



www.norad.no



OIL FOR DEVELOPMENT 2008

OIL FOR DEVELOPMENT 2008

PREFACE

What Oil for Development is About

The international financial crisis has reminded us of an essential challenge for oil and gas producing countries: Managing the booms and busts. Robust institutions, a long term perspective and realistic expectations among the various stakeholders are required to achieve this. Ultimately Norway and other petroleum producers will have to rely on new forms of income generation. We have to use the resources in the ground wisely to build our capacity to meet this challenge. And we cannot afford to destroy the environment in a hunt for quick money.

Oil should be a blessing, not a curse. Governments should use petroleum revenues to provide essential services for the many, and not line the pockets of the few; local communities should experience new economic opportunities from petroleum activities, and not the destruction of their livelihoods through environmental degradation; countries rich in petroleum should prosper, and not slide into violent conflict and political chaos.

Norway has wide expertise in the field of petroleum sector management. Our administration of natural resources and resulting revenues has attracted considerable international attention. Many developing countries want to learn from our experience.

The Norwegian Government's "Oil for Development" initiative focuses on resource management, revenue management and environmental management. We mainly build capacity within government institutions, because a competent public sector is crucial in ensuring good governance of the petroleum sector.

However, we also support civil society and media. These organizations must be strong enough to monitor their governments.

Demand for Norwegian assistance with petroleum sector management is growing rapidly, and Norway now cooperates with more than 25 countries, mostly bilaterally, but also through regional and multilateral initiatives. Each country has its own particular challenges and there are no "quick fixes".

Our goal is to enable our cooperating countries to manage their petroleum resources without our assistance. Vietnam has now reached that point, and we are gradually scaling down our capacity building activities. However, getting there has required more than 20 years of cooperation, strong political will, and complex cross-cultural efforts. Oil for Development is an important part of Norway's international development efforts and will continue to be so in the years to come.



Erik Solheim
Minister of the Environment and
International Development

Oslo, May 2009

2008 OIL FOR DEVELOPMENT



Norad
Norwegian Agency for Development Cooperation

Pb. 8034 Dep. 0030 Oslo
Ruseløkkveien 26
Oslo, Norway
Telefon: +47 22 24 20 30
Faks: +47 22 24 20 31

www.norad.no

CONTENTS



PHOTO: Jan Stenløkk

	What Oil for Development is About	2
1	Highlights	5
2	A student's perspective on OfD	7
3	OfD Projects – core countries	9
3.1	Angola	11
3.2	Bolivia	13
3.3	Ghana	16
3.4	Madagascar	19
3.5	Mozambique	22
3.6	Nigeria	25
3.7	Sudan	28
3.8	Timor-Leste	31
3.9	Uganda	34
3.10	Vietnam	38
4	OfD Projects – countries with limited cooperation	43
4.1	Afghanistan	44
4.2	Bangladesh	46
4.3	Cambodia	48
4.4	Ecuador	50
4.5	Indonesia	51
4.6	Iraq	53
4.7	The Ivory Coast	55
4.8	Kenya	56
4.9	Lebanon	57
4.10	Mauritania	58
4.11	Nicaragua	59
4.12	Palestinian Territory	60
4.13	São Tomé and Príncipe	61
4.14	South Africa	62
4.15	Tanzania	64
4.16	Zambia	65
5	Regional projects	66
5.1	CCOP	67
5.2	EAC	68
6	Economic overview of 2008 and 2009	69
6.1	General overview	70
6.2	Regions and countries	70
6.3	Sectors – the 3 pillars	72
6.4	Institutions	72
7	Who we are	74
7.1	The Steering Committee and the Secretariat	74
7.2	The Norwegian Embassies	74
7.3	Key implementing agencies	74
7.3.1	The Norwegian Ministry of Foreign Affairs	75
7.3.2	The Norwegian Ministry of Petroleum and Energy	75
7.3.3	The Norwegian Ministry of the Environment	75
7.3.4	The Norwegian Ministry of Finance	76
7.3.5	The Norwegian Petroleum Directorate (NPD)	76
7.3.6	The Norwegian Pollution Control Authority (SFT)	76
7.3.7	The Directorate for Nature Management (DN)	77
7.3.8	Petroleum Safety Authority Norway (PSA)	77
7.3.9	Petrad	77
7.3.10	Other involved agencies	77

1 Highlights ¹

As of April 2009, Oil for Development (OfD) is cooperating with more than 25 countries, and thematically 2008 has seen an increase in activities within the areas of revenue and environmental management. Still, assistance in resource management remains the most important element of OfD. Funds spent over the programme have increased from NOK 148 million in 2007 to NOK 205 million in 2008.

By far the largest part of OfD funding goes to our ten countries of core cooperation and their budget share is set to increase further in 2009. The latest addition to the list was Ghana, which in March 2008 became a country of core cooperation for OfD. Cooperation has also been broadened and deepened in Timor-Leste, where a new five-year programme started in the fall of 2008. The project includes having several advisors on the ground, as well as a large scholarship programme to educate Timorese at universities in various countries.

Recent political developments have led to a freeze in the bilateral cooperation between Norway and Madagascar. There is therefore uncertainty surrounding the future of this project. Political instability also brought all OfD supported projects in Mauritania to a halt in 2008.

In April 2009 Afghanistan launched its first international oil and gas licensing round. OfD has provided support to the Afghanistan Ministry of Mines, with particular attention to competence building and assistance towards an international bidding round.

¹ Note that the format of this report is slightly different from the first OfD report published last year in that the current report focuses more on 2008 activities and less on plans for 2009. The information in the report is up-to-date as of 1 April 2009.

OfD has entered into an agreement with the IMF that has increased the capacity to provide assistance in petroleum revenue management. The cooperation with the World Bank has continued under the Petroleum Governance Initiative.

Civil society capacity building in the cooperating countries, through Norwegian and international NGOs, has established itself as a crucial complement to the assistance provided to partner governments directly by Norwegian government institutions. The largest Norwegian recipients of OfD funds for civil society activities have been WWF Norway, Publish What You Pay Norway and Norwegian People's Aid. The largest international recipient was Revenue Watch Institute, under a 2006-2009 frame agreement with OfD.

Institutional cooperation between government institutions in Norway and in cooperating countries lies at the core of how OfD works, but both within and outside of this framework capacity building efforts have been streamlined through the development of standardized modules covering key petroleum-related topics by Petrad. For each seminar the relevant module is adapted to fit the particularities of the context in question, and specialized modules have also been developed for civil society representatives. This is giving OfD the opportunity to respond swiftly to requests, and to provide limited assistance to more countries than before. Petrad and the Norwegian Petroleum Directorate (NPD) have remained the key implementing institutions for OfD in 2008.

PHOTO: RKK, Ole Imsland



Perspectives

There will be a significant increase in OfD support, particularly in Africa, where Ghana and Angola are among the cooperation countries with the largest broadening of efforts. The OfD forecast for 2009 is NOK 250 million in total. OfD will avoid increasing the number of core cooperation countries in order to be able to concentrate its efforts on the existing countries.

Mozambique, Sudan and Timor-Leste will have the largest cooperation programmes in 2009, whereas Vietnam will become a country of limited cooperation rather than a core cooperation country. This reflects that the country now is better placed to manage its petroleum resources in a sound manner.

More attention will be given to regional approaches, particularly in East Africa, West Africa and the Middle East. Regional approaches will also be prioritized through the existing regional projects CCOP and EAP, and through the possible establishment of an African Centre of Excellence for the Extractive Industries in Ghana. A specific aim of the latter will be to promote the return of Africans with relevant skills and education to Africa. Another important aim is to increase South-South cooperation and communication.

OfD will draw upon international cooperation initiatives, such as the World Bank's Petroleum Governance Initiative and the agreement with IMF, in order to respond to cooperation requests.

OfD will start to cooperate with Norwegian NGOs on a three-year rather than one-year basis to allow for improved planning and to simplify administrative procedures.

It is important to identify the concrete results of the OfD programme. To help identify the more long-run effects of the programme, OfD will during 2009 initiate baseline studies for five of its core countries.

Read more about Oil for Development in Chapter 7 and on www.norad.no.

2 A student's perspective on OfD



PHOTO: Mateus da Costa

In 2005 Mateus da Costa was awarded a scholarship from the OfD project in Timor-Leste to undertake a Master's degree in Norway. The conditions are that he will work a minimum of five years for the Timorese public petroleum sector upon completion of his degree. The 27-year-old Timorese, who has a bachelor of geology from Sydney, was accepted at the Master of Petroleum Engineering at the University of Stavanger. This implied taking a gruelling one-year bridging course that covered three years of studies. Mateus is now only months away from completing his final thesis and he recently won the Norwegian Geological Society's Geoprize Award 2009 for

the best Master Thesis presentation. Has the 2½ year stay in Norway been easier than expected?

- There was quite a transition from living in Australia, to then living a short period of time in Timor-Leste, and finally moving to Norway. People are quite friendly in Stavanger, but you have to be proactive to make Norwegian friends. The studies were difficult in the beginning; with my background in geology there was so much new to learn. I was also confused by the traffic, and kept on waiting for the bus on the wrong side of the road, the young Timorese laughs.

3 OfD Projects – core countries



PHOTOS: Mateus da Costa

The studies in Norway have taken Mateus to places where even most Norwegians have never been, including Svalbard, but have at the same time enabled him to focus on his home country.

– My thesis is about the regional tectonic setting of the Timor Sea. The particular part of the thesis that I won the Geoprize Award for is about basin modelling. When I go back to Timor-Leste, I would like to establish a research department in the National Petroleum Authority (ANP), because at the moment there is little capacity to independently monitor the information provided by the international oil companies, he says.

There have already been several big transitions in Mateus' life. How will it be to move back to Timor-Leste after having lived in Australia and Norway for so many years?

– It's going to be difficult. The cost of living and the lifestyle is very different, and I know I will be struggling the first few months. I will be working in Timor-Leste for at least five years, but in the future I will move out again. Norway could be one option. Or Canada, he concludes.



Norwegian Geological Society (NGF) 2009 winter conference, Bergen, where da Costa won the GEOPRIZE 2009 award for the best master student presentation of the year from the NGF. The award was sponsored by Norske Shell.

OfD has long-term cooperation with ten core countries: Angola, Bolivia, Ghana, Madagascar, Mozambique, Nigeria, Sudan, Timor-Leste, Uganda and Vietnam. In March 2008, Ghana became a new core country of cooperation, while the cooperation with Iraq is now on a more limited scale. In 2009 petroleum assistance from Norway to Vietnam will also be downscaled such that the country will no longer be a core cooperation country.

Long-term cooperation often involves institutional cooperation between relevant departments in Norway and the host country in some or all areas of resource management, revenue management and environmental management.

Due to capacity constraints, only a limited number of countries are likely to qualify for such extensive cooperation on petroleum governance. Thus, applications for this type of broad 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, in order for longer-term OfD cooperation to be considered, there must be well-documented political commitment to sustainable development and good governance, including transparency and anti-corruption initiatives.

