading of the cleaned-up legacy data for one field, establishment of procedures for legacy data clean-up and good progress with guidelines and regulations for seismic data and well data reporting.

The MoO has decided to establish a centralized data base for petroleum data. The aim is to establish a National Data Repository (NDR) for Iraqi petroleum data.

### **IOR**

Two workshops and several technical meetings were conducted. The methodology for screening studies was established and training was carried out. Results for the 6 fields were presented in a separate report.

The MoO is now able to carry out screening of the remaining fields to determine the potential for increased recovery of petroleum.

### **Petroleum sector training**

A main negotiation training programme for a group of negotiators from the MoO was conducted. The group later joined a new negotiation unit in the MoO.

A training programme for technical experts within the field of fiscal measurement has been developed. Petrad has also identified academic programmes that may be of interest for Iraq.

### **Industry technology assistance**

A study tour regarding state of the art technologies designed by INTSOK/SCANDPOWER was arranged in November. Water treatment, operation of pipeline systems, fiscal measurement, risk analysis, up- and downstream laboratories and pollution measurement were focus areas for the tour.

### **Plans and activities for 2008**

- The 5th Joint Steering Committee was organized in February in Norway. An important issue was the discussion of a possible new cooperation programme to commence in the second half of 2008, when phase I activities are expected to be concluded. It is expected that the request document will be ready in April/May.
- Iraq is listed as a core country in this report. This report is based on the status per end 2008. At the time of writing, the cooperation with Iraq is about to become more limited.

### **Data management**

- Workshop on data legislation, guidelines and procedures is planned for 1st half with the aim to complete the reporting legislation (guidelines) for E&P data based on accepted industry standards and conventions for data types.
- The Iraqi manager for national petroleum data management will participate at the World Petroleum Data Repository Conference (NDR8) in Cape Town.

### **IOR**

- A joint workshop on the MoO capability to undertake its own quick-look analysis of IOR potentials will be arranged during first half of the year.

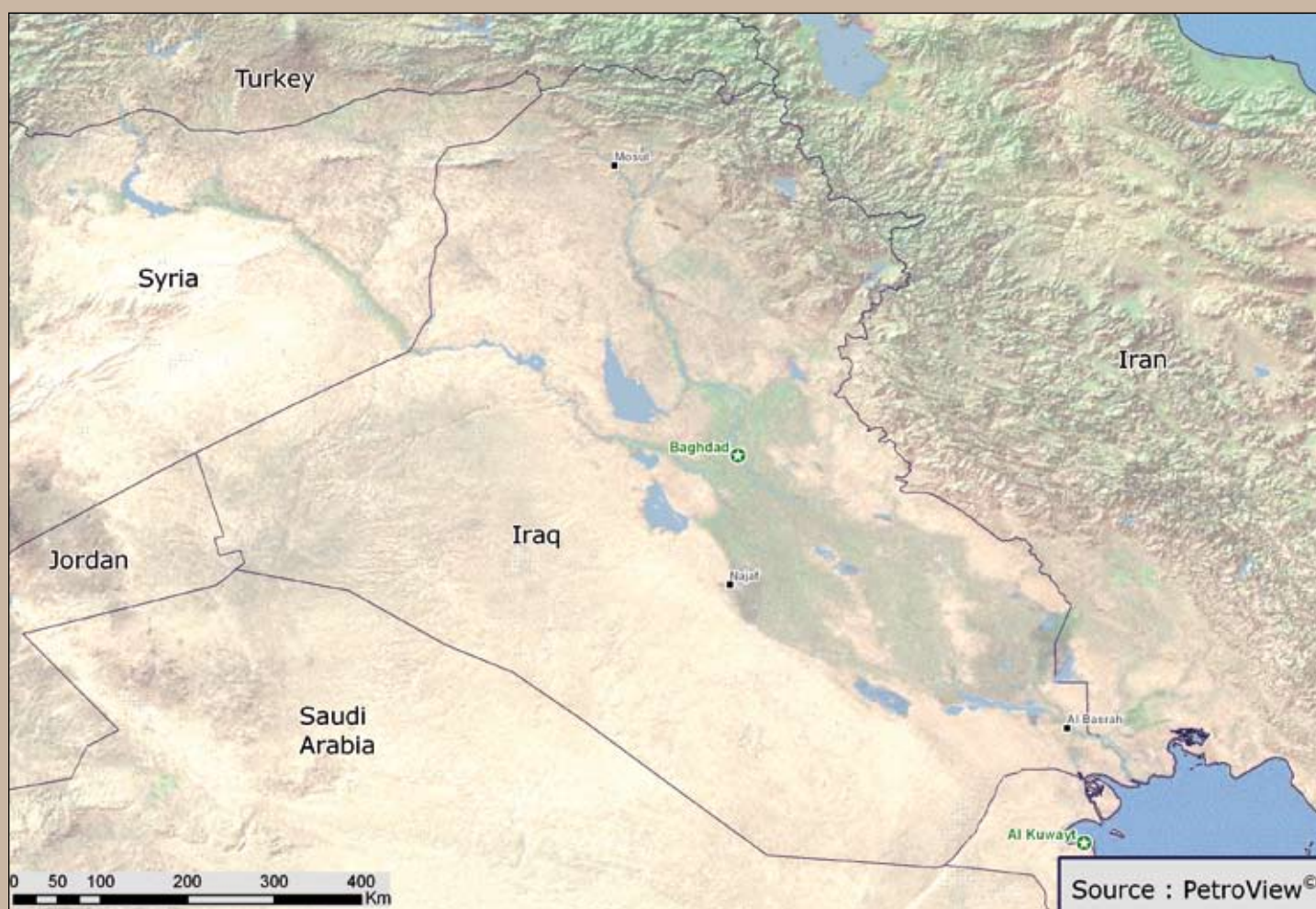


### **Petroleum sector training**

- A new 8-week negotiation training course will be conducted by Petrad in Stavanger in May–June.
- The fiscal metering course will be delayed due to difficulties in arranging all visas. August start-up may be considered.
- Petrad has informed the MoO about the possibility to attend various university programmes in Norway. This will be considered for 2008/2009.
- Vocational training, Petrad 8-week courses, the Training Needs Assessment and a high-level policy workshop are deferred into the potential new programme. The Joint Steering Committee decided that additional negotiation training had the highest priority.

### **Industry technology assistance**

- Follow-up activities after the 2007 study tour will take place under the new programme.



# MADAGASCAR

**Project:**

Management of oil and gas in Madagascar

**Cooperating institution:**

Office des Mines Nationales et des Industries Strategiques (OMNIS), The National Office for the Environment (ONE), The Malagasy Ministry of Finance and Budget (MFB)

**Goals and objectives:**

Make Madagascar utilize its petroleum resources in a way that generates economic growth and welfare to the population in general in an environmentally sustainable manner.

**Project period:** 2007–2011

**Total budget:** NOK 36.1 million

**Programme:**

The programme consists of 12 sub-projects, see below (A-L).

**Contact:**

Oil for Development: Ms. Solveig Andresen, [soan@norad.no](mailto:soan@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate  
Ministry of Petroleum and Energy  
Petroleum Safety Authority Norway  
Ministry of Finance  
Norwegian Pollution Control Authority  
Directorate for Nature Management


**COUNTRY FACTS:**
**Official Name:**

Republic of Madagascar

**Capital:**

Antananarivo

**Chief of state:**

President Marc Ravalomanana

**Head of Government:**

Prime Minister  
Charles Rabemananjara

**Population:**

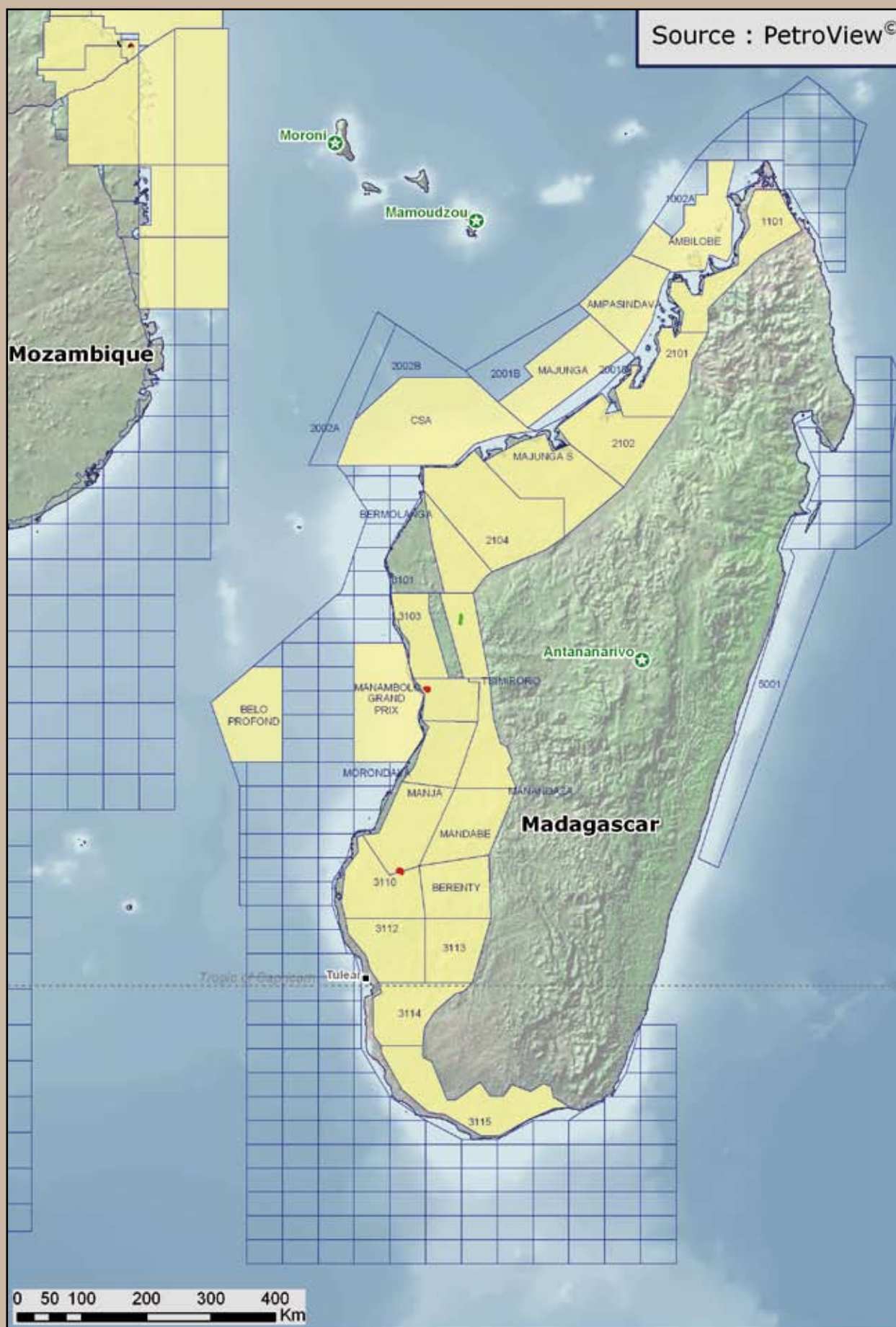
19 448 815 (2007)

**Petroleum sector, key figures:**

No oil or gas production

**Organization of the sector:**

Office des Mines Nationales et des Industries Strategiques (OMNIS) reports to the Ministry of Energy and Mines.





### **Brief history of the project**

The agreement for Management of Oil and Gas in Madagascar was signed on 3 May 2007 by the Norwegian Ministry of Foreign Affairs and the Malagasy Ministry of Finance and Budget. Subsequently, agreements for institutional cooperation between the Norwegian Petroleum Directorate and OMNIS, environmental protection between the Norwegian Pollution Control Authority (SFT), OMNIS and the National Office for the Environment (ONE), as well as an agreement on institutional cooperation on revenue management between the Norwegian Ministry of Finance (MoF), the Malagasy Ministry of Finance and Budget (MFB) and OMNIS have been signed.

### **Activities in 2007:**

#### *Project A: Petroleum policy and strategy*

Petroleum policy and strategy is coordinated by the Ministry of Petroleum and Energy (MPE).

A delegation of 13 high-ranked officials from Madagascar visited Norway in October to discuss formulation of strategies and policy, and to learn from the Norwegian experience.

#### *Project B: Legal and regulatory framework*

The MPE attended a workshop in Madagascar in August to assist OMNIS in preparing the tender for legal advice and assist in selection process.

#### *Project C: Updating office computer systems*

The NPD advised OMNIS on a ToR for the purchase of office computers including plans for maintenance, security and backup.

#### *Project D: Data management*

The Petroleum Safety Authority Norway (PSA) gave advice on improvement of the archive systems at OMNIS during a visit to Madagascar in December. The NPD has made preparations in order to set up a GIS (Geographic Information System) for Madagascar.

#### *Project E: Resource assessment*

The NPD has given advice to the process of equipment procurement, the use of seismic workstations and the planned purchase of hardware and software.

#### *Project F: Promotion*

No activities have been done on this sub-project in 2007 as there are no immediate plans in Madagascar to launch a new license round.

#### *Project G: Revenue management*

The Norwegian assistance on revenue management is coordinated by the MoF.

As part of the high-level delegation visit to Norway in October, half a day was assigned to discussions on revenue management and government take. The MoF performed an analysis of macroeconomic and budgetary issues related to the exploitation of petroleum resources in Madagascar, as well as the options for a natural resource management fund. In December a Norwegian delegation visited Madagascar to discuss the work programme for the revenue management project, to gather relevant information and to sign a project agreement.

#### *Project H: Integrity building to control corruption in the petroleum sector*

Integrated in the 12 sub-projects and closely linked to the work by The Embassy and Norad on Implementation of the National Anticorruption Strategy of Madagascar.

#### *Project I: The environment*

The main activity in 2007 was the design of the environmental pillar during a one-week workshop held in Madagascar in September attended by the SFT and the DN. Both the SFT and the DN met with the Malagasy delegation visiting Norway in October.

A workshop related to compliance monitoring organized in Madagascar in November was attended by the SFT and the PSA.

#### *Project J: Supervision*

The NPD provided assistance for capacity building of OMNIS supervising capacities. The PSA provided safety auditing training as a first step towards preparation of new HSE monitoring procedures. The NPD attended a workshop in Madagascar in September in order to advise OMNIS on work programmes and drilling obligations in offshore contracts.

#### *Project K: Application for an extended continental shelf*

The NPD assisted OMNIS in preparing a cooperation contract with GRID-Arendal for capacity building and support to a desktop study. GRID-Arendal arranged a 3-week training programme in August/September. The NPD further assisted OMNIS in preparation of the desktop study report, which was finalized in January 2008. The NPD assisted OMNIS in purchasing software licenses for continental shelf mapping and conducted a training workshop in December.

#### *Project L: Other training*

The NPD assisted OMNIS-employees to apply to studies at Norwegian Universities. OMNIS employees attended Petrad's 8-week course in Stavanger.

## Plans and activities for 2008

### *Project A: Petroleum policy and strategy*

- Work meetings aiming at establishing basic principles for Malagasy petroleum policy and strategy.
- A document will be presented to the national assembly by October 2008 with assistance from Norwegian experts.
- Norwegian advice to be requested during the process of restructuring OMNIS which will take place primarily in 2009.

### *Project B: Legal and regulatory framework*

- Workshop in Madagascar to prepare the review of the petroleum code, including fiscal elements.
- Comment and prepare an updated petroleum code by December 2008. The bill will be presented to the National Assembly by May 2009.

### *Project C: Updating office computer systems*

- Supplement office PCs, printers, scanners, servers and projectors.

### *Project D: Data management*

- Build and develop GIS capabilities and start gathering available data into a GIS database.
- Formulate an archive strategy with a new archive system in place by January 2009.
- OMNIS will establish guidelines for data reporting by 4th quarter 2008 after meeting with oil companies.

### *Project E: Resource management*

- Work meeting in January to lecture on resource management principles and assessment of undiscovered resources.
- Start collection of well prospects and play data. OMNIS will establish a first database for wells and prospects before May and interpret seismic data before August 2008.
- Work meeting on prospect evaluation, play models, log interpretation and presentation of accomplished seismic interpretation in September.

### *Project F: Promotion*

- Unless there are new plans for licensing in the coming year, there will be no activities on this project in 2008.

### *Project G: Revenue Management*

- Workshop in Oslo in April 2008 to start drafting a policy paper that discusses the macroeconomic and political challenges arising from petroleum extraction, as well as the available policy options.

- Working session in Antananarivo is planned in mid June 2008 to finalize a first draft of the policy paper.
- Seminar in Antananarivo is planned in December 2008 to present and discuss the policy paper and agree on further work.

### *Project H: Integrity building to control corruption in the petroleum sector*

- Cooperating with Bureau Independent anti-Corruption (Bianco). Petrad Workshop for Anti-corruption and Good Governance.

### *Project I: The environment*

- 1st quarter of 2008: Study trip to Norway to enhance knowledge of best practice and technology in the petroleum sector.
- A workshop to identify training needs for the environmental authorities and relevant committees is planned in mid June 2008
- Procedures for compliance monitoring to be elaborated, and a compliance monitoring activity towards an industry will be carried out.
- A workshop will be held to assess needed legal environmental requirements. This work will feed into project B.
- A thematic atlas covering potential problem areas and problem areas in relation to oil- and gas activities will be elaborated.
- A workshop will be conducted to feed into the process of elaborating guidelines for SEAs.

### *Project J: Supervision*

- 1st and 3rd quarter: supervision and audit of the heavy oil operation at the Tsimororo field.
- End of 2008: a draft of HSE monitoring procedures to be prepared.
- Training in Norway on supervision and resource Management of HSE procedures scheduled for 3rd quarter 2008.

### *Project K: Application for an extended continental shelf*

- Launch and evaluate bids for data acquisition by 3 quarter 2008.
- Work meetings to assist in the finalization and submission of the report to CLCS by 2nd quarter 2009.

### *Project L: Other training*

- Continued financial support to two master's degree students in Oslo
- Participation at Petrad's 8-week course in Stavanger.
- A competence plan to the national steering committee is to be developed by second quarter 2008.

# MOZAMBIQUE

**Project:**

Institutional support NPD - INP, new programme

**Cooperating institution:** Instituto Nacional de Petróleo (INP)

**Goal:** To strengthen the administration of the petroleum resources to enhance economic development and welfare in Mozambique.

**Objectives:** Further develop the administrative capacity related to petroleum resource management in Mozambique.

**Project period:** 2006–2010

**Total budget:** NOK 41 mill

**Programme:**

The programme consists of the following main components:

- Upstream petroleum legal and contractual framework
- Policy and strategy
- Monitoring and control
- Promotion of exploration acreage
- Negotiations and licensing
- Assessment of petroleum resources
- Management of petroleum data
- Administration, human resources and financing

Other tasks/activities of cooperation may be agreed upon in the Annual Meeting.

**Contact:**

Oil for Development: Mr. John Tore Vatnar, [jtv@norad.no](mailto:jtv@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate  
Petroleum Safety Authority Norway  
Norwegian Pollution Control Authority  
Institute of Marine Research  
Petrad



Photo: John Tore Vatnar


**COUNTRY FACTS:**
**Official Name:**

Republic of Mozambique

**Capital:**

Maputo

**Chief of state:**

President Armando Guebuza

**Head of Government:**

Prime Minister Luisa Diogo

**Population:**

20 905 585 (2007)

**Petroleum sector, key figures:**

*Annual oil production:*

0.7 mill bbl condensate (2007)

*Annual gas production:*

2.5 bill m<sup>3</sup> (2007)

**Organization of the sector:**

Ministry Of Mineral Resources  
(MIREM)

Instituto Nacional de Petróleo (INP) is responsible for promotion, licensing and supervision of upstream petroleum operations.

Empresa Nacional de Hidrocarbonetos de Moçambique (ENH) National Oil Company with two daughter companies:

Companhia Moçambicana de Hidrocarbonetos - manages Mozambican ownership in Pande - Temane Gas Project

Companhia Moçambicana de Gasoducto - manages Mozambican ownership in the Natural Gas Pipeline from Pande - Temane



### **Brief history of the project**

The National Directorate for Coal and Hydrocarbons (NDCH) was set up by the Government of Mozambique in 1995 under the administrative control of the Ministry of Mineral Resources and Energy. The objective of the Mozambican Government was to split the responsibilities for commercial and regulatory governmental functions. Both functions had up to that time been the responsibility of the National oil company Empresa Nacional de Hidrocarbonetos (ENH). The National Oil Institute (INP) was established in 2005 as an autonomous institute under the new Ministry of Mineral Resources. The INP takes over all functions of the NDCH except governance responsibilities for coal.

The New Institutional Support Programme is the latest in a sequence of Norwegian support activities to the petroleum sector in Mozambique starting as early as 1983. Currently a team of NPD experts, experts from other institutions and international and local consultants assist the INP.

The New Programme reflects that the petroleum sector in Mozambique has become much more active with a potential for a significant increase in the offshore exploration. The petroleum sector will remain an important sector in Mozambique's economy for many years and will have significant growth potential. The government regulator, the INP, still needs access to technical expertise to further develop governance capacity to face the increase in activity. The ongoing programme will strengthen good governance and environmental issues and health and safety support will continue. Regional cooperation will remain important.

### **Activities in 2007**

#### Legal and contractual framework

The potential for improvements of the standard contract and the legal framework has been identified and a strategy matrix for the possible changes has been worked out.

Regulations for licensing of petroleum installations have been drafted for approval of MIREM.

An environmental regulation for the petroleum sector is being prepared by the INP and the Ministry of the Environment (MICOA) with support from Simonsen law firm, the SFT and others.

#### Policy and strategy

Two meetings of the Mozambique - South Africa gas commission were held. A consultancy study of LPG/condensate strategy options has been commissioned.

The preparation of a licensing strategy is under way and will be completed in 2008.

The INP is a member of a technical group preparing the claim for the extension of the continental shelf and has contributed in funding the necessary collection of data. The INP also cooperates with the Petroleum Agency of South Africa (PASA) regarding the extension of the continental shelf.

#### Monitoring and control

The INP has participated in several public hearings on environmental impact assessments. Furthermore, it has monitored seismic and drilling operations. Two metering audits were carried out at Pande/Temane with technical support from the NPD as well as an HSE audit of the Pande/Temane Natural Gas Venture with technical support from the PSA. A monitoring of the drilling of production and exploration wells by Sasol at Pande/Temane was carried out.

The INP, supported by the PSA, has completed the evaluation of the development plan presented by Petroline, for construction of a fuel pipeline from Matola to Nelspruit in South Africa.

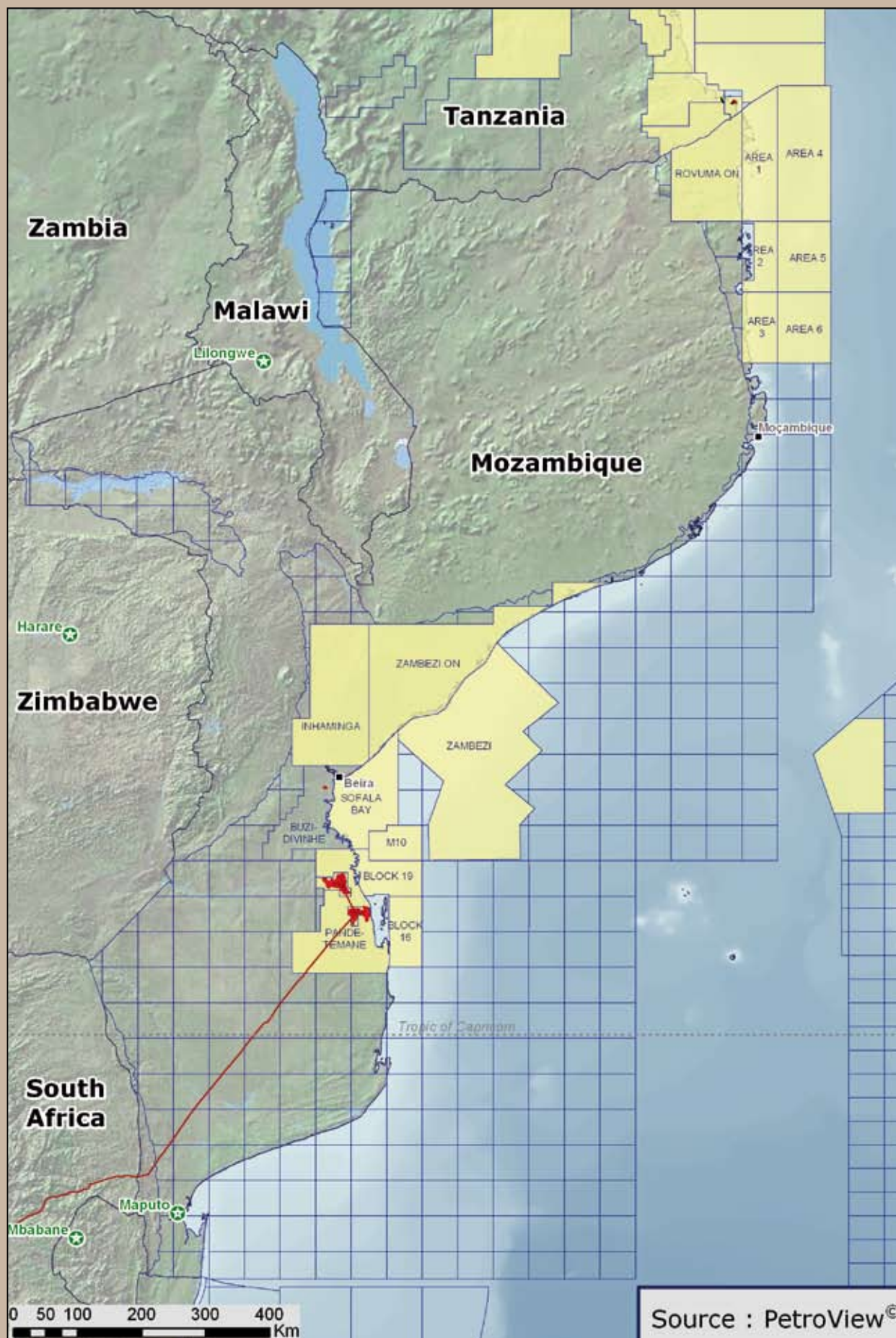
#### Promotion of exploration acreage

The INP has produced promotional material and participated in promotional campaigns at major conferences in Tanzania, South Africa and India, to attract exploration companies to Mozambique.

#### Negotiations and licensing

The INP is currently concluding negotiations of exploration and production concession contracts. Simonsen law firm has been contracted for legal advice to the negotiations and the NPD has rendered support in assessing the applications.

The INP has started the evaluation of the changed plan for development and operation of the Pande/Temane gas project presented by Sasol for a planned 50% increase in capacity. Important issues regarding the optimal extraction of LPG and condensate from the gas, reduction of flaring and safety issues are discussed with Sasol. The INP is working closely with the NPD and the PSA on these matters.



## Resource assessment

Further analysis of the petroleum potential in the Mozambique Basin has been carried out. Internal courses in prospect evaluation have been organized.

Selection of areas and preparation of data for the upcoming 3rd concession round in 2008 have been carried out.

The INP has been working on an assessment of the inventory of Mozambican petroleum resources. An NPD – INP workshop was arranged on the design and establishment of the database required for this purpose.

## Data management

The INP has contracted PGS to assist in preparing a digital database for seismic and well data for the 3rd licensing round.

Network seismic interpretation software (SMT) has been purchased and the damaged existing equipment has been repaired.

Procedures for making back-up copies of existing data have been improved.

The process of building a new core storage facility at Zimpeto has started and the bidding round for the project designer was completed.

Administration, human resources and financing  
The INP has given special attention to developing the capacity of the institution. 7 new staff members have been recruited, some of whom will start working in 2008.

Several short-term capacity building measures for INP staff were undertaken.

Two petroleum sector training activities for relevant institutions in Mozambique were organized. Both groups visited Norway as part of the training.

## Plans and activities for 2008

### Legal/regulatory framework

- Further minor improvement of regulatory framework, with main focus on drafting new environmental regulations
- Further development of the HSE regulations and submitting the regulation for licensing of petroleum installations for approval.

### Policy and strategy

- Follow up the work in the bilateral Gas Trade Commission.
- Assist IMAF in the extension of the continental shelf project.

- Study the different scenarios for the utilization of available gas resources, including participation in the elaboration of market studies for these resources.
- Finalize the licensing strategy.

### Monitoring and control

- Monitoring and auditing of onshore gas production on- and offshore exploration.
- Improve procedures, software and databases used for monitoring and supervision.

### Negotiations and licensing

- Facilitate the approval of PDOs for new discoveries with focus on the Pande/Temane area.
- Initiate negotiations with applicants for 3rd concession round.
- Train staff in contract negotiations for improved understanding of all the contractual implications.

### Resource assessment

- Continue the assessment of the Mozambique Basin and start the assessment of the area between the Mozambique and Rovuma Basin.
- Improve the expertise within data interpretation and resource analysis.

### Data management

- Continue the systematic registration of all relevant national petroleum data.
- Proceed with the building of the core storage in Maputo.

### Administration, human resources and financing

- Continue regional cooperation with other regulating agencies.
- Provide policy assistance to MIREM.
- Perform metering audits and implement training.
- Develop a professional career system and guarantee its implementation.
- Continue capacity building in general.
- Perform HSE audits of the Pande/Temane Gas System and drilling.
- Provide assistance to MIKOA.
- Maintain IT services in cooperation with the TPDC.
- Improve accounting and budgeting, document handling, information services and library services.
- Control the execution of the budget and execution rules and prepare annual financial reporting.
- Undertake training and organizational development.



# NIGERIA

**Project:**

Institutional cooperation

**Cooperating institution:**

Department of Petroleum Resources (DPR)

**Goals and objectives:**

The objective of the institutional cooperation is to establish a base for transfer of knowledge and experience between Norwegian petroleum authorities and the petroleum authorities of Nigeria. The long-term institutional cooperation within the framework of this programme will support the development and control within the oil and gas sector. The programme will cover petroleum policy and methodology for administration and technology. A strategy based on existing policy, structure for administration and technology is established.

There is a need for support to assure the full implementation of the issued regulations and guidelines. It is important to ensure that the skills transferred both at the organizational and individual levels are put to use.

**Project period:** 2003–2007

**Total budget:**

Norway: NOK 15 mill

Nigeria: USD 300 000 (NOK 1.6 mill)

**The programme:**

The programme consists of the following main components:

- Resource management
- Production monitoring
- Gas utilization and metering
- Data management
- Deep-water development
- Health, safety and environment

**Contact:**

Oil for Development: Mr. Svein Heglund, [sveh@norad.no](mailto:sveh@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate

Petroleum Safety Authority Norway


**COUNTRY FACTS:**
**Official Name:**

Federal Republic of Nigeria

**Capital:**

Abuja

**Chief of state:**

President Umaru Musa Yar'adua.

**Head of Government:**

President Umaru Musa Yar'adua.

**Population:**

135 031 164 (2007)

**Petroleum sector, key figures:**

*Average oil production:*

2.38 mill bbl/day (2006)

*Annual gas production:*

71.3 bill m<sup>3</sup> (2006)

**Organization of the sector:**

Ministry of Petroleum Resources

- policy and final regulatory powers

Department of Petroleum Resources (DPR)

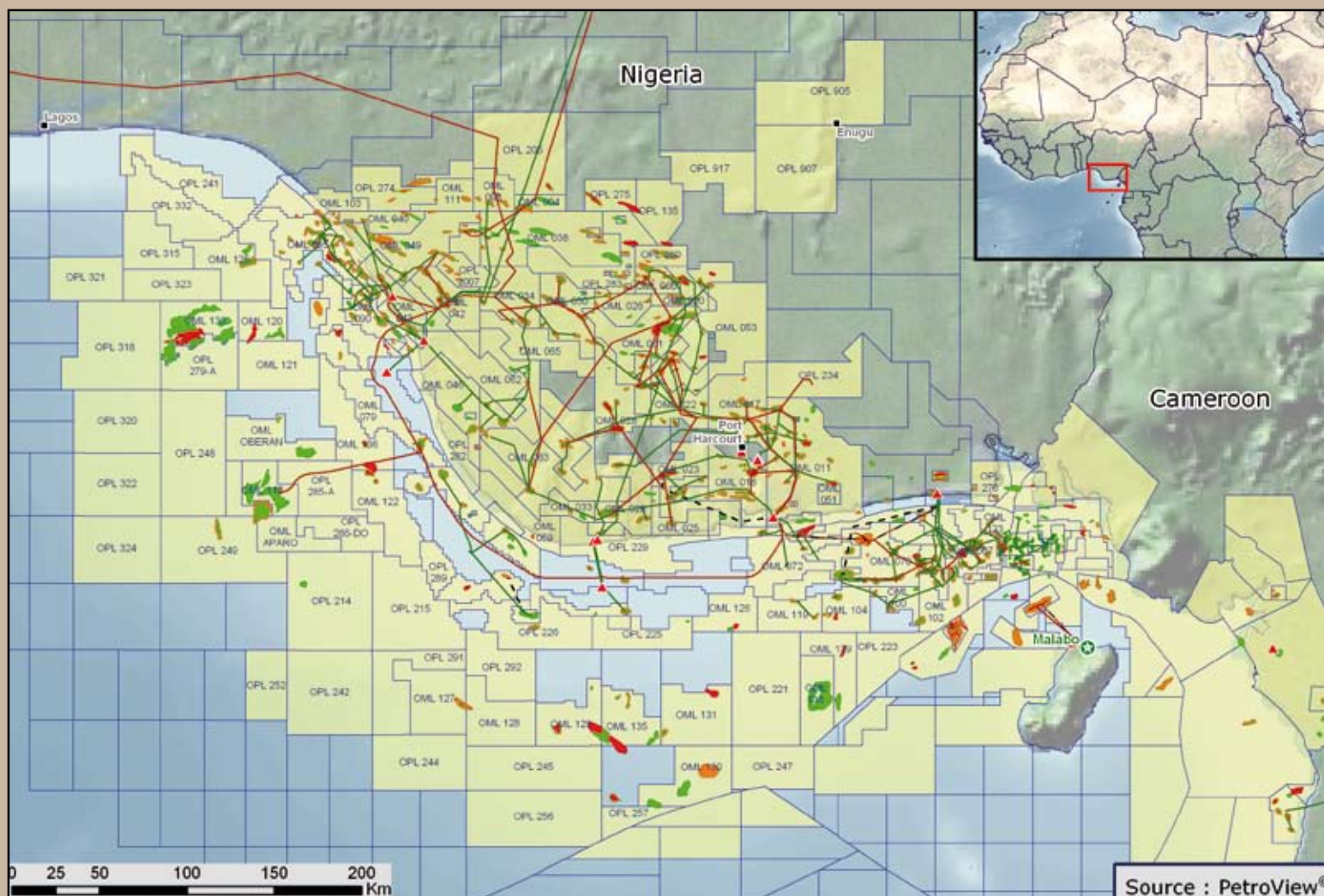
- licensing, supervision and control of the petroleum sector

Nigerian National Petroleum Company

- state-owned autonomous entity



Photo: Fredrik Neumann



### Brief history of the project

Since President Olusegun Obasanjo was elected president in 1999, cooperation between Nigeria and Norway in the energy sector has slowly evolved. During Norwegian Prime Minister Kjell Magne Bondevik's visit to Nigeria in February 2000 a Memorandum of Understanding for cooperation in the petroleum sector and associated environmental activities was signed.