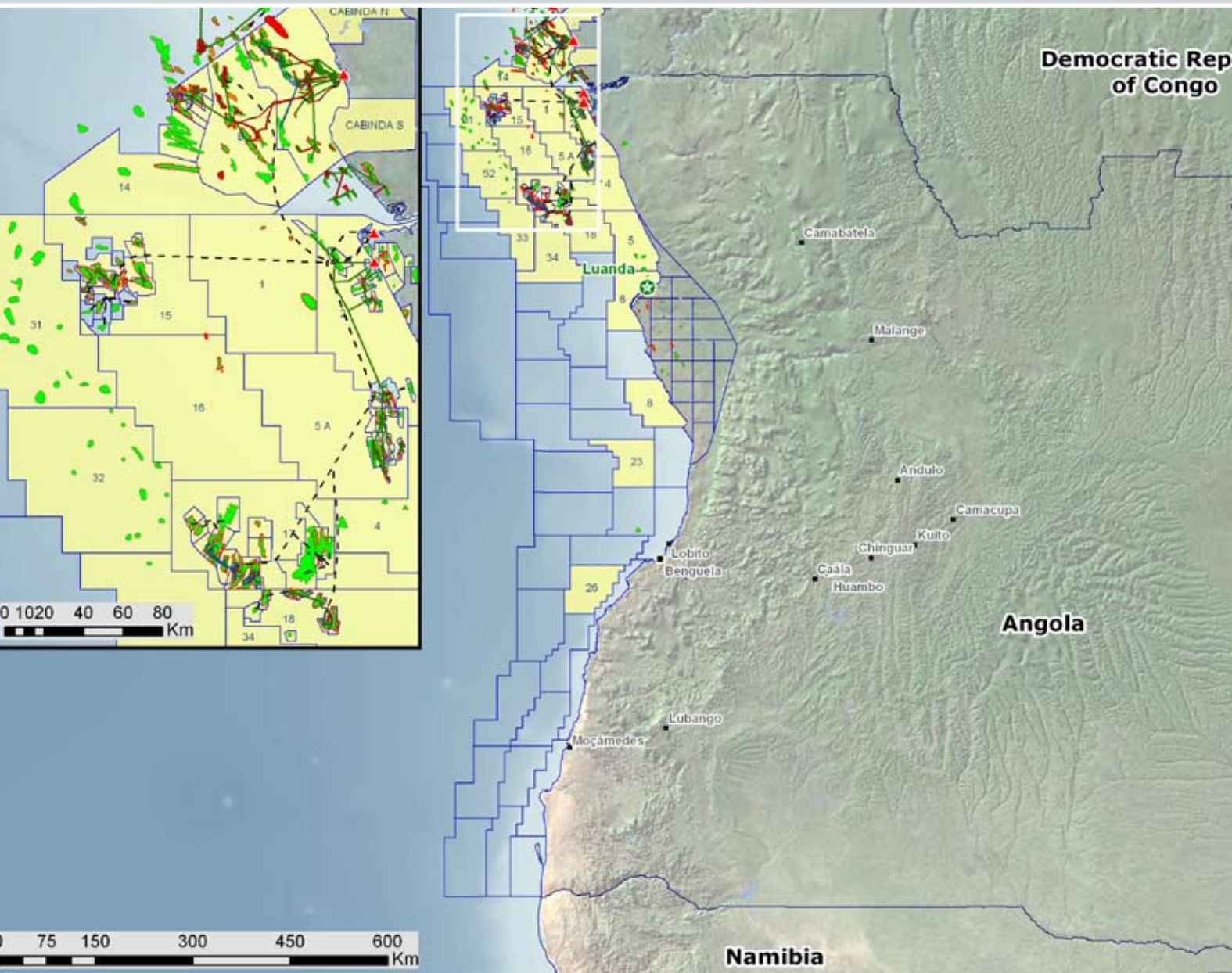
Norway gives priority to the Extractive Industries Transparency Initiative (EITI) and motivation to implement the EITI-criteria will be seen as a clear advantage.

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.



PHOTO: Jan Stenlökk



3.1 ANGOLA

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

Cooperating institution:
Ministry of Petroleum (MINPET)

Goals and objectives:
Promote improved management of national petroleum resources as one of the tools for sustainable economic and social development in Angola. This includes improving the 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 million

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

Contact:
Oil for Development:
Mr. Svein Heglund, sveh@norad.no

Cooperating institutions in Norway:
Norwegian Petroleum Directorate



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:
12 531 357 (2008)

**Petroleum sector,
key figures:**

Average oil production:
1.75 mill bbl/day (2007)

Annual gas production:
8.2 bill m³ (2007)

Organization of the sector:

Ministry of Petroleum
- Regulatory and
supervisory body

Sociedade Nacional
de Combustiveis de
Angola (Sonangol)
- State-owned oil
company. Sole con-
cessionaire and partner
in concession agreements
and in some PSAs with
international oil
companies



PHOTO: Jan Stenløkk

Brief history of the project

Norwegian assistance within the petroleum sector in Angola started in 1987. The objective was to assist Angola in institutional competence building in order to improve the government's capabilities to develop, direct and control the petroleum activity. In 2006, a programme on environmental monitoring and training of Angolan scientists and technicians was initiated in order to share Norwegian experience regarding effects of oil-related offshore activities on the marine environment and the impact of these activities on fisheries and marine biodiversity. A new agreement between Norway and Angola regarding technical assistance for the petroleum sector was signed on 4 October 2006 and a new cooperation programme was signed by MINPET and NPD in May 2008. The new programme will run for 3 years and has a budget of NOK 27 million.

Activities in 2008

2008 marked the start-up of phase II.

An Organizational Development Process (OD) was conducted to contribute to the strengthening of MINPET.

The process was conducted by a consulting company. All the different units in the MINPET were involved. This was essentially a gap analysis of the present and potential capacities of the Ministry. The purpose of the OD was to strengthen MINPET's capacity to define strategies, goals, tasks, priorities and responsibilities to enable it to address the challenges of the new Petroleum Law. This process revealed the need for strengthened competence within MINPET. The consulting company reported 46 areas of improvement from the gap analysis.

Plans for 2009

For 2009 it is proposed to follow up the OD process and to implement the various proposals for improvements. It is proposed to start with the first 6 priorities/"fast track" projects:

- Leadership principles and training
- Language training
- Defining need for more professional competences
- Develop long-term planning
- Develop a plan for future regulation needs
- Inspection strategy

Further plans for 2009 entail activities within the Multi-sector Institutional Support to Oil, Fish and Environment. MINPET will cooperate on environmentally-related issues with representatives from the Ministry of the Environment (MinAmb) and the Ministry of Fisheries (MinPescas). The cooperation will cover questions related to environmental monitoring with the use of the R/V Dr Fridtjof Nansen, operational discharge, contingency aspects and legal aspects.

The plans also include support with Environmental Impact Assessment (EIA), evaluation and capacity building (workshops etc.) and coordination between the three Ministries of activities relevant to petroleum activity.

The work will also focus on improving petroleum scientific and information knowledge in Angola and facilitating arenas for sharing knowledge and experiences on a regional level.

3.2 BOLIVIA



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:
9 247 816 (2008)

Petroleum sector, key figures:
Average oil production:
No oil production in 2007.
Annual gas production:
11.5 bill m³ (2007)

Organization of the sector:
Ministry of Hydrocarbons and Energy

Yacimientos Petrolíferos Fiscales Boliviano (YPFB)
- State-owned oil company

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: NOK 16 million

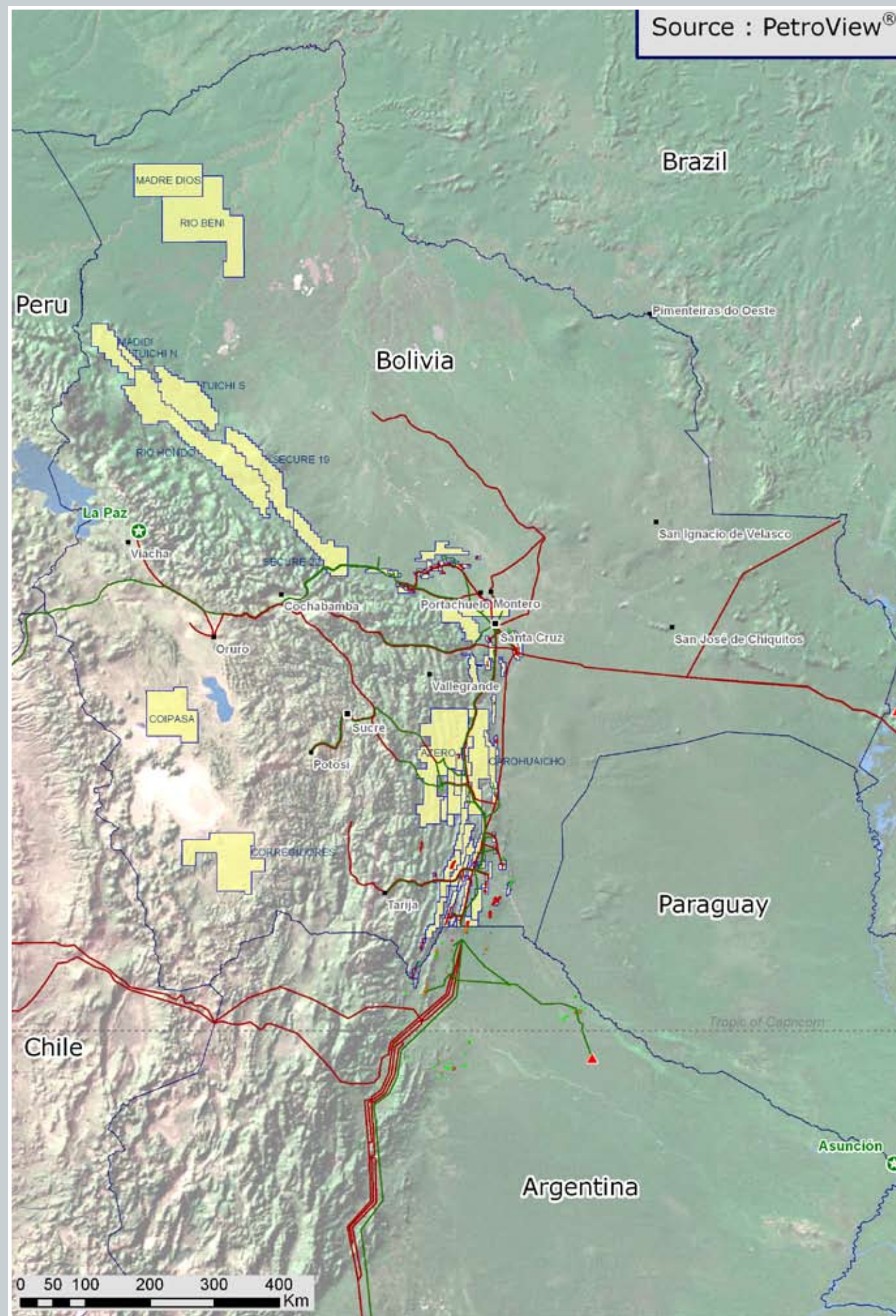
Programme:
The project consists of the following main components:

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

Contact:
Oil for Development:
Mr. John Tore Vatnar, jtv@norad.no

Cooperating institutions in Norway:
Norwegian Directorate for Nature Management
Norwegian Petroleum Directorate
Petrad





Brief history of the project

Following 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 coordinated with other donor countries to the sector, notably Canada and the Netherlands.