In February 2001 it was decided to continue the cooperation along two lines. One related to local content and industrial cooperation and one related to institutional cooperation. From the Norwegian side the NPD was asked to be responsible for the institutional part.

In October 2003 Norad decided to support the cooperation.

### Activities in 2007

The programme was originally scheduled to be concluded in 2006. Due to postponements of several activities and funds available from the original grant it was in 2006 decided to continue the programme in 2007. Results and recommendations from previous activities formed the basis for the 2007 plan.

Resource management and production monitoring  
During 2007 there has been some consultancy regarding purchase and use of different equipment but the planned training activities have been postponed.

### Gas utilization and metering

Several workshops have been organized in Lagos the last 2 years, covering topics related to regulations for gas production, flaring, transportation and metering.

A workshop and interactive session on open access policy, gas pricing and tariff systems and metering was conducted in Lagos in June. Based on recommendations from this workshop, a study tour to Norway was organized in August.

The DPR aims at updating its current procedures for monitoring and will institute a comprehensive and reliable system for metering.

A metering audit at the gas receiving facilities on Bonny Island has been planned for some time, but is still pending.

### Data management

The plan for 2007 was to make a review and validation of previous work including new digital reporting formats, organizing a pipeline modeling workshop, training on multi-user database forms and reports as well as a study of ESI mapping and oil spill monitoring system in Norway. Some of the work has been performed in-house in Nigeria with consulting from the NPD.

### Deep-water development

A workshop on deep-water operations monitoring involving regulators and operators in Nigeria was planned for. This workshop, to be followed by a deep-water operations training attachment in Norway, was postponed and will be part of the 2008 activity plan.

### Health, safety and environment

During 2007 there were some consulting activities, but the draft regulations which the PSA have been asked to evaluate have not yet been made available.

### Training Needs Assessment (TNA)

An evaluation of the new DPR organization was cited as a main priority for 2007. Due to lack of data and uncertainties connected to the new organization the project has not yet been activated as intended.

### Plans and activities for 2008

Late October 2007 an MoU meeting was held in Abuja. The progress of the DPR-NPD cooperation was presented and it was decided to continue the programme through 2008 within the limit of funds granted. It is expected that the institutional cooperation between the DPR and the NPD will continue. In that regard a new cooperation programme will be established in 2008 and an application for funding will be forwarded.

Results and recommendations from previous activities have to a large degree formed the basis for the 2008 plan.

### Resource management and production monitoring

- Purchase of geological and geophysical evaluation software.
- The NPD will collaborate for practical training on the software, using its accrued experience on acreage and resource assessment. This activity is planned to take place in June.

### Gas utilization and metering

- Meeting in Lagos primo April to discuss the relevant proposals for further cooperation in this area and to organize the practical arrangement. Projects proposed by the DPR includes assessment of gas reserves, analyses of stranded gas, as well as a review of the gas pricing principles and tariff structures currently being developed in-house by the DPR.
- Plans for a one-day industry seminar on oil production accounting. The aim is to examine the current procedures of oil accounting in Nigeria and offer a comparative analysis on global best practices. Resource persons are to be drawn from the operators, industry, DPR and NPD.
- Attachment at the NPD for DPR personnel at the end of 2008 to address issues that might emanate from the seminar.

### Data management

- No special programme for data management has been planned. However, it is expected that review and validation of previous work will take place according to current needs.

### Deep-water development

- Workshop on deep-water operations monitoring involving regulators and operators in Nigeria, followed by a deepwater operations training attachment in Norway.

### HSE

- Continued development of guidelines and standards for safety practices for the oil and gas industry in Nigeria.
- The PSA is asked to evaluate draft regulations before further training and a possible attachment programme is decided.

### Training Needs Assessment (TNA)

- TNA will not be continued before the DPR finds it appropriate. A planning meeting is scheduled for early September.



Photo: Fredrik Neumann



# SUDAN

**Project:**

Oil for Development – Sudan

**Cooperating institutions:**

Government of National Unity (GoNU)

Government of Southern Sudan (GoSS)

**Goals and objectives:**

The overall Norwegian goal is to support a long lasting peace in Sudan through the Comprehensive Peace Agreement. Alongside this, the OfD initiative is currently working to establish a long-term cooperation between Sudan and Norway in the petroleum sector. Currently, the cooperation is primarily on an ad hoc basis. However, work is in progress to assess the possibilities for implementing a project on consequence analyses of environmental impact analyses to register the effects of existing oil production.

**Project period:**

2006 onwards

**Total budget:**

NOK 24 mill

**Programme:**

The programme has three main focus areas:

- Support CPA implementation
- Technical support
- Capacity building

**Contact:**

Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Cooperating institutions in Norway:**

Directorate for Nature Management

Petrad

Ministry of Foreign Affairs


**COUNTRY FACTS:**
**Official Name:**

Republic of Sudan

**Capital:**

Khartoum

**Chief of state:**

President Umar Hassan  
Ahmad al-Bashir

**Head of Government:**

President Umar Hassan  
Ahmad al-Bashir

**Population:**

39 379 358 (2007)

**Petroleum sector, key figures:**

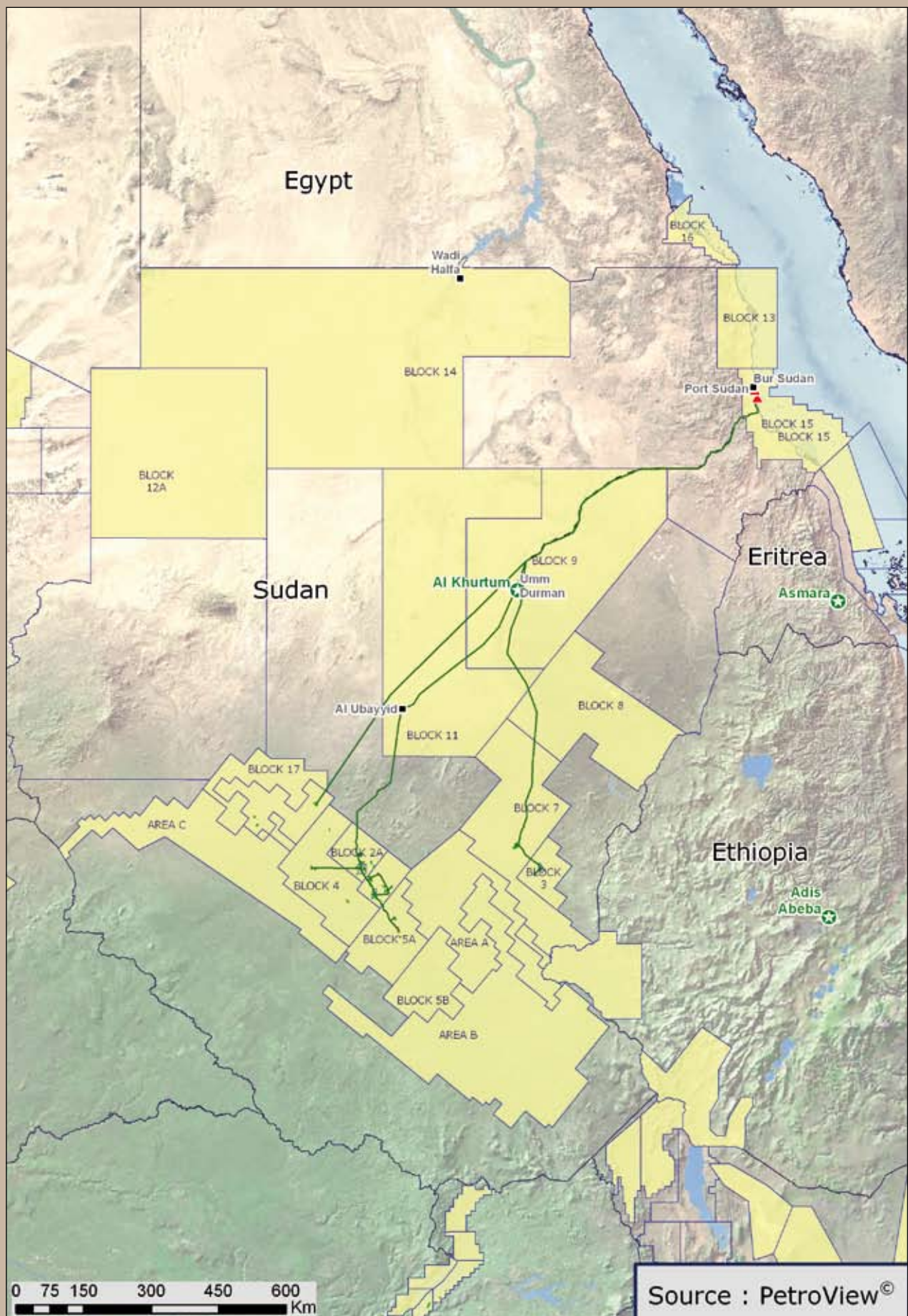
*Average oil production:*

0.5 mill bbl/day (2007)

No gas production

**Organization of the sector:**

Petroleum Advisor at the  
Norwegian Embassy in  
Khartoum



### **Brief history of the project**

As one of the witnesses of the Comprehensive Peace Agreement (CPA) signed on 9 January 2005, Norway is committed to support implementation of the CPA. This commitment impacts all work Norway is doing in Sudan, also our activities within the petroleum sector. It entails a commitment to work with both the Government of National Unity (GoNU) and the Government of Southern Sudan (GoSS) as well as with the NCP and the SPLM.

Through the spring of 2007 Norway continued the cooperation within the petroleum sector with the authorities in Sudan and from August Norway has had a Petroleum Envoy based in Sudan. The Envoy shares his time between Khartoum and Juba

### **Activities in 2007**

#### CPA implementation

Ensuring correct sharing of the oil revenues is an important part of the implementation of the Comprehensive Peace Agreement (CPA). A detailed economic model of the entire oil industry in Sudan has been developed. Through this model Norway has been able to assist GoSS in verifying that the oil revenue sharing is done in accordance with the CPA.

An unsolved issue within the CPA is the demarcation of the Abyei borders. Utilizing the economic model, Norway has performed detailed analysis of the oil production in Abyei and has worked with both parties in order to assess different scenarios for sharing the oil revenue from Abyei.

There are no provisions in the CPA on how to handle the oil industry post 2011. Norway has analyzed different scenarios for sharing of the oil revenue post 2011 and we are working closely with both the GoSS and the GoNU as well as with the NCP and the SPLM on these issues.

#### Technical support

Norway is assisting the SPLM in their work on an Environmental and Social Impact Assessment. The project was initiated in the summer of 2007 and a project team of Norwegian environmental experts, coordinated by The Directorate for Nature Management (DN), was established. The project team visited Sudan in November. The key focus areas are what environmental and social impacts the development of the oil industry in the South has caused, recommended remedial actions and improvement of environmental protection

in order to minimize the environmental impact of future developments.

Sudan has asked Norway to assist in evaluating the challenge of how produced water should be handled. The work is still not initiated, but preliminary discussions are taking place.

Initial discussions on how to benefit from Norwegian experience with Enhanced Oil Recovery have been taking place with the authorities in Sudan.

#### Capacity building

In general capacity building includes institutional development and training of personnel.

Norway has assisted the GoSS in the establishment of a Government owned oil company in the South, NilePet, and completed a report on the issue. A key focus in the work has been to reduce the exposure to corruption by securing transparency and good corporate governance.

A four-week training course, Introduction to the Petroleum Industry, was arranged in Khartoum by Petrad with participants both from the North and the South.

Personnel from Sudan participated at Petrad's 8-week training course in Stavanger.

Norway arranged a mini seminar in Juba on Management of Environmental Protection for members of the Ministry of Industry and Mining

A "Petroleum Revenue Reporting and Forecasting Tool" has been developed for the GoSS Ministry of Finance and its staff has been trained to oversee revenue sharing, thus improving the GoSS control over revenue sharing calculations, its ability to forecast oil revenue as well as conduct long term oil revenue budgeting.

Norway works closely with the GoSS Ministry of Industry and Mining and continuously advises them on how to improve their management of the oil industry in the South.

### **Plans and activities for 2008**

Activities will continue with an on-site Petroleum Advisor and focus on technical support projects, environmental issues and general capacity building through courses and workshops in Sudan and Norway.



# TIMOR-LESTE

## Project:

Assistance in developing petroleum sector management in Timor-Leste

## Cooperating institution:

State Secretariat for Natural Resources (SSNR), which replaced the Ministry of Natural Resources, Minerals and Energy Policy (MNRMEP) in September 2007.

## Goals and objectives:

The goal of the project is to assist in developing petroleum sector management in Timor-Leste, to enable the public sector petroleum administration to manage the upstream petroleum activity without use of foreign advisors.

This is done by institutional cooperation between the NPD and the SSNR and associated institutions in Timor-Leste performing petroleum sector management functions. The goal is that the Norwegian experience of developing a public sector petroleum administration could benefit Timor-Leste, and that Norwegian and international expertise could be utilized in developing a well-functioning petroleum administration and help Timor-Leste manage its own petroleum resources for the benefit of both current and future generations.

## Project period:

2003 – 2008

## Total budget:

NOK 44.5 mill

## Programme:

The programme consists of the following main components:

- Resource management
- Legal advice
- Financial management
- Education and training
- Data management
- Technical assistance

## Contact:

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

## Cooperating institutions in Norway:

Norwegian Petroleum Directorate  
Ministry of Finance  
Ministry of the Environment



## COUNTRY FACTS:

### Official Name:

Democratic Republic of Timor-Leste

### Capital:

Dili

### Chief of state:

President Jose Ramos-Horta

### Head of Government:

Prime Minister  
Kay Rala Xanana Gusmão

### Population:

1 084 971 (2007)

### Petroleum sector, key figures:

In Timor-Leste sovereign area, offshore licenses, including ultra-deep water up to 3000m were awarded in 2007 to ENI and Reliance. Exploration activity has started.

### Production from Timor

#### Sea JPDA (see below):

Average condensate (light oil) production:  
108 000 bbl/day (2007)

Annual gas production:  
4 140 mill m3 (2007)

### Organization of the sector:

Within sovereign Timor-Leste petroleum policy, execution and follow-up, including HSE issues are the responsibility of the State Secretariat for Natural Resources. Environmental issues are the responsibility of the State Secretariat for Environment.

The Timor Sea Joint Petroleum Development Area (JPDA) is administered by the Timor Sea Designated Authority (TSDA) under a Treaty between Timor-Leste and Australia. Timor-Leste gets 90 % of the tax income and state petroleum share from the JPDA, Australia 10 %.

### Brief history of the project

Discussions between the interim government of Timor-Leste and Norwegian authorities on support to the development of the energy sector started in 2001. This was followed by a fact-finding mission and a recommendation for an institutional cooperation project. An agreement for the programme was signed in February 2003 and the institutional cooperation contract between the Norwegian Petroleum Directorate (NPD) and the Ministry of Development and Environment was signed in September the same year.

The programme focused on three main areas: establishing the appropriate institutions, training and initiating petroleum activities in sovereign Timor-Leste offshore and onshore areas. The cooperation also included support to important issues like development planning for the Greater Sunrise field with the associated pipeline, terminal and LNG facilities.

In 2006 the programme was expanded to include support to the public petroleum finance sector. A support group was established including senior experts with experience from the Norwegian Ministry of Finance, Central Bank of Norway, and the Oil Taxation Office. This part of the programme includes support to developing the Macroeconomic section of the Ministry of Planning and Finance which deals with policy issues for petroleum revenue management, including establishing a petroleum fund. It includes support to the front-office section of the Banking and Payments Authority who administers the petroleum fund. It also includes support to the Petroleum Tax Division of the Ministry of Planning and Finance.

The programme has made extensive use of resident advisors. In the resource management authority the resident advisors have worked in the fields of project management, law, geology, facility engineering, project implementation, good governance, training and HR issues. A number of short-term advisors and consultants have also been used. In the finance sector the resident advisors have worked in the fields of macroeconomics, petroleum taxation, petroleum fund investment strategy and petroleum fund front office tasks.

### Activities in 2007

#### Resource management

Support was given to the administration and management of production sharing contracts

Work on capacity development plans was continued.

Work on establishing a national database for the petroleum sector was continued.

Support was given to the review of the Greater Sunrise field pipeline and LNG terminal options

#### Legal advice

Legal advice has included drafting rules and regulations, support regarding the use of a Timor-Leste content as part of the Production Sharing Contracts (PSCs) as well as support in daily legal tasks

#### Education and training

Training has included on-site geoscience training and English training. In addition the Norway has continued the support to degree studies at universities in Australia and Norway and a small grants programme for support to Timorese students in Indonesia.

#### Data management

Purchase of computer equipment

#### Technical assistance

Preparation for implementation of the EITI principles and a validation process for EITI.

Support has been given to the Director and staff of the National Directorate for Oil and Gas (DNPG) in various daily tasks and the NPD has acted as advisor to the Ministry/State Secretariat on an ad hoc basis on various energy issues.

#### Financial management

The NPD has administered advisors in the finance sector in cooperation with the Norwegian Ministry of Finance and the Central Bank of Norway.

During 2007 Norway has given advice to the Government of Timor-Leste on issues related to the management and investment strategy of the Petroleum Fund and on macroeconomic and fiscal policy issues,

including fiscal policies, budgeting issues and general petroleum revenue advice. Advising has included participation in the Petroleum Fund Investment Advisory Board.

The Petroleum Tax Division (PTD) was supported, with emphasis on establishing the necessary capacity and knowledge for the Division to carry out its duties.

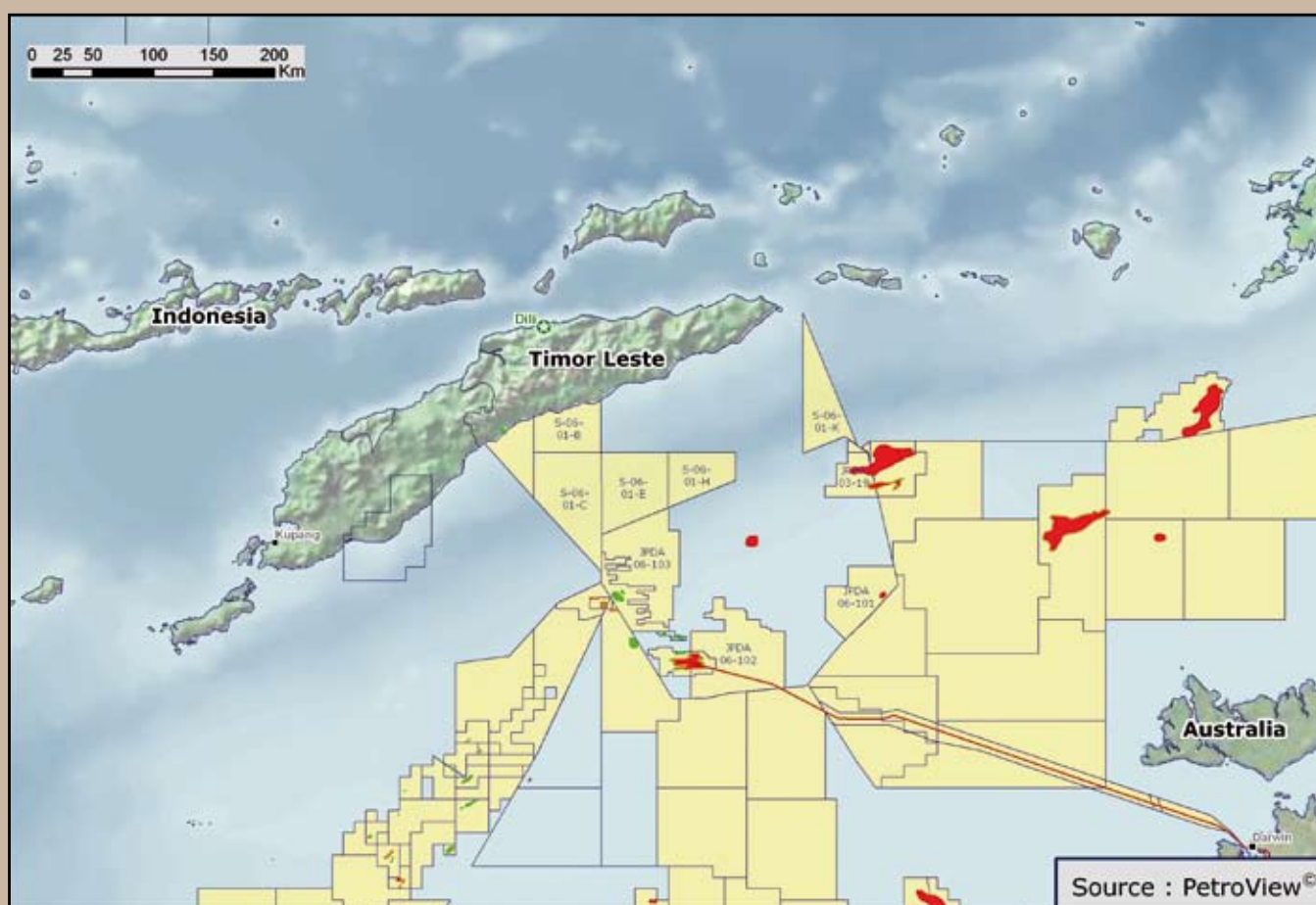
Technical support was given to the PTD, inter alia on a transfer pricing case towards a rig company, resulting in significant increased tax income to Timor-Leste, several cases regarding withholding tax, auditing the farm in of LNG buyers into the Bayu-Undan field and the associated LNG prices used.

### Plans and activities for 2008

The current 5 year project is due to finish in September 2008.

A new cooperation programme for another 5 years was approved by the OfD board in March 2008. A new agreement between Norway and Timor-Leste will be signed during the Norwegian Minister for Development, Mr Erik Solheim's visit to Dili in May 2008.

The new programme will include continued support in the areas of resource management and finance management. There will be an increased effort on scholarships abroad for Timorese students. The extended programme will also include support to the environmental sector.





# UGANDA

**Project:**

Strengthening the State Petroleum Administration  
of the upstream sector in Uganda

**Cooperating institution:**

The Petroleum Exploration and Production Department (PEPD)

**Goals and objectives:**

The main goal is to ensure that possible petroleum resources are administered in a way that contributes to sustainable development of the national economy and welfare of the people in Uganda.

The objective is to strengthen the administrative functions regarding policy, legislative and institutional framework based on experiences drawn from Norway and other petroleum development areas with challenges similar to those in Uganda. The programme is also responsible for strengthening the planning and regulatory functions in the Petroleum Exploration and Production Department (PEPD) and to study the conditions necessary for commercial development of oil and gas in Uganda. The areas in the country with proven oil coincides with the environmentally most valuable and vulnerable areas. In some cases potential oil fields are located in globally important national parks which generate essential foreign exchange through tourism.

**Programme:**

The programme consists of three main components:

- Policy, legal and regulatory framework
- Capacity building for the PEPD
- Technical and economic studies

**Project period:**

2006–2008

**Total budget:**

NOK 20.7 mill

**Contact:**

Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Cooperating institutions in Norway:**

Petrad

Directorate for Nature Management

Ministry of the Environment

Norwegian Petroleum Directorate

Norwegian Pollution Control Authority

Ministry of Finance


**COUNTRY FACTS:**
**Official Name:**

Republic of Uganda

**Capital:**

Kampala

**Chief of state:**

President Lt. Gen.

Yoweri Kaguta Museveni

**Head of Government:**

President Lt. Gen.

Yoweri Kaguta Museveni

**Population:**

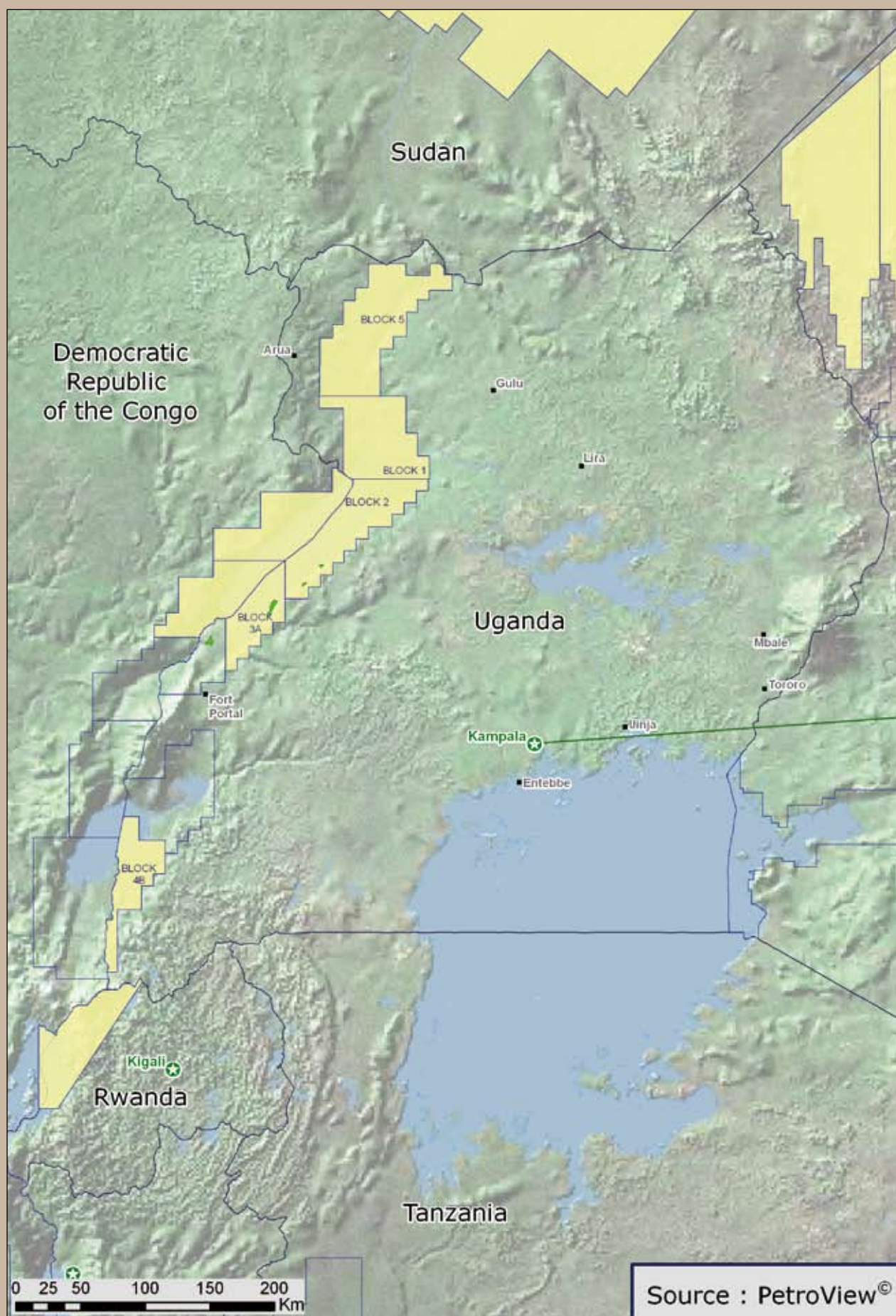
30 262 610 (2007)

**Petroleum sector,**
**key figures:**

No oil or gas production

**Organization of the sector:**

Petrad



### **Brief history of the project**

Norway has been involved in capacity building in the petroleum sector in Uganda for many years, in particular through Petrad. A range of seminars have been arranged in Uganda and representatives for Ugandan petroleum authorities have participated at Petrad's 8-week courses in Stavanger.

A 3-year cooperation programme under the title 'Strengthening the State Petroleum Administration of the upstream sector in Uganda' was signed on 6 December 2005.

Petrad was given the responsibility for the Norwegian contribution to implementation of the project. An institutional cooperation agreement between Petrad and the Ministry of Energy and Mineral Development (MEMD) was signed on 1 February 2006. The Petroleum Exploration and Production Department in the MEMD is the active programme partner in Uganda.

The fast development of Uganda's petroleum activities have led to new challenges for the country's authorities, not envisaged in the original assistance programme. The programme was therefore expanded with particular focus on revenue management, data management, environmental management and field development.

### **Activities in 2007**

At the end of 2007 after completing the second year of the programme 46% of the total approved financial resources have been used. The main achievements in 2007 have been:

Policy, legal and regulatory framework  
Consultations on the draft National Oil and Gas Policy have been concluded and the draft was submitted to the Cabinet of Ministers for consideration before approval.

A working group for the new Petroleum Law was established with participants from Uganda and Norway. The working group has prepared draft principles for the new law.

Representatives from the authorities in Uganda have visited Norway and met with different Norwegian institutions. The Ministry of Finance contributed within the area of good management of petroleum revenues. The DN briefed and informed on capacity and competence of Norwegian institutions relevant for cooperation with institutions in Uganda.

Furthermore, in November 2007 the DN participated in a short fact-finding mission to petroleum development areas in North Western Uganda (Albertine Graben), which coincides with Africa's most biodiverse area and globally important protected areas. A report from the mission to was presented to Norad/OfD.

### Capacity building

Institutional cooperation in the area of Health, Safety and Environment issues for the oil and gas sub-sector was established.

Various training courses, industrial training, seminars, workshops, conferences and study tours have been organized for PEPD staff and other government institutions.

Geochemical laboratory equipment has been procured and information technology facilities improved. Technical and economic studies Workshops were organized in preparation for upcoming early production plans for capacity building in evaluation of development plans and basics of petroleum refining.

### **Plans and activities for 2008**

The proposed work plan for 2008 includes the following key activities:

- Completion of the review and amendment of the Petroleum Law and revision of Model Petroleum Sharing Agreement.
- Support to the reorganization of the State Petroleum Administration.
- Organization of a seminar on petroleum revenue management.
- Preparation of a sensitivity analysis and oil spill preparedness plans for the Albertine Graben, as first steps towards a strategic environmental assessment and an integrated management plan for oil activities in the area.
- Develop appropriate legislation for the petroleum sector revenue management.
- Start preparation of a new programme with emphasize on resource management, environmental management and revenue management.
- Capacity building for the PEPD and other state institutions focusing on functional analysis, resource assessment and data management.
- Support to the evaluation of development and production plans.
- Study and recommend on a local content policy and guidelines.



# VIETNAM

In Vietnam there are two separate projects under the Oil for Development programme. The first is the Vietnam total resource assessment (VITRA) project, coordinated by the Norwegian Petroleum Directorate. The second is the Development of management systems on safety and working environment and environmental pollution control in Vietnamese petroleum industry project, a cooperation project between Petrovietnam, the Petroleum Safety Authority Norway and the Norwegian Pollution Control Authority.

**Project:**

Vietnam total resource assessment, phase II (VITRA II)

**Cooperating institution:**

Petrovietnam (PV)

**Goals and objectives:**

Ensure that the Vietnamese Authorities dealing with the management of energy resources have a comprehensive knowledge of the total petroleum resources of the country and that they use this knowledge at management/policy level for overall strategic planning for the further development of the energy sector.

**Total budget:**

NOK 9 mill

**Project period:**

2002–2008

**Programme:**

The programme consists of three main components:

- Acquisition of hardware and software
- Training courses, seminars and workshops
- Consultancy services

**Contact:**

Oil for Development: Ms. Solveig Andresen, [soan@norad.no](mailto:soan@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate  
Petrad



Photos: Ole Imsland


**COUNTRY FACTS:**
**Official Name:**

Socialist Republic of Vietnam

**Capital:**

Hanoi

**Chief of state:**

President Nguyen Minh Triet

**Head of Government:**

Prime Minister  
Nguyen Tan Dung

**Population:**

85 262 356 (2007)

**Petroleum sector, key figures:**

*Average oil production:*

328 000 bbl/day (2006)

*Annual gas production:*

7.2 bill m<sup>3</sup> (2006)

**Organization of the sector:**

Petrovietnam

Ministry of Industry – Department of Energy and Petroleum

Ministry of Planning and Investments

Government office – Oil and Gas department

Prime Minister

### Brief History of the project

Norad and the Norwegian Ministry of Foreign Affairs approved the first phase of the project in May 1995, just prior to the visit to Norway by the Vietnamese Prime Minister in June 1995. The project agreement was signed in Hanoi on 30 June 1995. The Norwegian funding to VITRA I was NOK 3.15 mill, and the project period was 18 months.

After the first phase of the project two appraisals were conducted to evaluate the outcome of the project. The appraisal team's opinion was that Vietnam would benefit from a phase II of the total resource assessment project. The team stated that the PV would need technical assistance for the development of VITRA II, and Norway does have the necessary competence and experience to give this assistance.

One of the important aspects of the total resource assessment project is to have it deeply rooted in the management level, to allow the policy and decision makers to actively use the results as a tool in their decision-making. This seems not to have been fully achieved in the VITRA I project.