Activities in 2008

Assistance was provided on Legal Framework issues, including a range of seminars and workshops.

The Norwegian Petroleum Directorate organized a workshop on resource management in August, focusing on the organization of a Petroleum Directorate in Bolivia and on data management. Follow-up on this was provided through two other visits to Bolivia including technical assistance for the improvement of routines within reservoir and field development/production issues. This assistance was provided to the MHE and also included competence building for the YPFB.

The Directorate for Nature Management organized a seminar in La Paz, which marked the start-up of cooperation on environmental issues.

A local NGO project aiming to raise civil society engagement in the petroleum sector was supported. The NGO support was provided through SAIH (Norwegian Students' and Academics' International Assistance Fund).

Plans for 2009

- Continue the cooperation provided by the NPD, focusing on the government's role in the regulation of the upstream sector and data management (also including seminars organized by Petrad). Some assistance will be provided on specific technical issues as well.
- Continue the cooperation on environmental issues, including a Petrad workshop and cooperation with the Norwegian Directorate for Nature Management. Work within this area will probably focus on management systems for environmental data and EIA/SEA processes. The Netherlands Commission for Environmental Assessment is involved in specific projects for the Bolivian government, and the Norwegian assistance should be complementary.
- Provide assistance to the Bolivian government regarding the restructuring of the petroleum sector in general, and specifically share Norwegian experiences from StatoilHydro.
- Continue support to local NGO projects.

3.3 GHANA

Project:
Short- and long-term institutional cooperation

Cooperating institutions:
The Office of the President
Ministries
Ghana National Petroleum Corporation (GNPC)

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

Project period: March 2008–March 2013

Budget 2009: NOK 14.5 million

Programme:

The programme includes assistance in the following tasks and issues:

- Establishment of a petroleum policy and master plan
- Input to the revision of the Petroleum Law of 1983, development of regulations to the law and revision of the model agreement
- Advice to Ministries and GNPC on Plans of Development and Environmental Impact Assessments
- Development and strengthening of the relevant administrative governmental institutions
- Resource assessment and data management
- Utilization of national goods and services
- Extension of the continental shelf beyond 200 nautical miles

Contact:
Oil for Development:
Mr. Svein Heglund, sveh@norad.no

Cooperating institutions in Norway:
Ministry of Petroleum and Energy
Ministry of the Environment
Ministry of Foreign Affairs
Norwegian Petroleum Directorate
Petrad



COUNTRY FACTS:

Official Name:
Republic of Ghana

Capital:
Accra

Chief of state: President
John Evans Atta Mills

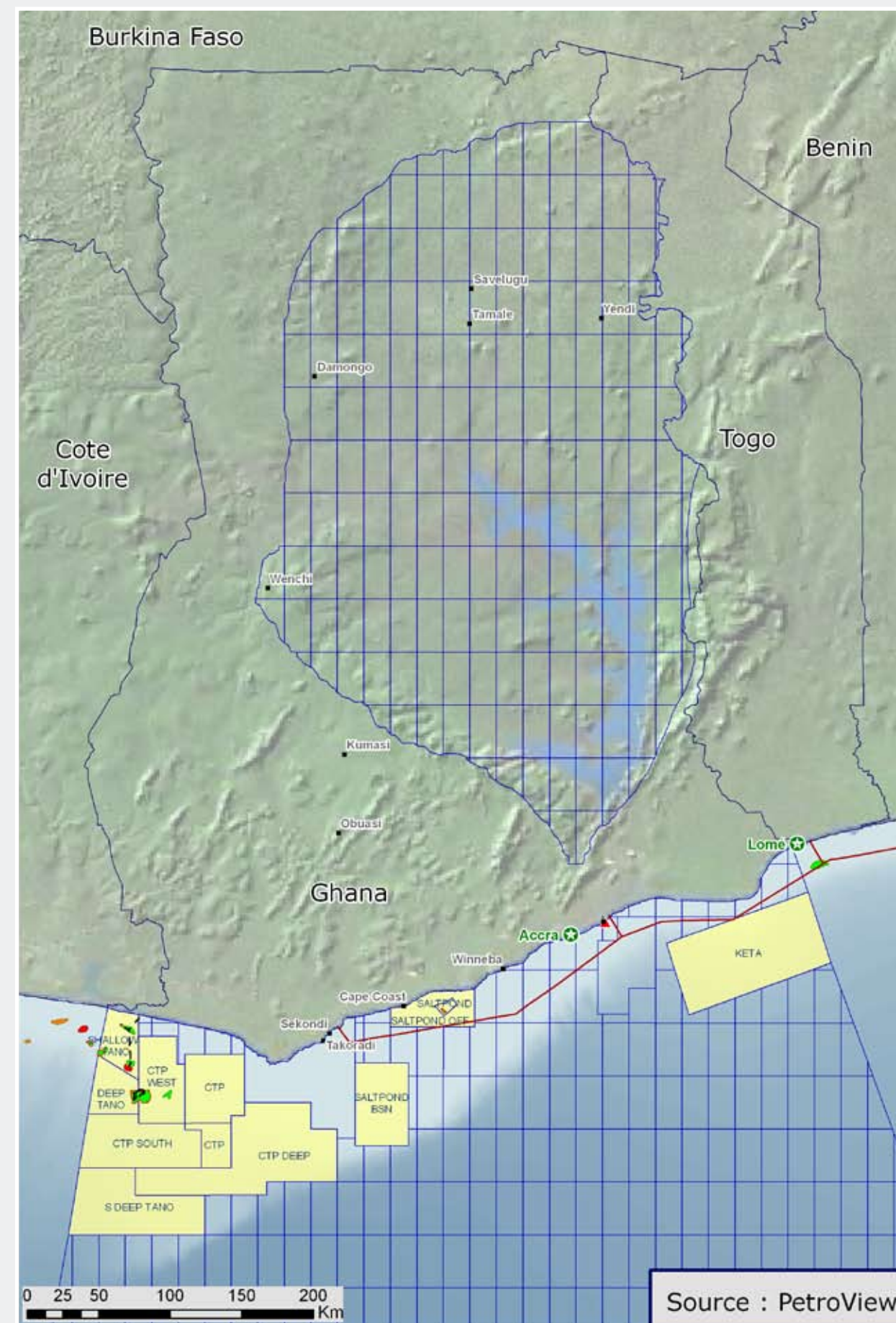
Head of Government:
President John Evans
Atta Mills

Population:
23 382 848 (2008)

Petroleum sector, key figures:
Average oil production:
710 bbl/day (2007)
Annual gas production:
42 mill m³ (2007)

Organization of the sector:
Ministry of Energy

Ghana National
Petroleum Corporation
-State-owned oil and
gas company



Brief history of the project

In October 2007, the GNPC applied for assistance from the Norad OfD programme. The application was followed 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 the Environment and International Development Erik Solheim. A decision was made to make Ghana a core country in the OfD programme. In February 2008 an MoU was signed by Ghana and Norway for long-term cooperation within the OfD programme.

Activities in 2008

In 2007, a major oil discovery, the Jubilee field, was made offshore Ghana. The discovery is large also in an international context. The current plan is a fast-track development, based on a floating production unit with production start-up ultimo 2010. A field development plan (PDO) for the Jubilee field was drafted by the partners for further discussion with the authorities in 2008.

In December 2008, the NPD and the PSA carried out a review of the plan to assist the Ministry of Energy and GNPC in the evaluation of the draft PDO. The review report concluded on critical issues and gaps to be closed.

The Norwegian Ministry of the Environment also provided assistance to the Environmental Protection Agency on the planning of the Jubilee field Environmental Impact Assessment (EIA) work.

Plans for 2009

The establishment of a frame agreement for the overall cooperation programme is planned. It will include separate institutional cooperation agreements with the Ministry of Energy/GNPC and the Ministry of Environment/EPA.

Further planned activities for 2009 include:

- Continued review of the draft PDO in 2009 to follow-up the critical issues identified in 2008 and to review any updates
- Support to the EPA on the EIA
- Workshops covering transfer of Norwegian experience, regulation development, auditing and inspection, work processes, procedures, tools, etc
- Data management and establishment of a data bank
- Gas utilization and commercial issues
- Training programmes

3.4 MADAGASCAR

Project:

Management of oil and gas in Madagascar

Cooperating institutions:

Office of National Mines and Strategic Industries (OMNIS)
Malagasy Ministry of Finance and Budget (MFB)
National Office for the Environment in Madagascar (ONE)

Goals and objectives:

Enable Madagascar to utilize its petroleum resources to generate economic growth and welfare for the population in general and in an environmentally sustainable manner.

Project period: Planned for 2007–2011

Frozen in 2009 due to political situation

Total budget: NOK 36.1 million. Budget for 2009 was NOK 15 million.

Programme:

The programme consists of sub-projects:

- Petroleum policy and strategy
- Legal and regulatory framework
- Updating office computer systems
- Data management
- Resource assessment
- Promotion
- Revenue management
- Integrity building to control corruption in the petroleum sector
- Protection of the environment
- Supervision
- Application for an extended continental shelf
- Other training
- Programme management

Contact:

Oil for Development:

Ms. Solveig Andresen, soan@norad.no

Cooperating institutions in Norway:

Ministry of Petroleum and Energy (MPE)
Ministry of Finance (MoF)
Norwegian Petroleum Directorate (NPD)
Norwegian Pollution Control Authority (SFT)



COUNTRY FACTS:

Official Name:

Republic of Madagascar

Capital: Antananarivo

Chief of state: Legally elected president Marc Ravalomanana was in March 2009 removed from power and is currently in exile. As of 1 May 2009 the political situation is unsettled.

Head of Government:

Prime Minister Charles Rabemananjara to March 2009.

Population:

20 042 552 (2008)

Petroleum sector, key figures:

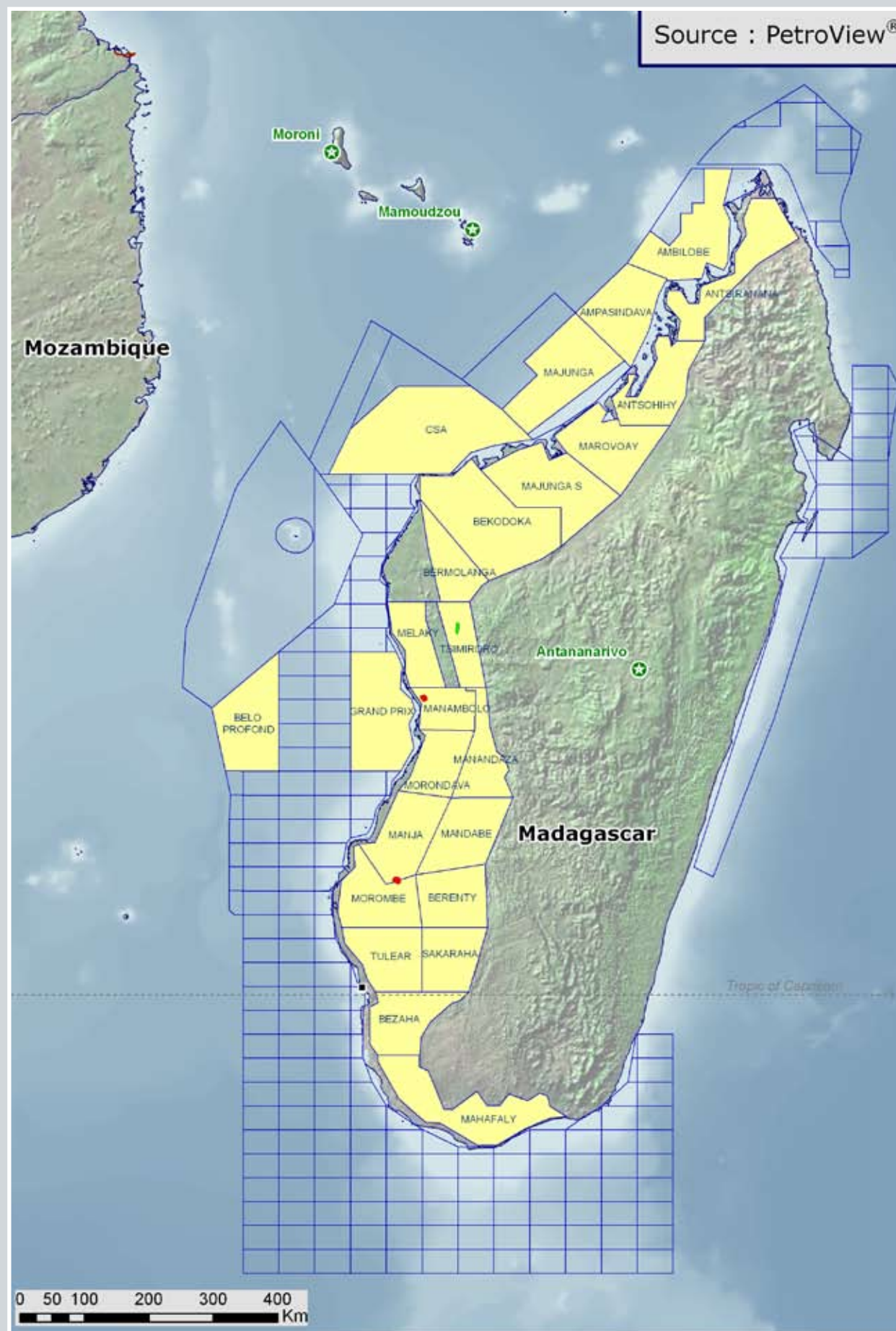
No oil or gas production

Organization of the sector:

Office of National Mines and Strategic Industries (OMNIS)
-Reports to the Ministry of Energy and Mines.



PHOTO: RKK, Ole Imsland



Brief history of the project

The agreement for institutional cooperation between the Norwegian Ministry of Foreign Affairs and the Malagasy Ministry of Finance and Budget (MFB) regarding development cooperation concerning oil and gas management in Madagascar was signed in 2007. Three interrelated agreements were signed for programme implementation; one between the NPD and OMNIS, one between MoF, MFB and OMNIS, and one between SFT/DN, ONE and OMNIS.

Activities in 2008 and 2009

Petroleum policy and strategy

The MPE provided advisory services throughout 2008. The Petroleum Policy Framework for Madagascar was submitted to the Ministry of Energy and Mines (MEM) in November 2008 and approved in 2009.

Legal and regulatory framework

The MPE provided advisory services and quality control through communication and meetings. Legal consultants assisted in drafting the Petroleum Law. A draft of the code has been completed. A Malagasy delegation visited the MPE to discuss regulatory issues and receive Norwegian advice. The PSA and the SFT advised on HSE legal issues. Competence building for MFB and OMNIS was conducted.

Updating office computer systems

OMNIS purchased PCs and new LAN. Maintenance procedures are functioning.

Data management

Two workshops were arranged by the NPD at OMNIS to build ArcGIS capability and discuss procedures for reformatting old tapes. The PSA visited OMNIS to provide advice relating to archives. In early 2009, personnel from OMNIS participated in a study tour to Norway.

Resource assessment

Two workshops were arranged by the NPD at OMNIS to build capacity in resource classification and accounting, seismic mapping and log interpretation. Two workstations were purchased and Kingdom seismic interpretation software was installed. The staff was trained and mapping of regional seismic data was initiated. The database of petroleum data is being built and expanded continuously.

Revenue management

The Norwegian assistance on revenue management is coordinated by the MoF. A high-level workshop was held in Oslo, resulting in an advanced outline of a policy paper that discusses the macroeconomic and political challenges arising from

petroleum extraction, as well as the available policy options. In a follow-up working session in Antananarivo the first draft of the policy paper was completed.

Protection of the environment

A Malagasy delegation visited Norway (DN and SFT among others) to improve its knowledge on Best Available Technology and Best Environmental Practice with regard to the petroleum industry.

The SFT and the DN organized workshops in Madagascar regarding strengthening of environmental policy in relation to future petroleum industry, and mapping of training needs.

Assistance was given to the development of a thematic atlas for biodiversity and identification of sensitive areas, as well as to the development of Strategic Environmental Assessment (SEA) Guidelines.

Guidelines for compliance monitoring in the petroleum industry were developed and an audit at an oil processing plant was carried out.

Supervision

The PSA worked together with an audit team to prepare an audit at the Tsimororo oil field. The audit report was written and presented. A workshop was also arranged in Stavanger.

Application for an extended continental shelf

The NPD provided advice and support to the Malagasy team working on the project and assisted OMNIS in preparing the desktop study report, which was finalized in January 2008. OMNIS made an acquisition plan for bathymetric and seismic survey based on their completed desktop study. A maintenance agreement of GeoCap software was continued. The Malagasy government secured USD 1 million for data acquisition and applications for additional funds are sent out.

Other training

Two Master students are on a scholarship in Oslo in 2008/09. Two students attended Petrad's 8-week course in Stavanger. Drilling Technology training was given at OMNIS by Rogaland Training and Competence Centre (RKK). English training was given locally.

Plans for 2009

The Programme was frozen in 2009 due to the uncertain political situation.

3.5 MOZAMBIQUE

Project:
Institutional support NPD - INP, new programme

Cooperating institution:
National Petroleum Institute (INP)

Goals and objectives:
Strengthen the administration of the petroleum resources to enhance economic development and welfare in Mozambique. Further develop the administrative capacity related to petroleum resource management in Mozambique.

Project period: 2006–2010

Total budget: NOK 41 million

- 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. Jon Tore Vatnar, jtv@norad.no

Cooperating institutions in Norway:
Norwegian Petroleum Directorate
Petroleum Safety Authority Norway
Norwegian Pollution Control Authority
Petrad



COUNTRY FACTS:

Official Name:
Republic of Mozambique

Capital: Maputo

Chief of state: President
Armando Guebuza

Head of Government:
Prime Minister Luisa Diogo

Population:
21 284 700 (2008)

Petroleum sector, key figures:
Annual oil production:
0.8 mill bbl condensate (2007)
Annual gas production:
2.6 bill m³ (2007)

Organization of the sector:
Ministry Of Mineral Resources (MIREM)

National Petroleum Institute (INP)
- 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

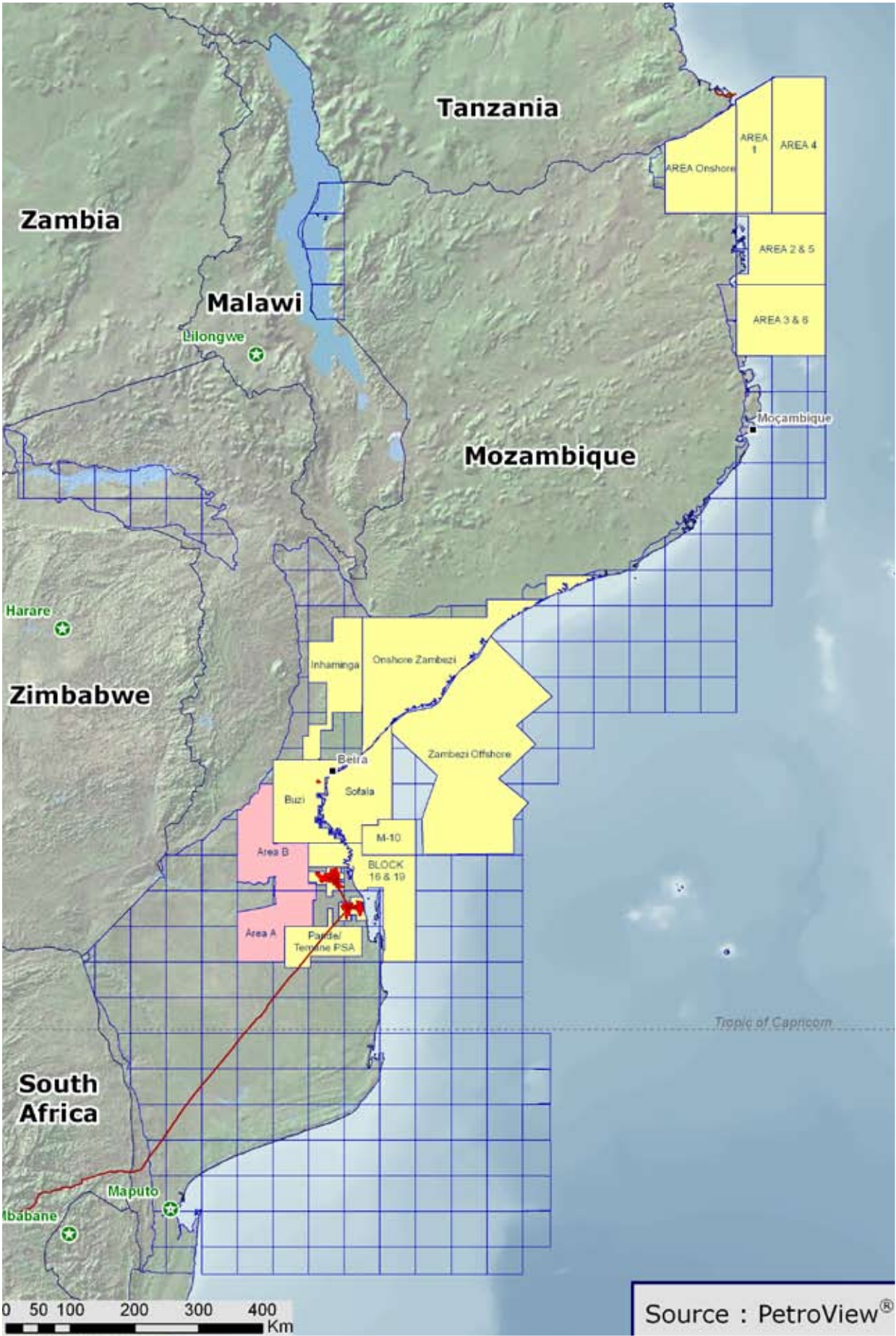


PHOTO: RKK, Ole Imsland

Brief history of the project
The petroleum related development cooperation between Norway and Mozambique started in 1983. When the National Petroleum Institute (INP) was formed in 2005, it became the main partner on the Mozambican side for the Norwegian cooperation. The cooperation involves personnel from the NPD and other Norwegian institutions, as well as international and local consultants.