A revised project plan was therefore agreed upon in October 2002 for cooperation between PV and the Norwegian Petroleum Directorate. The objective of the cooperation project called VITRA II, was to ensure that the Vietnamese authorities obtain extensive knowledge on the country's overall petroleum resources, and to enable them to continue to use this knowledge on an administrative and political level in the further development of the energy sector.

In the course of the project, the PV and the NPD have cooperated on developing a resource database based on PV requirements, establishing guidelines for reporting of resource data and

establishing procedures and working routines for the further development and updating of the resource database. In this work Vietnamese and Norwegian consultants have in addition to the NPD, been involved in the project implementation. Phase II of the project has been extended twice within the original budget.

### Activities in 2007

The NPD gave advice on selection of a contractor to assist Petrovietnam in a comparison of fiscal terms and to look into Vietnam's competitive ability.

A workshop on "The Comparison of Fiscal Terms" was conducted in Hanoi in April.

The 9th Steering Committee Meeting was held in Hanoi in April

A workshop on "Undiscovered Resources" was held at the NPD in Stavanger in September. Experts from Petrovietnam attended the workshop.

One person from Petrovietnam attended an 8-week Petrad course in Stavanger on petroleum policy and management in October-December.

The draft of the final report for VITRA II was sent to the NPD by Petrovietnam for review in December

### Plans and activities for 2008

An application for support in providing legal assistance towards a revision of the current petroleum legislation is under consideration. This would involve a 5 year programme.

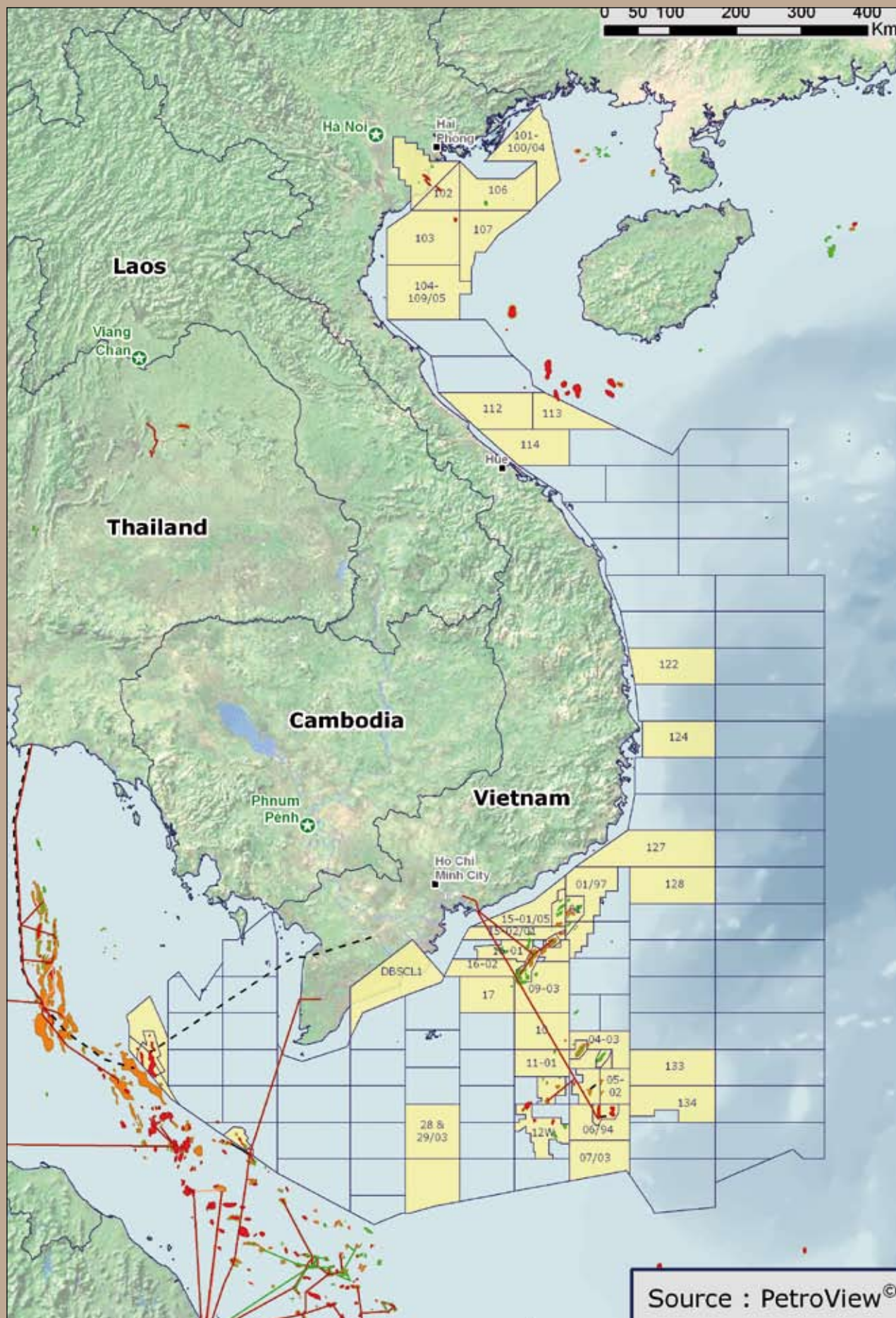
All planned activities for VITRA II are completed and the results and output from VITRA II were presented in a successful dissemination seminar for various government institutions in Vietnam in May.



Photo: Ole Imsland









**Project:**

Development of management systems on safety and working environment and environmental pollution control in Vietnamese petroleum industry, phase III.

**Cooperating institution:**

Petrovietnam (PV)

**Goals:**

Establish a sustainable and efficient management of health, safety and environment in the Vietnamese oil and gas industry, so that the risk of personal injury, major accidents and environmental damage is minimized.

**Objectives:**

Phase III aims at the successful implementation of the Safety Management Regulation and the accompanying guidelines, at enabling Petrovietnam to further develop, implement and continuously improve health, safety and environmental management system after the end of the project period and at enabling Petrovietnam employees to continuously build health, safety and environment competence after the end of the project period.

**Project period:** 2008–2011

**Total budget:** NOK 7.065 mill

**Programme**

The programme consists of the following main components:

- Implementation of Petrovietnam's recently developed policy and corporate requirements for HSE management

- Further development of Petrovietnam's HSE corporate management systems, tools and practices, including its HSE objectives, strategies and plans.
- Developing targeted HSE training activities to support Petrovietnam's systems developments by means of competency and capacity building.
- Forwarding the implementation and incorporation of Petrovietnam's corporate HSE management system into the development of appropriate HSE management systems in Petrovietnam's subsidiaries.
- Development of emergency response management
- Development of oil/hazardous waste management

**Contact:**

Oil for Development:

Ms. Solveig Andresen, [soan@norad.no](mailto:soan@norad.no)

**Cooperating institutions in Norway:**

Petroleum Safety Authority Norway

Norwegian Pollution Control Authority

Norwegian Coastal Administration

**Brief history of the project**

Phase I and II: 1997–2006

In 1994 the Vietnamese Government, represented by Petrovietnam (PV) contacted Norad with a request for cooperation and support on the development of safety and working environment management in the Vietnamese petroleum industry. A similar and parallel request was made in the area of environmental protection. In 1996 the agreement on "Assistance to the development of management systems on safety and working environment and environmental pollution control in the Vietnamese petroleum



Photo: Ole Imsland



industry" was signed. The agreement was supplemented by contracts between the PV, The Norwegian Petroleum Directorate (NPD) and the Norwegian Pollution Control Authority (SFT).

Phase I and II focused on two main issues: safety management and environmental management. The PV took a more active role in phase II. From August 2001, the Norwegian Coastal Administration (NCA) became a participant on the project, following the Norwegian Government's decision to transfer the responsibility for emergency and oil-spill preparedness from the SFT to the NCA.

### Phase III

After a successful completion and positive evaluation of phase I and II, an agreement for phase III of the project was signed late 2007 and the contract between the SFT, the PSA and Petrovietnam was signed early 2008. The SFT and the PSA will be jointly responsible for delivering support to the PV agreed in the contract. The NCA will continue to provide key contributions as a subcontractor to the PSA. The PSA will take on the task of project coordination on behalf of all Norwegian contributors.

The continued institutional collaboration builds on the achievements from the previous two phases. In contrast to the two previous phases, the activities on safety management and environmental management in phase III are fully integrated and contracted through one shared contract for all parties.

### **Activities in 2007**

In 2007 only one activity was carried out: Initiating a workshop on HSE recording.

### **Plans and activities for 2008**

The first Steering Committee meeting was held at Lillehammer, Norway in January 2008. The key outputs from this meeting were a presentation from the PV of the formalized HSE management system implementation plan and the adjusted project plan. Budget and activity plans for 2008 were also agreed.

The following activities are planned for in 2008:

- Workshops in Vietnam on the base-line study, and document drafting on HSE planning
- Drafting of documents and assisting workshop in Vietnam on the HSE auditing function
- Initial drafting and workshop on scope and training programme for accident/incident reporting
- Workshop in Vietnam on emergency planning and drafting of documents
- Workshop in Norway on development of oil/hazardous waste systems
- Workshop in Norway on HSE document control system
- Assistance to system audit of PV subsidiaries



Photo: Ole Imsland

## OfD PROJECTS – countries with limited cooperation



Photo: Ole Imsland

### **OfD Projects – countries with limited cooperation**

During 2007 OfD cooperated in a more limited way with; Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana, Indonesia, the Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestinian Territory, São Tomé and Príncipe, South Africa, Tanzania and Zambia.

In March 2008 Ghana became a core country, while Iraq became a country of limited cooperation.

The criteria for becoming a country with limited cooperation are the same as the preliminary criteria outlined in the previous chapter:

- Cooperation must be demand driven

- The country must be OECD/DAC-eligible (or other financing must be supplied)
- Significant petroleum production or potential must be present
- Norwegian experience and expertise must be relevant
- Demand for capacity and competence building in public institutions must be identified

With these criteria met, overall feasibility, quality and timing of proposals and availability of relevant Norwegian/ international competence are also considered.

Generally, the threshold for becoming a country of limited cooperation is lower than for becoming a core cooperation country, as assistance to this category of countries tends to be more narrow and short-term.



# AFGHANISTAN



## Project:

Institutional capacity-building programme and expert assistance on legal framework, fiscal terms, environmental management, and to provide support to the Ministry for tendering oil and gas blocks

## Cooperating institution:

Ministry of Mines of the Islamic Republic of Afghanistan (MoM)

## Goals:

Improve capability to exercise regulatory control and to develop policies and strategies to ensure better administration of the Afghan petroleum resources, and to support the process of attracting international reputable oil companies to develop the resources.

## Objectives:

Provide assistance and cooperation in order to develop a capacity-building programme based on seminars, training programmes and a mentoring programme, establish a team of experts to support the programme, ensure that the recommendations of the Environmental and Social Impact Assessment (ESIA) are implemented and facilitate transparency through good resource management in accordance with Extractive Industries Transparency Initiative (EITI).

## The programme:

The programme consists of the following main components:

- Expert team for support to the Ministry of Mines (under a framework agreement with Econ Pöyry)
- Competence building programme (under a framework agreement with Petrad)

## Project period:

2007–2009

## Total budget:

Advisory team: NOK 6.5 mill

Competence building: NOK 7 mill (2008–2009)

## Contact:

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

## COUNTRY FACTS:

### Official Name:

Islamic Republic of Afghanistan

### Capital:

Kabul

### Chief of state:

President Hamid Karzai

### Head of Government:

President Hamid Karzai

### Population:

31 889 923 (2007)

## Petroleum sector, key figures:

### Proven reserves:

55 billion m<sup>3</sup> gas

84 million barrels oil.

Production from the northern fields rapidly declined when the Russians pulled out of the country.

Current gas production is around 350.000 m<sup>3</sup>/day. No significant oil production

Afghanistan is largely unexplored for oil and gas. A US Geological Survey report published late 2006, suggests there are significant resources of oil and gas in Afghanistan, although uncertain, they suggest:

500 billion m<sup>3</sup> gas

1,6 billion barrels oil

### **Brief history of the cooperation**

At the end of 2006 the Afghan authorities applied for assistance from Norway in developing a petroleum regulatory authority.

A team of experts from Econ Pöyry and Arntzen de Besche has taken part in establishing a better basis for long-term cooperation. Work has been focused on drawing up an amended hydrocarbon law, which has now been submitted to Parliament for approval.

A Memorandum of Understanding on cooperation in the petroleum sector was signed by the Norwegian Minister of the Environment and International Development Erik Solheim and the Afghan Minister of Mines Ibrahim Adel in Kabul on October, 2007.

### **Activities in 2007**

Assistance in revising the hydrocarbon law and developing the hydrocarbon regulations, and preparing for the 1st license round was given.

A competence building programme has been prepared.

A seminar on petroleum sector development was planned.

### **Plans and activities for 2008**

- Assist with 1st license round
- Seminar on petroleum sector development in Kabul
- Training/assistance on data management
- Participation at Petrad's 8-week training programme
- Training in negotiations for petroleum contracts

Further training, assistance and advisory services to be discussed and agreed upon.



*Photo: Hans Peter Christophersen*



Angola, Bolivia, Iraq, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda, Vietnam, Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana, Indonesia, The Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestinian Territory, São Tomé and Príncipe, South Africa, Tanzania, Zambia

# BANGLADESH

**Project:**

Asian Development Bank (ADB), Bangladesh Gas Transmission Development Project. Institutional Strengthening of Hydrocarbon Unit (HCU)

**Cooperating institution:**

Hydrocarbon Unit (HCU) under Energy and Mineral Resources Division (EMRD), Ministry of Power, Energy and Mineral Resources (MOEMR)

**Goals:**

The project is the ADB's largest credit project in Bangladesh. Bangladesh has an extensive need for energy, including gas, which provides fuel for power generation. A further development of gas infrastructure, including an adequate institutional framework, is vital for meeting the increasing demand for commercial energy.

**Objectives:**

Strengthen the HCU to become a full-fledged functioning, permanent body in the ministry, authorized to implement Government policies and regulations for upstream activities in the petroleum sector and to promote and supervise private sector activities in the petroleum sector. The objective of establishing the HCU was to split the responsibilities for commercial and regulatory governmental functions. Both functions have previously been the responsibility of the national oil company Petrobangla.

**Project period:**

2006–2011

**Total budget:**

The project has a total budget of USD 413 (NOK 2148) million, of which Norway contributes with USD 5 million (NOK 26 million)

**Programme:**

The programme is concentrated around the following components:

- Supervision of license activities
- Resource policy and management
- Resource assessment
- Training and other institutional support activities

**Contact:**

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

**Status of the project:**

The HCU organization diminished after the previous project managed by the Norwegian Petroleum Directorate ended in 2006 due to budget restraints. A new director of the HCU was appointed in late 2007, and the organization is now being revitalized.


**COUNTRY FACTS:**
**Official Name:**

People's Republic of Bangladesh

**Capital:**

Dhaka

**Chief of state:**

President Iajuddin Ahmed

**Head of Government:**

The country has a caretaker government until a general election is held; Iajuddin Ahmed remains President and Minister of Defence, and all other Cabinet portfolios are held by Caretaker Advisors (CAs); the Chief CA, Fakhruddin Ahmed, is roughly equivalent to a prime minister

**Population:**

153 547 000 (July 2008 est.)

**Petroleum sector, key figures:**

*Annual gas production:*

15.2 bill m3 (2006)

*Gas reserves:*

440 bill m3 (2006)



# CAMBODIA

**Project:**

Development of Cambodia's oil and gas industry

**Cooperating institution:**

Cambodian National Petroleum Authority (CNPA) and the UNDP

**Goals:**

Strengthen Cambodia's ability to manage the exploration and production of its petroleum resources by improving the CNPA's ability to write and maintain the legal framework for its upstream and downstream petroleum industry, carry out bilateral negotiations and establish a legal framework for utilization of petroleum resources in overlapping claims areas, negotiate petroleum licenses with oil companies and to promote Cambodia's petroleum resources by maintaining a competitive licensing system and a model petroleum contract.

**Objectives:**

Improve the upstream, mid-stream and downstream petroleum law of Cambodia, conclude agreements with Thailand concerning the overlapping claims area, enhance the licensing procedures and the model petroleum contract, improve the human resources and organizational structure of the CNPA and increase awareness of the importance of good governance and anti-corruption measures.

**Project period:** 2006–2008 (NPD)  
2007–2009 (UNDP)

**Total budget:** NOK 8.8 million (NPD)  
NOK 3.5 million (UNDP)

**Programme:**

The programme consists of the following main components:

- Legal framework
- Bilateral negotiations with Thailand regarding overlapping claims area.
- Licensing and model petroleum contract.
- Competence building

**Contact:**

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate


**COUNTRY FACTS:**
**Official Name:**

Kingdom of Cambodia

**Capital:**

Phnom Penh

**Chief of state:**

King Norodom Sihamoni

**Head of Government:**

Prime Minister Hun Sen

**Population:**

13 995 904 (2007)

**Petroleum sector, key figures:**

No oil or gas production, however significant oil discoveries offshore (Chevron)

**Brief history of the project:**

The CNPA has received assistance from Norway related to petroleum governance for several years through projects run through the Coordinating Committee for Geoscience (CCOP). The CNPA applied to the Norwegian Embassy in Bangkok for aid related to the development of Cambodia's oil and gas industry in February 2004. Petrad conducted a Training Needs Assessment (TNA) for the CNPA in 2004. Following the results from the TNA, an initiating seminar was conducted in Phnom Penh in March 2005 with representatives from the NPD, Norad, Petrad, the CNPA and other Cambodian Government agencies in addition to several Norwegian and International legal firms. Based on the findings from the seminar a revised application for aid was sent to Norad on 7 June 2005.