Activities in 2008

Legal framework
Drafting of the new environmental regulation for impact assessments was commenced. Regulation for licensing of petroleum installations was drafted.

Policy/strategy
A study of options for increased value of condensate/LPG was undertaken. The Pande-Temane revised PDO was processed. Also, a new licensing strategy has been worked out. Documents were prepared for submission to the UN regarding extension of the continental shelf, including consultations with other nations. Two meetings in the bilateral gas trade commission with South Africa have been organized, focusing on metering and transportation issues.

Monitoring and control of petroleum activities
A metering audit was performed with assistance from the NPD. A safety auditing plan has been made. Monitoring of seismic data collection and drilling operations were carried out, in addition to supervision of licensing activities.

Promotion
Data for a third licensing round has been prepared. The INP was represented at AAPG and Africa upstream conferences.

Negotiation and licensing
The third licensing round was assisted by Simonsen Law Firm, the PSA and the NPD. The byzi concession was negotiated by the ENH. Negotiation on a Rovuma Basin contract from the second licensing round was completed.

Resource analysis
Regional interpretation and resource assessment was performed by PGS. Two workshops were organized by INP/NPD.

Data management
New equipment was procured. Planning of a new core storage location was completed.

Institutional strengthening of the INP
6 technical experts and 1 support staff were recruited. Training programmes were performed, including two people in Master programmes. Administrative procedures were improved.

- Plans for 2009
- Assistance on legal framework issues will continue. Environmental regulation will be drafted.
 - Activities within licensing strategy, education strategy, gas transport tariff strategy and scenario planning.
 - Monitoring of licensing activity, HSE audits, audit of fiscal metering and royalty calculations to be performed.
 - Assess further licensing strategy as well as some remaining issues from the second and third licensing rounds.
 - Complete the resource assessment of the Temane field. Continue assessments of other areas. Update resource inventory in an integrated data base.
 - Complete reformatting of seismic data. Continue work on the integrated data base. Commence building of new core storage site. Further develop GIS.
 - Continue recruitment and training.
 - Undertake organizational analysis and further improve management systems of the ENH.

3.6 NIGERIA



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:
146 255 312 (2008)

Petroleum sector, key figures:
Average oil production:
2.28 mill bbl/day (2007)
Annual gas production:
76.4 bill m³ (2007)

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

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 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, extended to 1 July 2009

Total budget:
Norway: NOK 15 million
Nigeria: USD 300 000

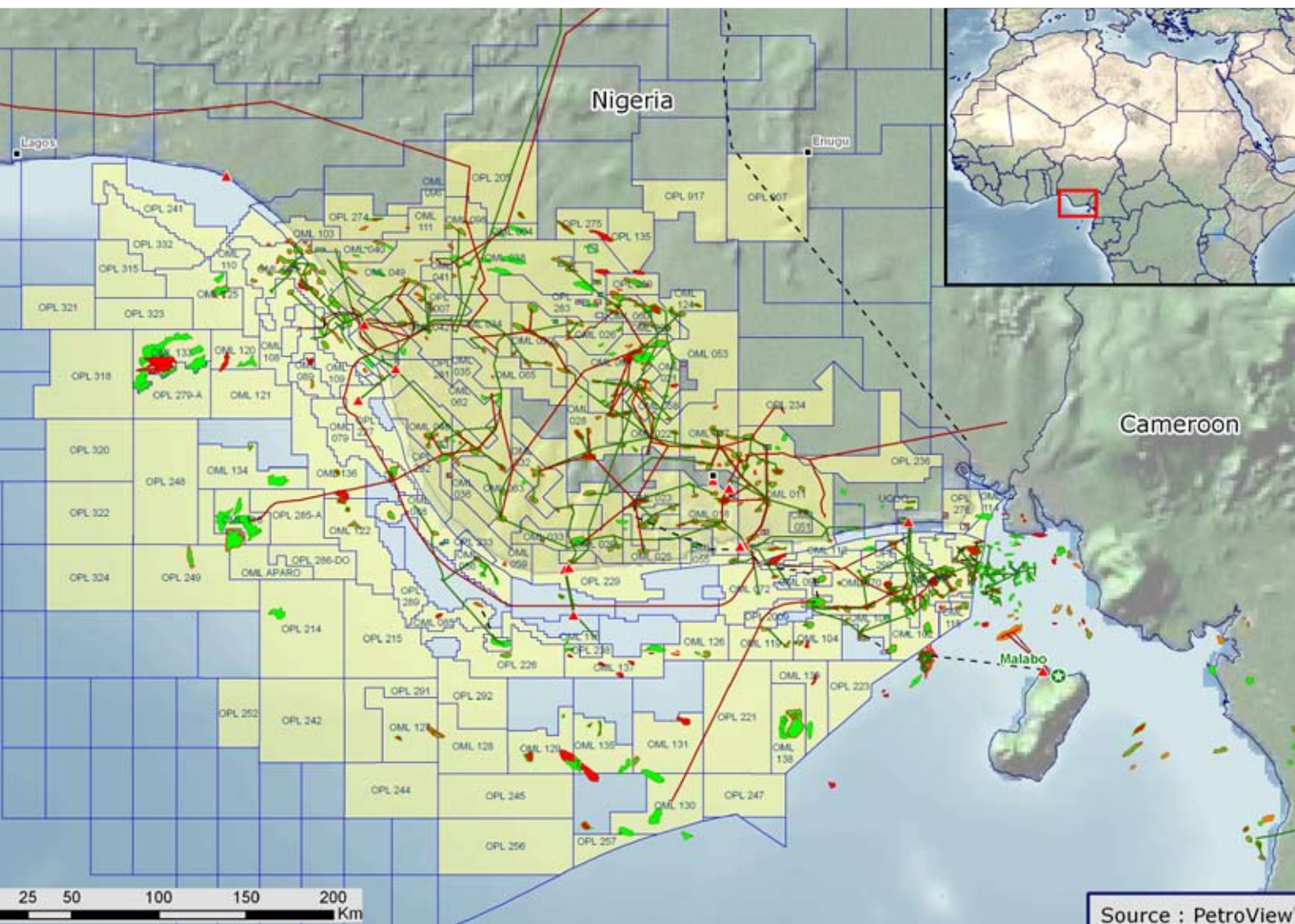
- The programme:**
The programme consists of the following main components:
- Resource management
 - Production monitoring
 - Gas utilization and metering
 - Data management
 - Deep-water development
 - Health, safety and environment

Contact:
Oil for Development:
Mr. Thomas Eid, atei@norad.no

Cooperating institutions in Norway:
Norwegian Petroleum Directorate
Petroleum Safety Authority Norway

PHOTO: Fredrik Naumann





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 institutional cooperation. In October 2003 Norad decided to support the cooperation.

Over the last years a process has taken place in Nigeria to restructure the petroleum industry. The cooperation with DPR has to a certain degree been influenced by this process and some of the planned activities have been delayed.

The current programme was scheduled to be concluded in 2007. Due to postponements of several activities and funds available from the original grant, the project implementation is still ongoing and will be terminated in 2009.

Activities in 2008

In 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.

Resource management and production monitoring

As a result of the ongoing cooperation activities actions have been taken within the DPR to streamline acreage bid requirements. More emphasis has been given to resource assessment and evaluation of licenses before bidding. The independent block evaluation process is to be fully institutionalized after purchase of relevant software and training of personnel to use it. The intention was to purchase and install geological and geophysical evaluation software early 2008. The NPD planned to collaborate in practical training of software use in June. However, due to a delay in the purchase process these activities had to be postponed.

Gas utilization and metering

A Gas Division to regulate gas activities was established in the DPR in 2005. National gas regulations are now being prepared for governmental consideration.

A meeting was held in Lagos in April 2008 to discuss relevant proposals for further cooperation within gas utilization and metering and to organize practical arrangements. Projects proposed by the DPR include 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. The result of this meeting is being evaluated by the DPR management and will be reflected in the future cooperation programme.

In 2008 the plan was to organize a one-day industry seminar on oil production accounting. The aim was to examine the current procedures of oil accounting in Nigeria and offer a comparative analysis on global best practices. Due to time constraints at the DPR as well as with the NPD, this activity was postponed until 2009.

Data management

Data management has been one of the most active areas for cooperation. The basic idea has been to establish a digital platform for data collection, storage and retrieval. After the cooperation activity started, a strategy for data collection has been developed and a cultural data model including concessions, wells, fields and pipelines has been established. Necessary hard-ware and soft-ware have been purchased and installed. In 2007 the regulation for a National Data Repository was enacted.

No special activities for data management were carried out 2008. However, some work was performed in-house in Nigeria with consulting from the NPD.

Deep-water development

A workshop on deep-water development and operations monitoring was arranged in Lagos in April 2008. The workshop involved regulators and operators in Nigeria and Norway. The workshop was followed by a deep-water operations training attachment in Norway. New regulations for deep water developments are now being drafted.

Health, Safety and Environment (HSE)

Resulting from previous sharing of experience and discussions in workshops and seminars, the DPR has drafted new regulations, guidelines and standards for safety practices for the oil and gas industry in Nigeria. These drafted regulations were supposed to be forwarded to the PSA for comment and evaluation. However, the draft regulations were not received during 2008. Therefore, any further training has not been completed.

Training Needs Assessment (TNA)

Due to the structural changes in the Nigerian petroleum industry it has been decided that no TNA will be continued before the DPR finds it appropriate.

Plans for 2009

A meeting was held at the Norwegian Embassy in Abuja in the beginning of September 2008 to plan the future cooperation programme and fulfilment of remaining activities under the existing programme. The progress of the DPR-NPD cooperation was then presented and it was decided to continue the programme through the first half of 2009 to complete ongoing activities. The deadline for a final report on the existing programme has been set to 1 July 2009.