The final agreement between Norad and the CNPA was signed on 30 December 2005. The contract between the CNPA and the NPD for technical cooperation was signed on 19 June 2006 and the contract for the legal work was signed with the Norwegian law firm Wikborg Rein in agreement with the CNPA. Mr Børre Gunnerud was appointed to the position as resident project coordinator and commenced his duties in Phnom Penh on 5 December 2006.

**Activities in 2007**Legal framework

The project commenced in December 2006 with the arrival of Mr. Børre Gunnerud in Phnom Penh.

The CNPA staff has attended a number of training workshops, policy workshops have been conducted and legal advice has been provided.

The process of drafting a new petroleum law commenced in early February. A first draft petroleum law was presented to the Director General in late May. The CNPA has elevated the draft law to the Cambodian political level for deliberation and a final draft will be submitted to the National Assembly.

**Overlapping claims area (OCA) negotiations**  
The Legal Team has assisted on an initial basis with the OCA negotiations and the finalization of the Boundary Treaty and Joint Development Treaty.

Wikborg Rein has conducted an assessment of the current status.

Two workshops have been conducted, one titled "Maritime delimitation and the Cambodia-Thailand OCA" and the other titled "Joint development and the overlapping claims area".

**Licensing procedures/model PSC**

The resident project coordinator and the Legal Team have assisted with a revision of the model Production Sharing Contract and with the drafting of a new licensing procedure

The current licensing procedure conflicts with the existing Petroleum Regulation (1991). The regulation prescribes a competitive tender process, where as the CNPA conducts confidential negotiations with individual petroleum companies. Thus a new concept must be agreed at the political level. The Legal Team may be requested to provide input on this, but until a new petroleum law has been approved by the political level the details of a new licensing procedure cannot be completed by the CNPA.

**Competence building**

Wikborg Rein has organized several policy workshops.

The CNPA has also received competence building advice on technical matters.

A consulting company has been contracted to assist in seismic interpretation. Workshops for CNPA staff were arranged in March and October.

Two Steering Committee Meetings have been conducted in 2007, one in Phnom Penh in January and one in Stavanger in August.

The programme has seen close cooperation with different donor groups active in Cambodia. A coordination forum for assistance in the oil and gas sector is established in Phnom Penh, hosted by the Asian Development Bank.

**Plans and activities for 2008**

- High level conference in Phnom Penh in March 2008 organized by the UNDP and Petrad. The topic is "Fuelling poverty reduction with oil and gas revenues".
- Technical assistance to the CNPA will continue through 2008. A training plan is being made.
- Extension of the period for the resident project coordinator and to continue advice on legal, regulatory and tax issues.

# ECUADOR

## Project:

Seminar on governance, revenue management and environmental management in the petroleum sector

## Cooperating institutions:

Various ministries in Ecuador

The Royal Norwegian Embassy in Venezuela (also covering Ecuador)

## Goals and objectives:

Ecuador is among the largest petroleum producers in Latin America. Production is decreasing rapidly, and there is much focus on how to maintain the production. At the same time, there are numerous environmental challenges in the sector. The current fiscal regime and legislation is up for evaluation. The goals of the seminar were therefore to present alternative fiscal models and show examples of how environmental management could be organized.

## Programme:

The seminar focused on three areas:

- Governance
- Revenue management
- Environment management

**Project period:** 2007 -

**Total budget:** Under development

## Contact:

Oil for Development: Mr. John Tore Vatnar, [jtv@norad.no](mailto:jtv@norad.no)

## Brief history of the project

Ecuador is the fourth largest petroleum producer in Latin America, and has a long history of exploration and production. Petroleum related cooperation started in November 2007 based on a request from Ecuador.

The Norwegian Minister of Environment and International Development, Mr. Erik Solheim visited Ecuador in November 2007. The seminar was organized in connection with the visit

## Activities in 2007

Petrad organized a three-day seminar for Ecuadorian authorities in Quito 7–9 November.

A number of Norwegian institutions contributed to the seminar, including the Norwegian Directorate for Nature Management, the Norwegian Pollution Control Authority and the Ministry of Finance.

## Plans and activities for 2008

Follow-up activities are under development.



## COUNTRY FACTS:

### Official Name:

Republic of Ecuador

### Capital:

Quito

### Chief of state:

President

Rafael Correa Delgado

### Head of Government:

President

Rafael Correa Delgado

### Population:

13 755 680 (2007)

### Petroleum sector, key figures:

*Average oil production:*

0.54 mill bbl/day (2006)

*Annual gas production:*

0.57 bill mill m<sup>3</sup> (2006)



# GHANA

**Project:** Short- and long-term institutional cooperation

**Cooperating institutions:**

The Office of the President, Ministries and Ghana  
National Petroleum Corporation, GNPC

**Goals and objectives:**

Short-term cooperation will provide assistance in establishing a petroleum policy and its implementation plan (master plan). Long-term cooperation will provide assistance in competence and capacity building within resource, revenue and environmental governance.

**Project period:** March 2008–March 2013

**Budget 2008:** NOK 6 mill

**Programme:**

The programme includes assistance in the following tasks and issues:

- Establishment of a petroleum policy and master plan
- Input into the revision of the Petroleum Law of 1983, development of regulations to the law and revision of the model agreement
- Input into the revision of the tax legislation applicable to (upstream) petroleum activities
- Production and implementation of legislation on resource management and revenue management
- Development and strengthening of the relevant government administrative institutions
- Establishment and administration of a state owned oil company
- Conflicting interests relating to uses of the sea (petroleum and fish)
- Bidding procedures and negotiation processes for block allocations
- Resource assessment and data management
- Health, safety and environment (HSE)
- Environmental management issues, including coastal zone management, impact on fisheries, EIA/SEA, pollution control, oil spills response
- Use of national goods and services
- Adoption of the Extractive Industry Transparency Initiative (EITI)
- Extension of the continental shelf beyond 200 nautical miles

**Contact:**

Oil for Development: Mr. Svein Heglund, [sveh@norad.no](mailto:sveh@norad.no)



**COUNTRY FACTS:**

**Official Name:**

Republic of Ghana

**Capital:**

Accra

**Chief of state:**

President  
John Agyekum Kufuor

**Head of Government:**

President  
John Agyekum Kufuor

**Population:**

22 931 299 (2007)

**Petroleum sector,  
key figures:**

*Average oil production:*

580 bbl/day (2006)

*Annual gas production:*

0.4 mill m<sup>3</sup> (2006)

**Cooperating institutions  
in Norway:**

Ministry of Petroleum  
and Energy  
Norwegian Petroleum  
Directorate  
Ministry of Finance  
Ministry of Foreign Affairs  
Petrad

**Brief history of the project**

The GNPC applied for assistance from the Norad OfD programme in 2007. The application was followed up by a request from the previous Secretary General of the United Nations, Kofi Annan, and an exchange of letters between the Chief Advisor to President Kufuor and the Minister of Environment and International Development Erik Solheim. A decision was made to make Ghana a core country in the OfD programme.

**Activities in 2007 and 2008**

A Norwegian delegation visited Accra on 4-7 November 2007. This was followed up by several further visits primarily for assisting planning and

arranging a large National Forum and Workshop on 25-29 February 2008 in cooperation with the World Bank, the IMF, the DFID, the GTZ and USAid.

During the Forum an MoU was signed between Ghana and Norway for long-term cooperation within the Oil for Development programme.

**Plans and activities**

Plans for 2008 are under development. Ghana is in this report listed as a country with limited cooperation. This is based on the status per end 2007.

# INDONESIA

**Project:**

Institutional and industrial cooperation

**Cooperating institutions:**

Ministry of Energy  
BPMigas  
Pertamina

**Goals and objectives:**

Norway will contribute to the strengthening of Indonesia's petroleum industry. This will be based on an approach consisting of institutional cooperation, capacity strengthening, technology transfer and small-scale support to develop local industry based on petroleum activities. A detailed strategy based on existing Norwegian technology will be developed to support the development of technology tailor-made for Indonesia's deep water and environment.

**Project period:** 2007–2008

**Total budget:**

Norway: NOK 1 mill

**Programme:**

Two seminars on:

- Deep-water technology (2007)
- Mature field rejuvenation (2008)

**Contact:**

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

**COUNTRY FACTS:**
**Official Name:**

Republic of Indonesia

**Capital:**

Jakarta

**Chief of state:**

President  
Susilo Bambang Yudhoyono

**Head of Government:**

President  
Susilo Bambang Yudhoyono.

**Population:**

234 693 997 (2007)

**Petroleum sector,  
key figures:**

*Average oil production:*

1.0 mill bbl/day (2006)

*Annual gas production:*

78.1 bill m<sup>3</sup> (2006)

**Brief history of the cooperation**

Indonesia has expressed great interest in the way Norway governs its petroleum activity. For some time there has been contact between Indonesian and Norwegian authorities. This contact has included issues related to sound resource management as well as safety and environmental protection.

During Prime Minister Jens Stoltenberg's visit to Indonesia in 1996 (as minister of Petroleum and Energy), a Memorandum of Understanding for cooperation in energy (petroleum) and associated environmental activities was signed.

Petrad has arranged a total of 24 tailor-made seminars in Indonesia since 1989 together with Migas/BPMigas and. These seminars have covered a wide range of topics from petroleum policy to more technical issues.

In addition, a total of 10 persons from Pertamina and BPMigas have attended the Petrad 8-week courses in Norway.

In coordination with the Ministry of Petroleum and Energy (MPE) a strategy comprising the development of cooperation activities, complemented with business

development activities from the supply and service industry, will be proposed. This will be followed up according to priority and in due course.

**Activities in 2007**

A seminar on deep-water development also covering floating LNG, the PDO process and risk assessment, was held in Surabaya on 5–7 November in cooperation with INTSOK. There were a total of 206 participants and 18 speakers from the Indonesian and Norwegian petroleum industry.

**Plans and activities for 2008**

Indonesia was removed from the list of countries with limited cooperation in the beginning of 2008 because the activities were more geared towards the commercial sector than towards the government/civil society sector. But the programme will continue during the rest of 2008. The second seminar was held on 31 March–2 April, 2008, in Denpasar, Bali, in conjunction with an MoU meeting between Indonesian and Norwegian Governments. The topic for the seminar was mature field rejuvenation, also covering EOR/CO<sub>2</sub> injection, abandonment/decommissioning; and HSE and maintenance management.

# THE IVORY COAST

## Proposed project:

Institutional cooperation

## Cooperating institutions:

Ministry of Mines and Energy, Ministry of Finance and Ministry of Environment

## Goals and objectives:

Provide assistance in competence and capacity building within resource, revenue and environmental management.

**Proposed project period:** August 2008–August 2009

**Budget 2008:** NOK 5 mill

## Proposed programme:

An initial request was sent by the Minister of Mines and Energy, Cote d'Ivoire to the Norwegian Minister of Petroleum and Energy, Odd Roger Enoksen on 21 August 2006, followed by a letter on 28 November 2007 proposing a cooperation programme as follows:

- Training in petroleum management
- Visit to Norway with workshop
- Seminar on petroleum policy and revenue management
- Seminar on environmental management
- Seminar on monitoring the different phases of the petroleum sector
- Seminar on petroleum legislation and regulations
- Participants to Petrad's 8-week courses in Stavanger, Norway
- Training on technical issues
- Seminar on data management
- Seminar on IOR

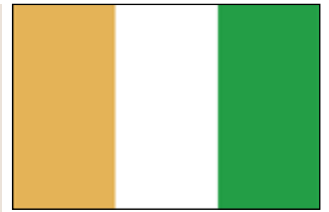
A Norwegian delegation visit to Abijan is planned for summer 2008 to discuss the requested cooperation.

## Contact:

Oil for Development: Mr. Svein Heglund, [sveh@norad.no](mailto:sveh@norad.no)

## Proposed cooperating institutions in Norway:

Ministry of Petroleum and Energy  
Norwegian Petroleum Directorate  
Ministry of Foreign Affairs  
Petrad



## COUNTRY FACTS:

### Official Name:

Republic of Cote d'Ivoire

### Capital:

Yamoussoukro

### Chief of state:

President Laurent Gbagbo

### Head of Government:

Prime Minister Guillaume Soro

### Population:

18 013 409 (2007)

### Petroleum sector, key figures:

*Average oil production:*

63 000 bbl/day (2006)

*Annual gas production:*

1.42 bill m<sup>3</sup> (2006)



# KENYA

**Project:**

Short-term assistance to Kenyan petroleum authorities

**Cooperating institution:**

National Oil Corporation of Kenya (NOCK)

**Goals and objectives:**

Under development

**Project period:** 2006–2008

**Total budget:** NOK 2 mill

**Programme:**

Under development

**Contact:**

Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Brief history of the project**

Kenyan authorities, by the National Oil Corporation of Kenya (NOCK), applied for assistance from Norway on 30 September 2005. The Steering Committee of Oil for Development (OfD) on 15 December 2005 approved short-term assistance limited to 2 million NOK. A second application was sent to the Norwegian Embassy on 16 June. A fact-finding mission was carried out by a Norwegian team in July 2006. The applications were not very specific, so the aim of the trip was to discuss and clarify the possible content of the assistance from Norway. The mandate for the team was to evaluate possible activities of assistance up to 2 million NOK, and suggest a schedule for the activities.

**Activities in 2007**

Due to the uncertain political situation in Kenya, no activities were carried out in this project in 2007.

**Plans and activities for 2008**

No specific plans have been made for 2008. Plans for capacity building are under consideration but a time frame for this has not been decided.


**COUNTRY FACTS:**
**Official Name:**

Republic of Kenya

**Capital:**

Nairobi

**Chief of state:**

President Mwai Kibaki

**Head of Government:**

President Mwai Kibaki

**Population:**

36 913 721 (2007)

**Petroleum sector,**
**key figures:**

No oil or gas production

# LEBANON

**Project:**

Oil for Development – Lebanon 2007–2009

**Cooperating institutions:**

Presidency of the Council of Ministers  
Ministry of Energy and Water

**Goals and objectives:**

Assist the authorities of Lebanon to establish a capacity for management of the petroleum sector, establish a legal framework and to plan and prepare for a licensing round.

**Project period:** 2007–2009

**Total budget:** NOK 13.5 mill

**Programme:**

The project consists of the following main components:

- Assistance with data management
- Assistance with developing the legal framework
- Assistance in planning a licensing round
- Capacity building – various seminars and workshops

**Contact:**

Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Cooperating institutions in Norway:**

Petrad  
Norwegian Petroleum Directorate


**COUNTRY FACTS:**
**Official Name:**

Lebanese Republic

**Capital:**

Beirut

**Chief of state:**

President Michel Suleiman,  
from 25 May 2008

**Head of Government:**

Prime Minister Fuad Siniora

**Population:**

3 925 502 (2007)

**Petroleum sector,**
**key figures:**

No oil or gas production

**Brief history of the project**

After initial contacts in October–November 2006, the project started with a fact-finding mission by Norad and Petrad to Lebanon in December 2006.

**Activities in 2007:**

A delegation from the ministries of Energy, Finance, Environment, and the Presidency of the Council of Ministers visited Norway 20–24 February 2007.

In March a 3-day seminar on petroleum resource management and promotion was organized in by Petrad in cooperation with the Ministry of Energy and Water.

In June a one-day seminar on petroleum resource management and miscellaneous meetings were organized by Petrad in Beirut.

Petrad gave assistance in development of a petroleum policy July–September 2007, including a workshop in Beirut in September 2007.

Petrad organized meetings and a presentation to the Cabinet, Lebanon in September.

Participants from Lebanon participated at Petrad's 8-week courses on petroleum policy and petroleum operations.

The OfD program for Lebanon was revised in June–September.

**Plans and activities for 2008:**

- Assistance with data management
- Assistance with developing the legal framework
- Assistance in planning a licensing round
- Capacity building – various seminars and workshops
- Strategic Impact Assessment prior to opening of offshore areas for exploration

# MAURITANIA

**Project:**

Environmental capacity building

**Cooperating institution:**

World Bank

**Goals and objectives:**

**Project period:** 2007–2009

**Total budget:** NOK 2.7 mill

**Programme:**
**Contact:**

Oil for Development: Mr. Svein Heglund, [sveh@norad.no](mailto:sveh@norad.no)

**Cooperating institutions in Norway:**

Ministry of the Environment

**Activities in 2007**

OfD's activities in Mauritania in 2007 were all geared towards the environmental area, but were modest in size (NOK 364 000).

A seminar was arranged in Oslo that was centered on the relationship between fisheries and petroleum, and the methodology of strategic social- and environmental impact assessments.