Fulfilment of the current programme

Regarding resource management and assessment of resource potential, the DPR is planning to purchase and install relevant geological and geophysical software for use in evaluation and valuation of concessions. 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 during the first half of 2009.

Regarding metering and oil production accounting, the plan is to have a one-day seminar in Abuja in the first half of 2009. The aim is to examine the current procedures of oil accounting in Nigeria and offer a comparative analysis on global best practices. Resource personnel are to be drawn from the operators, industry, the DPR and the NPD.

Plans for a new 5 year DPR - NPD Institutional Cooperation Agreement

During 2009 a new cooperation programme should be considered based on a request from the DPR and the recommendations from the evaluation report. Since Nigeria is becoming an important gas producer as well as oil producer, all issues related to gas management would be important in the future cooperation. In addition the new programme should reflect the restructuring of the petroleum industry in Nigeria and serve the needs of authorities and institutions. It is expected that the following issues will be prioritized in the programme:

- Gas Utilization
- Metering
- Upstream Resource Management
- Data Management
- HSE Management
- Training Needs Assessment

3.7 SUDAN

Project:
Oil for Development – Sudan

Cooperating institutions:
Government of National Unity (GoNU)
Government of Southern Sudan (GoSS)

Goals and objectives:
Contribute to CPA implementation with particular focus on wealth sharing, technical assistance, and capacity building, particularly in GoSS

Project period: 2006 onwards

Total budget: NOK 24 million

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

Cooperating institutions in Norway:
Ministry of Foreign Affairs
Norad
Petrad
Directorate for Nature Management



COUNTRY FACTS:

Official Name:
Republic of Sudan

Capital:
Khartoum

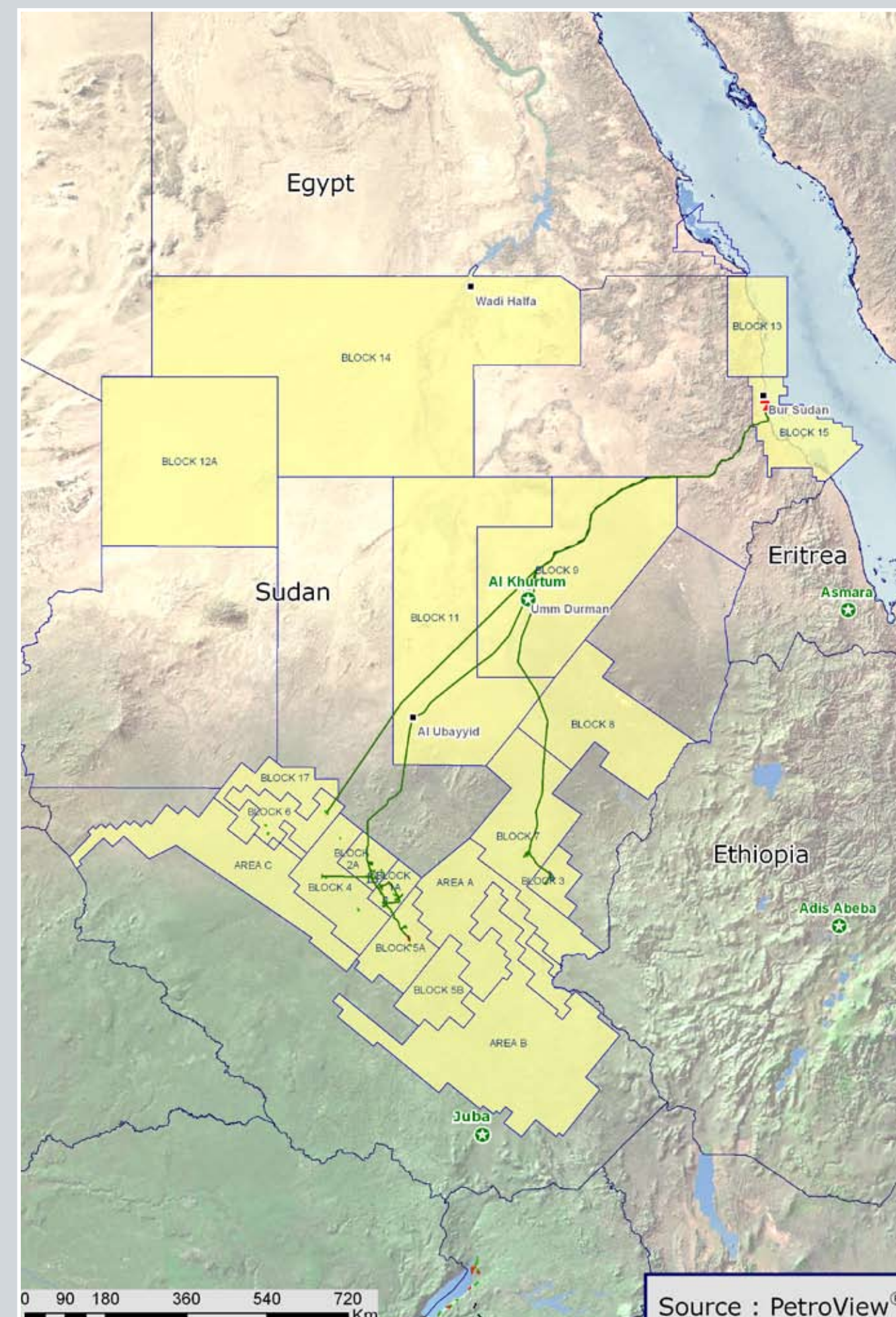
Chief of state:
President Umar Hassan
Ahmad al-Bashir

Head of Government:
President Umar Hassan
Ahmad al-Bashir

Population:
40 218 456 (2008)

Petroleum sector, key figures:
Average oil production:
0.5 mill bbl/day (2007)
No gas production

Organization of the sector:
Ministry of Energy and Mining



Brief history of the project

As one of the witnesses to the Comprehensive Peace Agreement (CPA) signed on 9 January 2005, Norway is committed to supporting the implementation of the CPA. This commitment impacts all work Norway is doing in Sudan, including 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.

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

Activities in 2008

CPA implementation

The Minister of Energy and Mining, Al-Zubayr Ahmed Hassan visited Norway 15-17 October. The Ministry of Foreign Affairs and Ministry of Energy and Mining signed a Memorandum of Understanding (MoU) regarding cooperation within the petroleum sector.

Norway 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 has been to reduce the exposure to corruption by securing transparency and good corporate governance.

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. This work also includes an element of capacity building.

Based on a request from GoSS, support has been given to establish a petroleum policy within the areas delegated to GoSS.

Technical support

In 2007, the SPLM asked for expert advice to evaluate whether the Petroleum companies' operating contracts included adequate provisions for environmental and social impacts of their activities. A team of experts headed by the Norwegian Directorate for Nature Management was established and made several visits to Sudan in 2007-2008. A report on 'Environmental and Social Impacts of Petroleum Activities in Southern Sudan' was finalized in January 2009.

A project to evaluate the incentives in the different Production Sharing Agreements has been started. The project will include training in economic modelling.

Capacity building

A project on Functional Analysis and Training Needs Assessment of the GoSS Ministry of Industry and Mining and Ministry of Finance has been started. The plan is to get an overview of the training needs in the ministries aiming at establishing a long-term capacity-building programme.

The Petroleum Envoy has given a presentation to the Parliament in Juba regarding wealth sharing in the oil industry.

Three people from Sudan participated in Petrad's 8-week training course in Stavanger.

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 gives advice on how it can improve its management of the oil industry in the South.

Plans for 2009

Based on the MoU signed in October 2008, Norad will be conducting discussions with MEM in Khartoum and GoSS in Juba with the aim to sign agreements on long-term commitments (3-5 years) within the following sectors:

- resource management
- environmental management
- revenue management
- capacity building

A seminar on Policy and Management of the Petroleum Sector Development will be held for approximately 30 representatives from GoSS and GoNU.

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

Initial discussions on how to benefit from Norwegian experience with Enhanced Oil Recovery (EOR) have been conducted with the authorities in Sudan.

The aim is to include handling of produced water and EOR in a new agreement.

The GoSS has expressed a strong wish for an extensive programme for capacity building in the oil sector.

3.8 TIMOR-LESTE



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:
1 108 777 (2008)

**Petroleum sector,
key figures:**
Timor-Leste exclusive
area: Ongoing exploration
activities: no current oil
or gas production

Timor Sea JPDA (see below):
Average oil production:
30 000 bbl/d
Natural Gas Liquid and
light oil (condensate) (2008)
Annual gas production:
6 mill m³ per day (2008)

Organization of the sector:
State Secretariat of Natural
Resources
- Responsible for petroleum
policy, execution and follow-
up, including HSE issues
within sovereign Timor-
Leste

The Timor Sea Joint
Petroleum Development Area
(JPDA) is administered by the
Timor-Leste National Petro-
leum Authority (ANP) 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%.

Project:
Assistance in developing the management
of the petroleum sector in Timor-Leste

Cooperating institutions:
Timor-Leste State Secretariat for Natural Resources (SERN)
Timor-Leste Ministry of Finance (MoF)
Timor-Leste State Secretariat for the Environment (SEMA)

Goals and objectives:
The goal of the project is to assist the Government of Timor-Leste in
managing the petroleum activities in such a way that the petroleum sector
delivers the greatest possible benefit to the people of Timor-Leste.

The purpose is to increase competence and capacity of the authorities
of Timor-Leste such that the public sector can manage all petroleum
activities, in particular within technical, legal, health, safety and
environment (HSE) compliance, and in revenue management.

Project period: 2008-2013

Total budget: NOK 67.2 million

Programme:
The programme consists of the following main components:

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

Contact:
Oil for Development:
Ms. Liv Marte Nordhaug, lino@norad.no

Cooperating institutions in Norway:
Ministry of Petroleum and Energy
Ministry of Finance
Ministry of the Environment
Norwegian Petroleum Directorate



PHOTO: Jan Stenløkk

Brief History of the Project

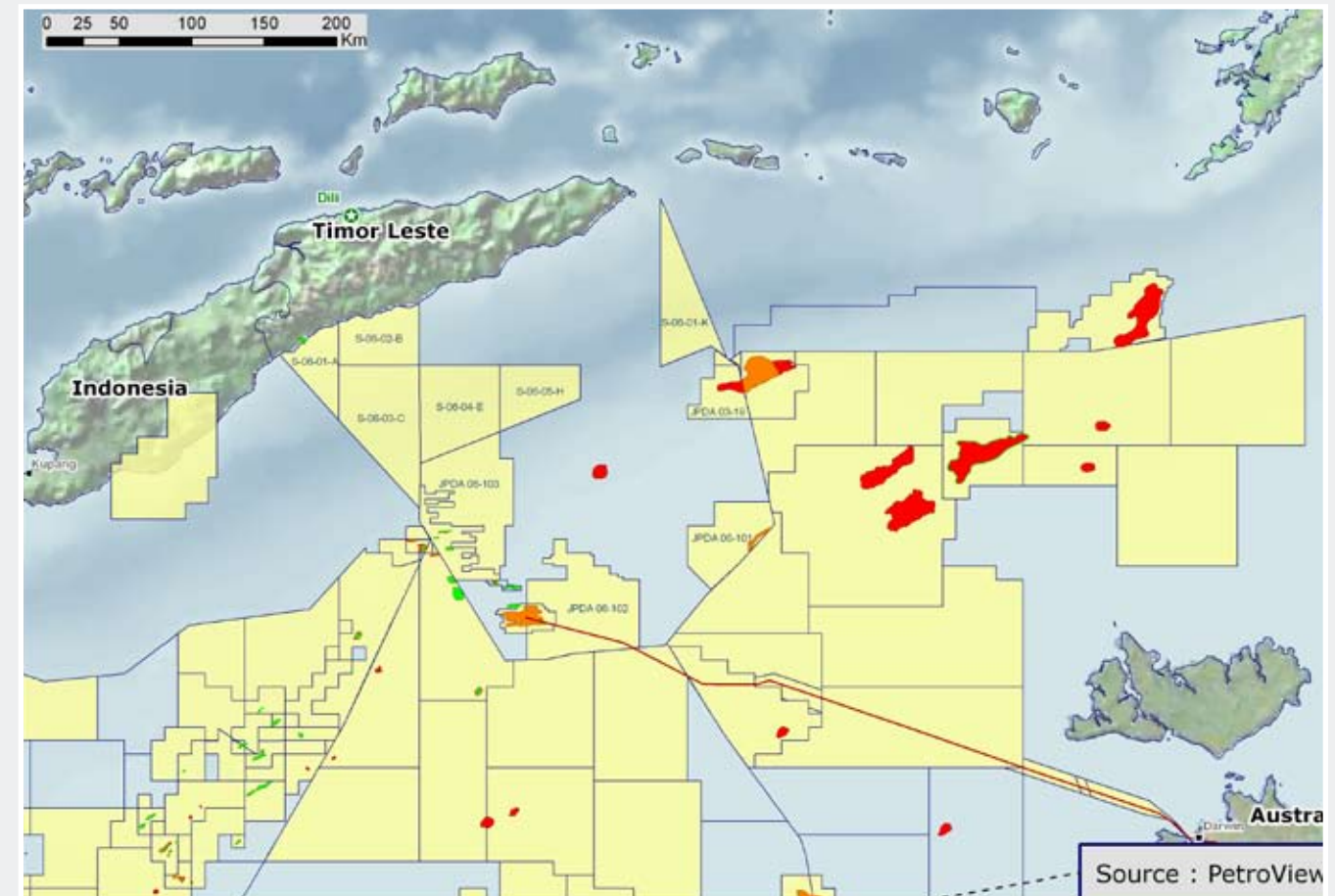
Discussions between the interim government of Timor-Leste and Norwegian authorities on support in developing the energy sector started in 2001. An agreement for the first programme was signed in February 2003 and the institutional cooperation contract between the Norwegian Petroleum Directorate (NPD) and the Ministry of Development and Environment was signed in September the same year. In 2006 the programme was expanded to include support to the public petroleum finance sector.

A new cooperation programme was discussed and prepared during 2007-2008, and a Programme Agreement for a new phase of cooperation between Norway and Timor-Leste was signed on 20 May 2008. The phase II programme includes support for the petroleum, finance and environmental sectors.

A Programme Coordinator was hired to coordinate the total activities of the programme both on the Timor-Leste and the Norwegian side. The programme has made extensive use of resident foreign advisors in resource, revenue and finance management.



PHOTO: Jan Stenløkk



Activities in 2008

The following activities took place in 2008:

Resource management

The NPD has worked as an advisor to the Ministry/State Secretariat on an ad hoc basis on various energy issues. Activities within resource management included capacity building in the ANP, geological advisory services, field development advice and data management. Support was given to the review of the Greater Sunrise production strategy, field pipeline and field development options, as well as the concept evaluation for development of the Kitan field.

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

Financial management

During 2008 Norway has provided advice to the Government of Timor-Leste on issues related to management and investment strategy of the Petroleum Fund, macroeconomic and fiscal policy issues, budgeting issues and general petroleum revenue advice. Advisory services have included participation in meetings in the Petroleum Fund Investment Advisory Board.

Environmental management

Assistance in environmental management is a new element in phase II of the programme. At year-end, Terms of Reference for a part-time environmental advisor was under preparation and workshops within Environmental management were under consideration.

Plans for 2009

Advisors will be provided to Dili within the fields of geoscience, IT, Human Resources, Production Sharing Contracts and technology. Production Sharing Contracts and technology. In addition technical and administrative assistance from the NPD in Norway (workshops on field development and data management) will be given.

The Project will provide advice on petroleum taxation issues, a topic which was also covered in phase I. It will continue to give advice on management and investment strategy of the Petroleum Fund through on-site advisors and to build local capacity and transfer knowledge on macroeconomic and fiscal policy as well as revenue management.

Within environmental management, work has just commenced. Main activities in 2009 will be to train personnel in English language skills, and give an introduction to petroleum sector basics before education and training in environmental management and impact assessment.

3.9 UGANDA

Project:
Strengthening the State Petroleum Administration
of the upstream sector in Uganda

Cooperating institutions:
Ministry of Energy and Mineral Development (MEMD)
Petroleum Exploration and Production Department (PEPD)

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

The objective is to strengthen the administrative functions for policy,
legislative and institutional framework based on experiences 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.

Project period: 2006–2008, extended to 1 July 2009

Total budget: NOK 19.6 million

Programme:
The programme consists of three main components:

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

Contact:
Oil for Development:
Mr. Ivar Aarseth, iaa@norad.no

Cooperating institutions in Norway:
Petrad
Ministry of Petroleum and Energy
Ministry of the Environment
Ministry of Finance
Directorate for Nature Management
Norwegian Pollution Control Authority



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:
31 367 972 (2008)

**Petroleum sector,
key figures:**
No oil or gas production

Organization of the sector:
Ministry of Energy and
Mineral Development

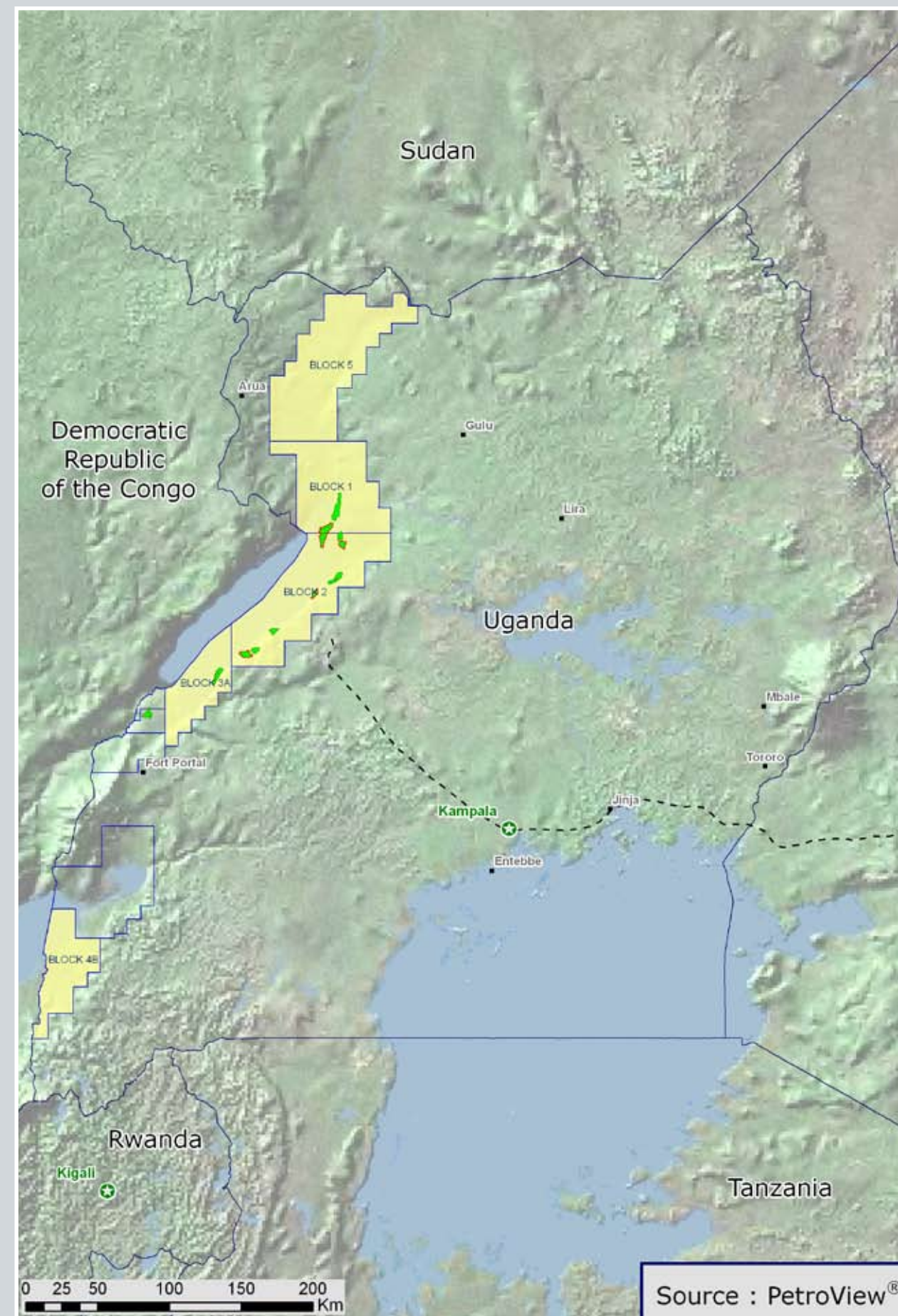




PHOTO: RKK, Ole Imsland

Brief history of the project

Norway has been involved in capacity building in the petroleum sector in Uganda, since 1995 through Petrad. A number of seminars have been arranged in the country and several representatives of Ugandan authorities have participated in Petrad's 8-week courses in Stavanger.

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

Petrad is responsible for the Norwegian contribution to the project implementation. 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.

Activities in 2008

Policy, legal and regulatory framework

The National Oil and Gas Policy was approved by the Cabinet of Ministers on 30 January 2008. This decision enabled commencement of the formulation of a new Petroleum Law. The principles and a zero draft of the law have been prepared, but further progress is pending a clarification on midstream segment legislation.

Sensitivity mapping of the Albertine Graben started as a project chaired by the National Environment Management Authority (NEMA). A draft version of the first phase of the sensitivity atlas has been prepared.

Representatives from the Occupational Health & Safety Department visited Stavanger in December for a workshop and to have meetings with the PSA to discuss the organization and implementation of the supervisory function for safety in the petroleum sector.