**Plans and activities for 2008**

- OfD cooperates very closely with the World Bank in Mauritania, and in 2008 all activities will be channeled via the Petroleum Governance Initiative in conjunction with the World Bank
- The World Bank has earmarked NOK 2.3 million, financed by Norway, for such work during the coming two years.


**COUNTRY FACTS:**
**Official Name:**

Islamic Republic of Mauritania

**Capital:**

Nouakchott

**Chief of state:**

Sidi Ould Cheikh Abdellahi

**Head of Government:**

Prime Minister

Zeine Ould Zeidane

**Population:**

3 270 065 (2007)

**Petroleum sector,  
key figures:**

Average oil production:

29 000 bbl/day (2006)

No gas production





# N I C A R A G U A

**Project:**

Assistance to the petroleum sector, phase IV

**Cooperating institution:**

Ministerio de Energía y Minas (MEM)

**Goals and objectives:**

Contribute to economic and social development and poverty reduction by identifying and developing new fields in the use of the country's natural resources.

Secure an environmentally sound exploration and possible exploitation of petroleum resources by creating government level capacities.

**Project period:** 2008–2009

**Total budget:** NOK 2.25 mill

**Programme:**

The programme will include the following components:

- Updating the petroleum database
- Implementation of the monitoring system
- Analysis of new seismic data
- Updating and improving the national contingency plan for emergencies related to exploration and exploitation activities
- Training MEM staff through seminars, work-shops, and courses abroad
- New promotional campaign

**Contact:**

Oil for Development: Mr. John Tore Vatnar, [jtv@norad.no](mailto:jtv@norad.no)

**Cooperating institutions in Norway:**

Norwegian Petroleum Directorate  
Petroleum Safety Authority Norway  
Norwegian Pollution Control Authority


**COUNTRY FACTS:**
**Official Name:**

Republic of Nicaragua

**Capital:** Managua

**Chief of state:**

President José Daniel Ortega Saavedra.

**Head of Government:**

President José Daniel Ortega Saavedra.

**Population:**

5 675 356 (2007)

**Petroleum sector,**
**key figures:**

No oil or gas production

### **Brief history of the project**

The NPD has since the early 1990's assisted Instituto Nicaragüense de Energía (INE), which was the state organization responsible for regulations, norms, control and taxation of the electricity and hydrocarbon sectors. The main cooperation between INE and the NPD was connected to the Department of Hydrocarbons in INE (Dirección General de Hidrocarburos, DGH), which was the regulating body for upstream and downstream activities. By 1 March 2007, the hydrocarbons division of INE was transferred to MEM.

The present programme is phase IV of the cooperation, which has been focused on assistance regarding the commencement of petroleum exploration. The first licensing round was conducted in 2003. The first license contract was signed in 2005 for an onshore Pacific block and the drilling started ultimo 2006. One oil and gas discovery has been made. Three license contracts in the Caribbean are currently under renegotiation.

Work under the present phase IV cooperation contract commenced early 2008, after the signing of the MEM – NPD contract in November 2007.

### **Activities in 2007**

The preparation for the present Phase IV of the programme started in 2005, but funding formalities have taken a long time to fall into place. In November 2007 the cooperation agreement between MEM and the NPD was signed and the cooperation programme was updated to reflect changes in MEM requirements. The contract was given formal approval by the Norwegian Embassy and the Nicaraguan counterparts early 2008.

### **Plans and activities for 2008**

- Procurement of software for interpretation of data and resource assessment and training
- Creation of a database for seismic data
- Economic modeling software will be updated
- A supervisory workshop and planning session is scheduled for June in Managua with NPD, PSA and SFT participation
- Regional consultants will be procured to establish norms and accounting procedures to follow up the petroleum operations
- Regional consultants will be procured to identify risks in petroleum operations, propose mitigation measures, prepare a model for Environmental Impact Assessments and to organize a workshop on these issues
- An emergency preparedness workshop is planned

Angola, Bolivia, Iraq, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda, Vietnam, Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana, Indonesia, The Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestinian Territory, São Tomé and Príncipe, South Africa, Tanzania, Zambia

# PALESTINIAN TERRITORY

**Project:**

Capacity building – Palestine 2007–2008

**Cooperating institution:**

Palestinian Energy Authority (PEA)

**Goals and objectives:**

Assist the authorities of the Palestinian Territory to establish a capacity for management of the petroleum sector, in particular with regards to development of the “Gaza Marine” project.

**Project period:** 2007–2008

**Total budget:** Under development

**Programme:**

The programme consists of the following main components:

- Training in petroleum management
- Assistance in establishing a contractual framework
- Capacity building and assistance with regard to development plans

**Contact:**

Oil for Development: Mr. Ivar Aarseth. [iaa@norad.no](mailto:iaa@norad.no)


**COUNTRY FACTS:**
**Official Name:**

Palestinian National Authority (transitional status)

**Capital:**

Ramallah (Gaza City is the legislative centre)

**Chief of state:**

President Mahmoud Abbas (since 15 January 2005)

**Head of Government:**

Prime Minister Salam Fayyad (since 15 June 2007)

**Population:**

approximately 4 000 000

**Petroleum sector,**
**key figures:**

No oil or gas production

**Brief history of the project**

The program started with the activities in 2007.

**Activities in 2007**

A letter from the Palestinian Authorities was sent on 14 April 2007 requesting assistance from Norway in capacity building, technical assistance and advice in planning and preparing for a Palestinian petroleum sector.

A comprehensive energy sector review was issued by the World Bank in May 2007

An NPD representative accompanied a Palestinian delegation to Egypt to study BG operated gas fields.

Participants from Norad, Petrad, the World Bank and IPAN conducted a fact-finding mission in August and had meetings with the Ministry of Finance, the Palestinian Energy Authority, the Prime Minister and other government institutions.

A 3-day seminar on petroleum resource management was organized in December 2007 by Petrad, in co-operation with the Palestinian Energy Authority and the Representative Office of Norway to the Palestinian Authority.

**Plans and activities for 2008**

Training in petroleum management

- Petrad will organize various on-site seminars on petroleum policy, resource management, organization and monitoring of the petroleum sector.
- Visit to Norway by a Palestinian delegation.
- 1 participant from the Palestinian Territory to Petrad's 8-week course in October–November 2008.

Assistance in establishing a contractual framework

- Assistance on policy, law and regulations.

Other workshops and assistance involving Norwegian and Palestinian Authority institutions



# SÃO TOMÉ AND PRÍNCIPE

## Project:

Short-term institutional cooperation, coordinated with support from the World Bank and other donors

## Cooperating institutions:

Agência Nacional do Petróleo (ANP)  
Ministério dos Recursos Naturais e Meio Ambiente

## Goals and objectives:

The short-term complementary assistance will address urgent issues, most of which are currently handled under the WB Technical Assistance and Capacity Building Project. The idea is that the Norwegian programme on these issues can provide a second opinion or additional technical expertise regarding draft legislation, regulations, the model contract, and strategic papers or governance processes. Some issues are supplementary to the World Bank assistance.

**Project period:** April 2008–December 2009

**Total budget:** NOK 2.25 mill

## Programme:

The programme will include the following components:

- Policy, legislation and model contract advice
- Technical advice on environmental issues
- Technical advice on licensing
- Technical advice on health and safety
- Regional cooperation
- Training
- Assessment of the need for further Norwegian support
- Programme management

## Contact:

Oil for Development: Mr. Svein Erik Heglund, [sveh@norad.no](mailto:sveh@norad.no)

## Cooperating Institutions in Norway:

Norwegian Petroleum Directorate  
Ministry of Petroleum and Energy  
Petroleum Safety Authority  
Directorate of Fisheries  
State Pollution Control Authority  
Petrad



## COUNTRY FACTS:

### Official Name:

Democratic Republic of São Tomé and Príncipe

**Capital:** São Tomé

### Chief of state:

President Fradique de Menezes

### Head of Government:

Prime Minister Patrice Trovoada  
(since 14 February 2008)

### Population:

199 579 (2007)

### Petroleum sector,

#### key figures:

No oil or gas production

### **Brief history of the project**

The NPD was in 2005 requested by the Norwegian Embassy in Luanda to assess the need for assistance to São Tomé and Príncipe and some planning activities were carried out. This work continued in 2006 and in September the Agência Nacional do Petróleo (ANP) visited the NPD to discuss a cooperation programme. The request was presented in October 2006 by the ANP to Minister Erik Solheim at the EITI conference in Oslo. In June 2007 in a meeting between the ANP, Norad, the World Bank and the NPD, the request for Norwegian support was aligned with the World Bank and other initiatives.

The cooperation agreement between the ANP and the NPD will be signed and work will start during 2nd quarter 2008.

### **Activities in 2007**

As of 2007, the project was still in the planning phase and the main activity was the June meeting with the ANP in Oslo to align the Norwegian project with other donor assistance. The meeting also focused on the issue of coordinated management of the petroleum sector, environment, fishing and other industries.

Some time was also spent to find the appropriate management model for this project.

### **Plans and activities for 2008**

- Kick-off meeting
- Policy assistance
- Environmental management study tour to Norway
- Workshop on environmental regulations
- Workshop on licensing, grid system and resource assessment
- Provide promotion assistance
- Provide assistance to establish capacity on health and safety supervision
- Participation in training programmes in the region
- Participation at Petrad 8-week training programme

Angola, Bolivia, Iraq, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda, Vietnam, Afghanistan, Bangladesh, Cambodia, Ecuador, Ghana, Indonesia, The Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestinian Territory, São Tomé and Príncipe, South Africa, Tanzania, Zambia

# SOUTH AFRICA

## Project:

The South African petroleum sector policy and capacity building project, NPD-PASA sub-programme is part of a larger energy programme.

## Cooperating institutions:

Department of Minerals and Energy (DME)  
Petroleum Agency South Africa (PASA)

## Goals and objectives:

Develop a dynamic and perpetual integrated energy plan and associated human capacity to promote reliable and consistent supply of liquid fuels to consumers. The objectives of the NPD-PASA sub-programme is to transform the core functions of the Agency under the Mineral and Petroleum Resources Development Act, develop capacity to implement resource evaluation technologies for routine, on-going evaluation of South Africa's petroleum resources and assure an effective extended continental shelf claim.

**Project period:** 2007–2009

**Total budget:** ZAR 5 million (NOK 3,25 million).

**Total budget of the energy programme:** NOK 35 mill

## Programme:

Possible programme areas for NPD support to PASA include:

- Transfer of relevant expertise to PASA
- Assistance in mapping capacity and competence needs
- Training assistance
- Support regarding development of regulations and supervisory methodology
- Support regarding resource assessment and data management
- Continued support regarding the delineation of the continental shelf

## Contact:

Oil for Development: Ms. Solveig Andresen, [soan@norad.no](mailto:soan@norad.no)

## Cooperating institutions in Norway:

Norwegian Water Resources and Energy Directorate  
Norwegian Petroleum Directorate  
Petroleum Safety Authority Norway  
Petrad



## COUNTRY FACTS:

### Official Name:

RePublic of South Africa

### Capital:

Pretoria  
(Cape Town is the legislative centre and Bloemfontein the judicial centre)

### Chief of state:

President Thabo Mbeki

### Head of Government:

President Thabo Mbeki

### Population:

43 997 828 (2007)

### Petroleum sector, key figures:

*Average oil production:*

16 200 bbl/day (2006)

*Annual gas production:*

1.9 bill m3 (2006)



### **Brief history of the cooperation**

The present project is a continuation of the energy cooperation between the Republic of South Africa and Norway initiated in 1996.

A business plan was developed between the DME and the Norwegian Water Resources and Energy Directorate (NVE) in 2006. The NPD, the Petroleum Safety Authority (PSA) and Petrad assist the NVE in implementing the business plan.

The cooperation programme consists of five sub-programmes. Four are managed by the NVE, while the NPD is responsible for the fifth, which is a cooperation programme with PASA. The NPD-PASA programme is the only programme with substantial funding through the OfD programme.

The NPD-PASA sub-programme plan and contract for cooperation was signed in July 2007.

### **Activities in 2007**

The second half of 2007 was used for planning activities. The PASA budget, which was originally planned to be NOK 5 mill, was later changed to Rand 5 million, which today is less than 70% of the NOK. It is therefore difficult to carry out the planned activities unless PASA can get access to additional funds from the budget of the main programme.

The ToR for the NPD assistance to PASA was developed.

Procedures for procurement of an institutional capacity review and a consultancy assignment were discussed.

The NPD participated at the DOALOS workshop in Cape Town in August and discussed the work and the progress of South Africa's extended shelf claim.

### **Plans and activities for 2008**

- An institutional capacity review will be carried out by Petrad in March/April
- Some training activities are expected to be implemented as a result of the review. PASA personnel will most likely participate at the Petrad 8-week course
- Work regarding reserves and resource evaluation is planned for 2nd half 2008, starting with a workshop to decide on the software to be used
- Regulatory assistance
- Organizational review of PASA particularly for regulatory functions
- Review of the mandate of the Department of Minerals and Energy with regard to the mandate of the PSA.
- Capacity/Training Needs Assessment (TNA) for individuals in all divisions and departments, but with the main focus being on the Regulation Division.

# TANZANIA

**Project:** Support to the Petroleum Data Archive for Tanzania operated by the TPDC

**Cooperating institution:**

Tanzania Petroleum Development Corporation (TPDC)

**Goals:**

Increased social and economic growth in Tanzania through efficient and sustainable exploration and exploitation of the petroleum resources.

**Objectives:**

Enhance the quality and capacity of the National Archive of Petroleum Data in the TPDC to transcribe, store and manage all relevant petroleum data, which the upstream petroleum industry needs to operate efficiently in Tanzania.

**Project period:** January 2005–June 2008

**Total budget:** NOK 1.94 mill

**Programme:**

The programme consists of the following main components:

- Quality control of seismic tape archive
- Upgrade equipment and facilities
- Upgrade and training, seismic archive location system
- Enable in-house transcription from old to new media
- Regional cooperation with Mozambique on transcription

**Contact:** Oil for Development: Mr. Ivar Aarseth, [iaa@norad.no](mailto:iaa@norad.no)

**Cooperating institutions in Norway:** Norwegian Petroleum Directorate



**COUNTRY FACTS:**

**Official Name:**

United Republic of Tanzania

**Capital:**

Dar es Salaam

**Chief of state:**

President Jakaya Kikwete.

**Head of Government:**

President Jakaya Kikwete.

**Population:**

39 384 223 (2007)

**Petroleum sector,**

**key figures:**

No oil production

*Annual gas production:*

506 mill m<sup>3</sup> (2006)

**Brief history of the project**

Norad has previously supported the establishment of a Petroleum Data Archive at the TPDC in Dar es Salaam from 1985 to 1997 under the TAN051 project. At that time considerable resources were used to reformat Tanzanian petroleum data onto more modern storage media. The data project was part of a larger project, which also focused at supporting the commercialization of the Songo Songo gas project. Unfortunately, the project was not continued at that time by Norad and the support to the Petroleum Data Archive and the assistance to MEM for the Songo Songo project were terminated.

The NPD still has some of the old TPDC data in its data storage and has since 1997 been in the position to cover priority needs for copies of data when the TPDC has requested such support.

The current project to revitalize the Petroleum Data Archive received initial support from the INP institutional support programme in Mozambique. The project has greatly benefited the regional cooperation between the two Petroleum Data Centres in Maputo and Dar es Salaam.

**Activities in 2007**

Start of full-scale reformatting took place in April in parallel with hardware maintenance by TSS engineers and installation of an additional drive. At the same time the routines for efficient transformation of the seismic data and for logging of the data in the database were completed. The computer transcription system was made stable and functional to allow for efficient transcription. The transcription work was completed by November.

**Plans and activities for 2008**

- Continue transcription of old data that have recently been received from one of the operating companies.
- There will be need for additional maintenance of the system and possibly also assistance to the TPDC during transfer of the data facilities to new offices. The transcription project is planned to be completed by June.
- Hopefully, the support to the TPDC can continue for some time under a new programme.
- Additional vintage seismic data previously not included in the project need to be transcribed to new media.

# ZAMBIA

**Project:** A comprehensive programme for the development of potential petroleum resources in Zambia

**Cooperating institutions:**

Ministry of Mines and Minerals Development, Geological Survey Department (Zambia) The Royal Norwegian Embassy in Zambia

**Goals:**

Increase understanding, capacity and competence of petroleum development within ministries and other state institutions in Zambia. Support Zambian authorities and enable them to initiate and conduct necessary activities in order to develop their potential in the oil and gas sector.

**Objectives:**

No discoveries have been made in Zambia, but much effort is being made trying to map the potential in this area. Norway has decided to support the country in the mapping process. The Norwegian focus is on knowledge transfer and institution building, enabling the country to manage this process in an optimal way.

**Project period:** 2006–2009

**Total budget:** NOK 5 mill

**Programme:**

The programme consists of the following main components:

- Visits to neighboring countries
- Visits to Norway
- Various seminars in Zambia:
  - Resource management
  - Environment management
  - Local content
  - Data management
- Support with revising petroleum legislation
- Support with promotion and licensing rounds

**Contact:** Oil for Development: Ms. Solveig Andresen, [soan@norad.no](mailto:soan@norad.no)

**Brief history of the project**

Cooperation between Norway and Zambia has a long history and Zambia receives considerable support from Norway in many areas. Support to petroleum sector development is of more recent date. The areas in the country where the potential of finding oil and gas is highest are at the same time some of the environmentally most vulnerable areas. In some cases potential oil and gas fields are located in globally important national parks which generate essential foreign exchange through tourism. This is an obvious challenge, and a major concern also for Norway, which has supported the management of these protected areas for more than twenty years.

A comprehensive programme for development of potential petroleum resources in Zambia was agreed in the middle of 2006. A main element of the programme is to study how petroleum development can take place without harming the environment.

**Activities in 2007**

In 2007 three of the activities in the programme were completed and one activity was being planned:



**COUNTRY FACTS:**

**Official Name:**

Republic of Zambia

**Capital:**

Lusaka

**Chief of state:**

President Levy Mwanawasa

**Head of Government:**

President Levy Mwanawasa

**Population:**

11 477 447 (2007)

**Petroleum sector,**

**key figures:**

No oil or gas production

A Zambian visit to neighboring countries to learn how the petroleum activities are organized in countries like Uganda, Tanzania and Mozambique was carried out in March.

A Zambian delegation of ten people from various ministries and state visited Norway in April.

Law firm Arntzen de Besche gave support to the revision of the Petroleum Act in December.

Petrad visited Zambia to plan a seminar in 2008.

**Plans and activities for 2008**

- A National petroleum development seminar was arranged in Lusaka 29 January–1 February
- A Data management workshop will be arranged in Entebbe 1–3 April
- A seminar on Environment management is planned in June
- A seminar/workshop on promotion and licensing is planned for September
- Support on evaluating geological data will be an ongoing activity throughout 2008



## REGIONAL PROJECTS

OfD also supports three projects with a regional scope:  
The CCOP, East Africa and West Africa.





## CCOP

**Project:** Petroleum Policy and Management (PPM) was completed in 2007, Enhanced Public Petroleum Management (EPPM) is in the planning phase.

### Brief history of the cooperation

Norway has, as a cooperating country, supported the CCOP since 1976. From 1989 support to the CCOP has been substantial and Norway has been the major supporter of the CCOP's petroleum programmes.

The Petroleum Policy and Management (PPM) project was completed by year-end 2006. The final report was completed in December 2006 and distributed to member countries and donors. 47 activities were organized through the project, split in 19 case study workshops, 9 seminars and 19 expert visits. The total number of participants in the PPM project was 395 personnel from the CCOP member countries.

Surplus funding from the PPM project has been approved by the Norwegian Embassy in Bangkok to be spent for planning and introductory activities towards a new cooperation programme between Norway and the CCOP, Enhanced Public Petroleum Management (EPPM). Additional funding for bridging activities between the PPM and the EPPM has also been granted by the Norwegian Embassy. The NPD and others assisted in the planning process of the EPPM.

### Contact:

Oil for Development: Mr. Hans Peter Christophersen, [hapc@norad.no](mailto:hapc@norad.no)

### Cooperating institutions in Norway:

Norwegian Petroleum Directorate  
Petroleum Safety Authority  
Petrad

### Activities in 2007:

Mr. Per Blystad from the NPD took over from Mr. Erling Kvadsheim as Norway's Representative to the CCOP in 2007. Norway was represented at the CCOP 43rd annual session in Korea in October and attended an Advisory Group meeting in Bangkok, also in October.

### Plans and activities for 2008

The NPD has an advisory role towards the following components:

- Petroleum resource management with focus on the undiscovered resources (NPD)
- Natural gas development and Clean Development Mechanism (Petrad)
- Metadata on natural gas resources in the CCOP region (NPD)
- Feasibility study of networking of petroleum geoscience institutes and organizations in the CCOP MC



The Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP) is an inter-governmental organization whose mission is to facilitate and coordinate the implementation of applied geoscience programmes in East and Southeast Asia in order to contribute to economic development and the improvement of the quality of life in the region. To this end, the CCOP promotes capacity building, technology transfer, exchange of information and institutional linkages for sustainable resource development, management of geo-information, geo-hazard mitigation and protection of the environment. The CCOP has eleven member countries: Cambodia, China, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, Philippines, Singapore, Thailand and Vietnam. It is supported by fourteen cooperating countries namely Australia, Belgium, Canada, Denmark, France, Germany, Japan, The Netherlands, Norway, Russian Federation, Sweden, United Kingdom and United States of America.



# EAST AFRICA

## EAPC

The East African Petroleum Conference 2007 (EAPC 07) was held in Arusha, Tanzania, in March 2007. The conference was hosted by the East African Community (EAC), which is the regional intergovernmental organization of the republics of Kenya, Uganda and Tanzania. In connection with the EAPC 07 Norway was specially invited to contribute on oil revenue management. The Norwegian Embassy in Tanzania provided a support to the conference of NOK 700 000.

## Regional data management seminar project:

Regional data management seminar for East Africa and neighboring countries, arranged in Kampala, Uganda 22–26 October 2007.

## Participating countries and institutions:

Tanzania, Kenya, Mozambique, Zambia, Uganda and East African Community (EAC)

## Cooperating institutions:

Norwegian Petroleum Directorate (NPD)  
Ministry of Energy, Uganda

## Goals:

Increase understanding, capacity and competence of data management within ministries, state institutions and state oil companies in the region.  
Establish contacts and knowledge transfer between the countries.

## Objectives:

Create an arena where people could meet and exchange experience and learn from each other. The seminar focused on data management/information management in the petroleum sector, with special attention to basic knowledge. Such knowledge is available more or less only through sharing of experience.

## The seminar programme:

- General knowledge of data management/information management
- DM – National perspective
- DM – Oil industry perspective
- Experiences from around the world
- DM of seismic data
- DM of well data
- DM of development and production data
- Experience from Norway
- Experience from the region
- DM of physical data
- Physical storage facility
- DM in an interpretation project
- Records management

**Project period:** 2008

**Total budget:** NOK 0.8 mill

## Contact:

Oil for Development: Ms. Liv Marte Nordhaug, [lino@norad.no](mailto:lino@norad.no)

### **Brief history of the East Africa cooperation**

The NPD and Petrad have been active for many years in East Africa. A large number of seminars and projects have been conducted. The countries are different, but there are many similarities when it comes to the development of potential petroleum resources. The development level varies from country to country. This makes it possible for the countries to learn from each other, at the same time as the challenges have many similarities. Competence and capacity is not at a satisfactory level in any of the countries. The seminar proved to be very successful. The content was well received and there were good and fruitful discussions. The seminar proved to be a good common arena for mutual learning.

### **Activities in 2007**

During the seminar and also in the evaluation forms of the seminar it was clearly expressed that the participants wanted a new possibility to meet again and share knowledge and experience.

### **Plans and activities for 2008**

A follow-up seminar will be arranged in October 2008 in the region. Time and place is not yet decided.

## 5.3

# WEST AFRICA

In the second half of 2008 a seminar on data management is planned for several countries in West Africa. The seminar will give insight into why the countries need to take well care of their data and how they should do it. The problems in many of the countries are the same, and often solutions can be. Cooperation on this issue can save both costs and time. Therefore, information about the countries in the region is an important part of such a seminar, as well as looking at possibilities for cooperation.

The budget for the seminar is approximately NOK 1 million.





## Economic overview for 2007 and 2008<sup>1</sup>

**Figure 1** shows how funds spent by OfD have steadily increased. In 2007 total spending reached NOK 148 million which was an 80% increase from NOK 82 million in 2006. The budget for 2008 is NOK 240 million. The shaded area in the column for 2008 indicates an uncertainty in the expenditure which is likely to be less than budgeted. The main reason for this is that a number of countries where OfD operates are politically unstable (e.g. Sudan, Lebanon and Iraq) with discontinuities and delays in the disbursement of funds.

OfD activities are financed from eight different posts of the development assistance budget. The most important funding for the program are the regional allocations of the Ministry of Foreign Affairs and Norad's budget.

<sup>1</sup>The economic overview was finalized at the end of first quarter 2008

Figure 1: OfD activities, NOK million

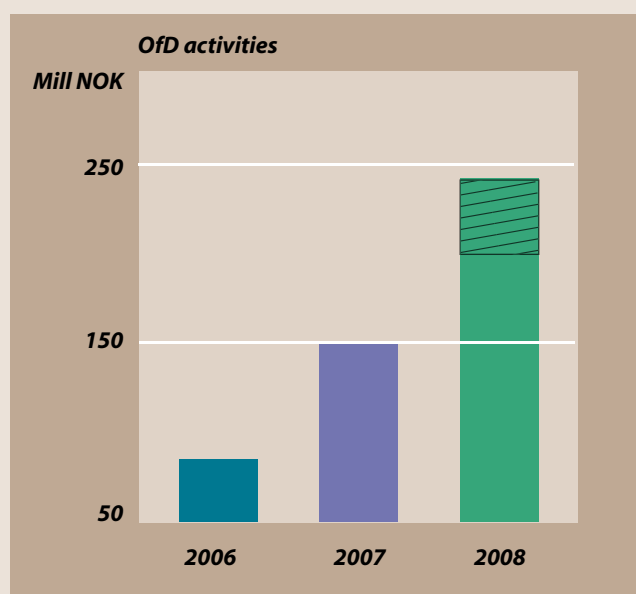


Table 1: Core countries of cooperation, NOK 1000

	2007	2008
	Expenditures	Forecast
Angola	11 162	21 200
Bolivia	1 401	5 000
Ghana		6 000
Madagascar	6 272	9 100
Mozambique	14 900	22 000
Nigeria	5 655	9 700
Sudan	4 800	24 000
Timor-Leste	15 889	17 100
Uganda	7 121	4 800
Iraq	10 500	11 400
Vietnam	5 775	3 500
<b>Total</b>	<b>77 203</b>	<b>133 800</b>

**Table 1** shows the expenditure of the ten core countries of cooperation for 2007 and the forecast for 2008. In 2007 the core countries made up 81 % of OfD's country-based expenditure. In March 2008 Ghana was classified as a core country while Iraq became a country with more limited cooperation.

The details of the spending in each of the core countries are outlined in more detail in Chapter 3.

**Table 2: Countries with limited cooperation, NOK 1000**

	<b>2007</b>	<b>2008</b>
	<b>Expenditures</b>	<b>Forecast</b>
Afghanistan	3 289	9 100
Bangladesh	3 045	5 100
Cambodia	2 410	6 150
Ecuador	657	2 500
Ivory Coast		5 000
Indonesia	500	1 000
Kenya	30	2 000
Lebanon	2 422	6 900
Mauritania	358	
Nicaragua		1 000
Palestinian Territory	388	3 000
São Tomé & Príncipe	200	1 500
South Africa	500	2 700
Tanzania	1 431	3 000
Zambia		2 300
CCOP	2 700	2 000
East Africa regional project		700
West Africa regional project		1 000
<b>Total</b>	<b>17 930</b>	<b>54 950</b>

**Table 2** shows the expenditure in the 16 countries where OfD has more limited cooperation. In addition, OfD spends funds on regional projects. In the fall of 2008 a data management seminar is planned for West Africa as well as a geology seminar for the Middle East. The intention is to expand OfD's regional programs in the coming years as a way to decrease costs and be able to reach more countries. The activities in Indonesia will be phased out during 2008.

The details of expenditure for each country in this category are found in Chapter 4.

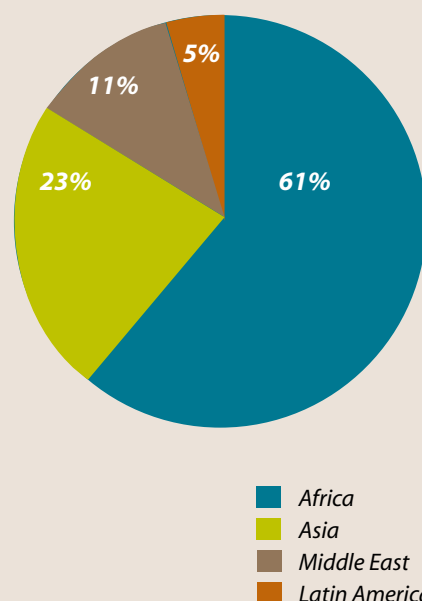


**Table 3: Country-wise allocations distributed among different regions, NOK 1000**

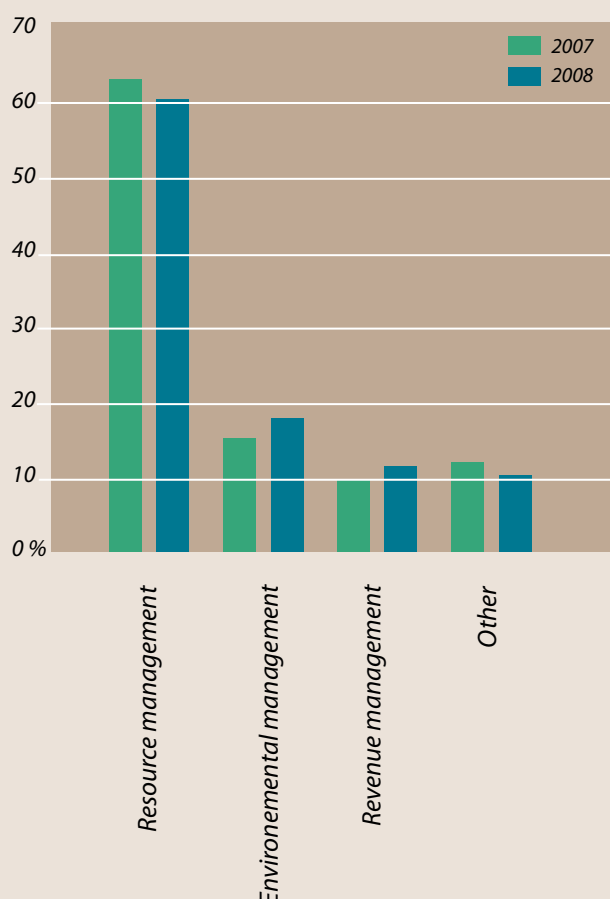
	2007	2008
Africa	52 229	113 500
Asia	30 563	43 950
Middle East	13 100	21 300
Latin America	2 058	8 500
<b>TOTAL regions</b>	<b>97 950</b>	<b>187 250</b>

**Table 3 and Figure 2** show how the OfD resources are distributed among the different regions. In 2007 53 % of the expenditure was allocated to African countries. This share is expected to increase to 61 % in 2008.

**Figure 2: Distribution between the different regions for 2008, percent**



**Figure 3: Core activities, percent**



**Figure 3** shows how OfD's country based expenditures are distributed among three core activities; Resource management, Environmental management and Revenue management. The fourth category "Other" mostly relates to governance. Activities associated with resource management are the most important, with a share of approximately 60 percent. The share spent on environmental and revenue management is expected to see an increase from 2007 to 2008, which is in line with the overall objective of the programme.

These figures are "bottom-up" estimates based on an analysis of the activities in each country. OfD aims at a holistic approach to petroleum administration where Resource management, Revenue management and Environmental management are integral parts of an overall approach. Therefore, it is difficult to exactly determine the percentages allotted to each core activity. Consequently the aggregated figures must be interpreted with care. They are more a rough indication than exact figures.



OfD spends its allocated funds on a number of institutions, the most important of which are shown in **Table 4**.

The table indicates how much OfD spends directly on services from the listed institutions. (First-hand expenditure). Some of the recipients of OfD funds (governments and institutions in receiving countries and civil society) also spend some of their funds on services from these institutions. This secondary effect is not accounted for in the table.

NPD and Petrad, two institutions that have been involved in this area of work for many years were the largest recipients in 2007. The expenditure for civil society was in 2007 approximately NOK 5 mill and will in 2008 increase to more than NOK 18 mill. The allocation to the World Bank will remain unchanged at the present level under the three-year agreement entered into between OfD and the World Bank in 2006. Spending by the Ministries of Finance, Oil and Energy, Environment and Foreign Affairs is not included in the table below.

**Table 4: Budget allocations to key institutions of cooperation in 2007, NOK 1000**

<i><b>Key institutions of cooperation</b></i>	<i><b>Expenditure 2007</b></i>
Norwegian Petroleum Directorate (NPD)/ The Petroleum Safety Authority	37 000
Petrad	22 000
Consultants with frame agreements (Econ Pöyry, Bridge Group and IPAN)	4 500
Civil society	5 000
World Bank	20 000
The Norwegian Pollution Control Authority/ Directorate for Nature Management	1 400

The direct costs of running the OfD Secretariat for 2007 (wages and travel) were NOK 5,2 million. This is expected to increase to NOK 7,1 million in 2008 in line with an increase in the number of people working in the Secretariat.







Oil for Development Secretariat  
(As of 15.06.2008)



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**Aynur G ndogan:** aygu@norad.no





Norad

[www.norad.no/ofd](http://www.norad.no/ofd)

Angola, Bolivia, Iraq, Madagascar, Mozambique,  
Nigeria, Sudan, Timor-Leste, Uganda, Vietnam,  
Afghanistan, Bangladesh, Cambodia, Ecuador, Gha-  
na, Indonesia, The Ivory Coast, Kenya, Lebanon,  
Mauritania, Nicaragua, Palestinian Territory, São  
Tomé and Príncipe, South Africa, Tanzania, Zambia