Capacity building

The functional analysis of the governmental petroleum administration continued and in-depth discussions for the resource management pillar were carried out with the PEPD.

A high number of PEPD staff and other government institutions have participated in various training courses, seminars, workshops, conferences and study tours. The events in Uganda included a workshop on 'activity reporting & monitoring procedures' and a workshop on 'resource assessment'. A workshop to explore the impact of variation of oil prices on the fiscal aspects of the PSAs was also arranged.

The development of a data management system continued. Additional computer servers and associated accessories were acquired.

Technical and economic studies

Activities supporting capacity building for the planned Early Production Scheme (EPS) have taken place. The activities included a study visit to the Mombasa refinery in Kenya. Furthermore, a workshop addressing aspects of refining and refinery costs was arranged.

A workshop was arranged to review the Field Development Plan submitted for the Mputa Field.

A study on opportunities and challenges related to increasing local content in the oil and gas sector in Uganda was initiated.

Plans for 2009 under the current programme

The current programme will be completed by 1 July 2009. The proposed work plan for 2009 and onwards includes the following key activities:

- Work on the formulation of the Petroleum Law will continue including consultative workshops for stakeholders.
- Start work on formulating a Revenue Management Law.
- Conclusion of the first version of the sensitivity map for the Albertine Graben.
- Start the preparation of a national Oil Spill Contingency Plan.
- Complete the functional analysis for the environmental and financial pillar.
- Conduct general training for PEPD staff and governmental institutions.
- Construct a data room and install the procured data management equipment.
- Continue the resource assessment utilizing in-house presentations and workshops.
- Procure a Liquid Chromatograph.
- Upgrade office computer system and data facilities.
- Review the revised PDO for the Mputa Field and the expected PDO for Kingfisher.
- Arrange a workshop for the office of the Auditor General.
- Complete the local content study.

New programme 2009–2013

In March 2008, Norway received a formal request from Uganda to continue the programme. Norway responded positively to this request, and in the course of 2008 a new programme has been discussed.

The new programme will run for 5 years and will cover resource, environmental and revenue issues. The monetary value of the programme will be in the range of NOK 80 million.

The plan is to sign the new agreement between Uganda and Norway by the middle of 2009.

3.10 VIETNAM

In Vietnam there were two separate projects under the Oil for Development programme:

- The Vietnam Total Resource Assessment (VITRA) project
- The Development of management systems on safety and pollution control in the Vietnamese petroleum industry project

Project 1:
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 million

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

Cooperating institutions in Norway:
Norwegian Petroleum Directorate
Petrad

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 Vietnamese Prime Minister's visit to Norway in June 1995. The project agreement was signed in Hanoi on 30 June 1995.

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

One of the important aspects of the total resource assessment project has been to

ensure that it is deeply rooted at the management level, to allow the policy and decision makers to actively use the results as a tool in their decision-making. This does not seem to have been fully achieved in the VITRA I project.

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 further developing and updating the resource database.

Activities in 2008
All planned activities for VITRA II are completed and the results and output were presented in a dissemination seminar for various government institutions in Vietnam. The resource database is in place in PV, rooted at the management level. It provides a good basis for energy planning and transparency of resources in fields.



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:
86 116 560 (2008)

Petroleum sector, key figures:
Average oil production:
315 000 bbl/day (2007)
Annual gas production:
7.8 bill m³ (2007)

Organization of the sector:
Ministry of Industry and Trade (since 2007),
Department of Energy and Petroleum

Ministry of Planning and Investments

Prime Minister

Petrovietnam
- State-owned oil and gas corporation

Project 2:
Development of management systems on safety and pollution control in the Vietnamese petroleum industry, phase III

Cooperating institution:
Petrovietnam (PV)

Goals and objectives:
Establish a sustained process for further development of health, safety and environment management in the Vietnamese oil and gas industry to minimize the risk of personnel injuries, major accidents and environmental damage.

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

Project period: 2008–2011

Total budget: NOK 7.1 million

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 system developments through competence 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

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 industry' was signed. The agreement was supplemented by contracts between the PV, the NPD and the SFT.

Phase I and II focused on two main issues: safety management and environmental management. From 2001, the Norwegian Coastal Administration (NCA) became a participant in 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 successful completion and positive evaluation of phase I and II, a contract for phase III of the project was signed in 2008. The SFT and the PSA will be jointly responsible for delivering support to the PV as agreed in the contract. The NCA will continue to provide key contributions as a subcontractor to the PSA. The PSA will coordinate the project on behalf of all Norwegian contributors.

The continued institutional collaboration builds on the achievements from the previous two phases. In contrast to phase I and II, 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 2008

Workshops were completed on:

- Baseline study of HSE-MS implementation
- HSE accident and incident recording and reporting
- Development of emergency response management
- Hazardous and Oily Waste
- HSE Data Control System
- Auditing back to back with real time Audit

Plans for 2009

Most of the planned activities concentrate on document development, i.e. development of procedures and guidelines etc. The documents will be drafted by the PV and sent to the PSA, the SFT and the NCA for comments.

Some of the documents that will be developed are:

- Draft Baseline Study
- Draft HSE Procedures
- Draft Accident/Incident Reporting Procedures
- Draft Guidelines for Emergency Development
- Draft Guidelines/Procedures for Hazardous and Oily Waste

In addition, some workshops and courses and one audit will be organized in 2009:

- Workshop on HSE Data Control System
- Auditor training/course back-to-back with an Audit in Vietnam
- Workshop on Emergency Response
- SCM 3 in Bergen and SCM 4 in Vietnam

In 2009 Vietnam will become a country of limited cooperation rather than a core cooperation country for OfD.

A new project:

In addition to the two above mentioned projects, Norway is in a dialogue with the Ministry of Industry and Trade (MOIT) for assistance to revise the Petroleum Law; Vietnam Petroleum Law Revision and State Management Capacity Building.

In 2006, Vietnam requested Norway to support MOIT to revise the Vietnamese Petroleum Law. A number of activities including a study tour to Norway and a workshop to exchange experience with Norwegian experts were carried out in the following two years. In May 2008 the revision of some issues of the existing Petroleum Law was adopted by the Vietnam National Assembly.

Also in 2008, MOIT sent a request for support to the second phase of the project revising the existing Petroleum Law. Norway supported the Committee on Science, Technology and Environment of the National Assembly of Vietnam in organizing a workshop on Sustainable Energy Policy and EITI, and made an evaluation of the project proposal for the second phase.

In 2009 the parties will be preparing a Programme Document to serve as a basis for an agreement between the Norwegian Ministry of Foreign Affairs/OfD and MOIT.

PHOTO: RKK, Ole Imsland

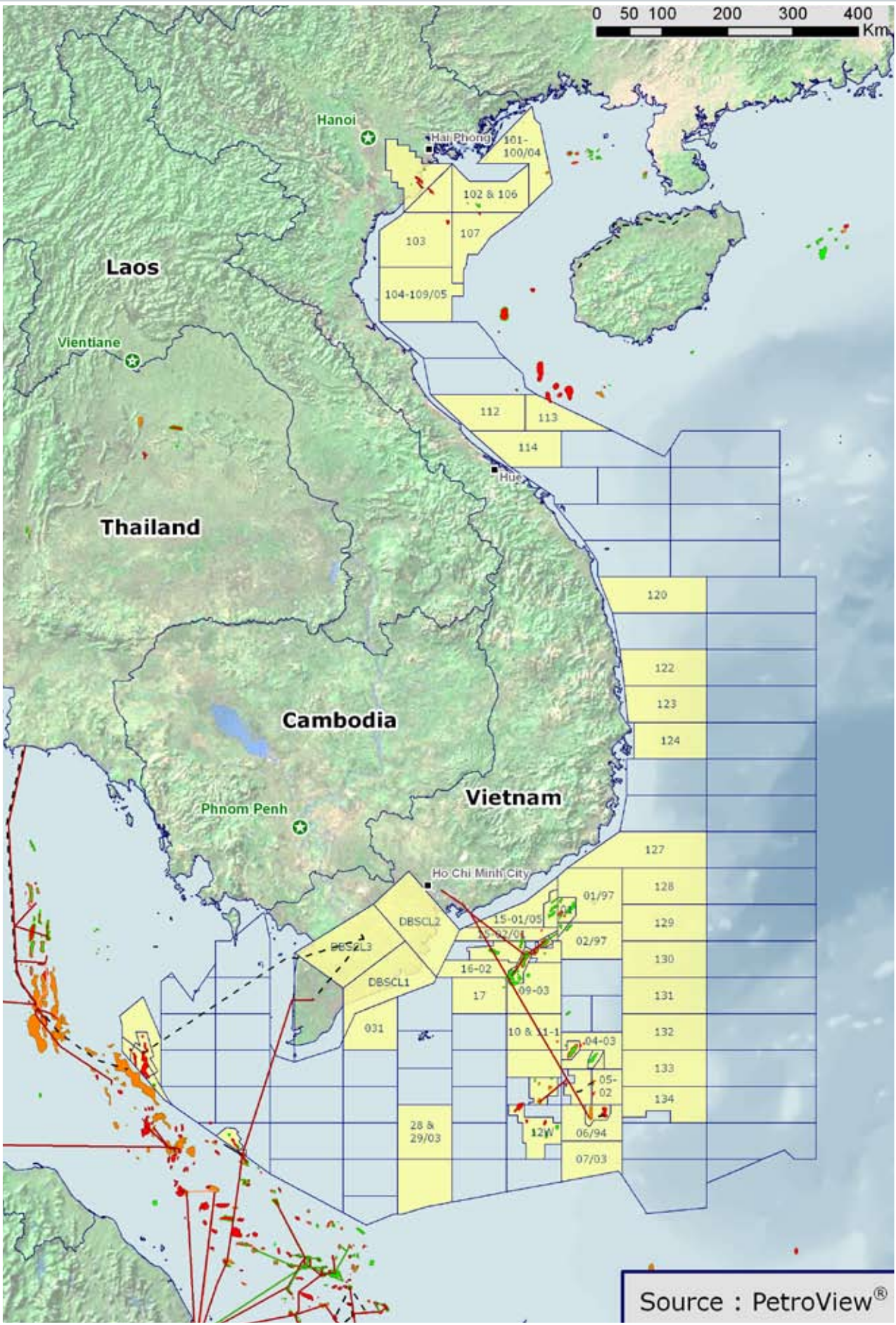




PHOTO: RKK, Ole Imsland

4 OfD Projects – countries with limited cooperation

OfD cooperates in a more limited way with: Afghanistan, Bangladesh, Cambodia, Ecuador, Indonesia, Iraq, the Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, Palestine, São Tomé and Príncipe, South Africa, Tanzania and Zambia.

The criteria for becoming a country with limited cooperation are less stringent than the criteria outlined in the previous chapter. However, there are capacity constraints with regards to these projects. Commitment to good governance, transparency and sustainable development will also here play an important role in the final selection between prospective cooperation partners.

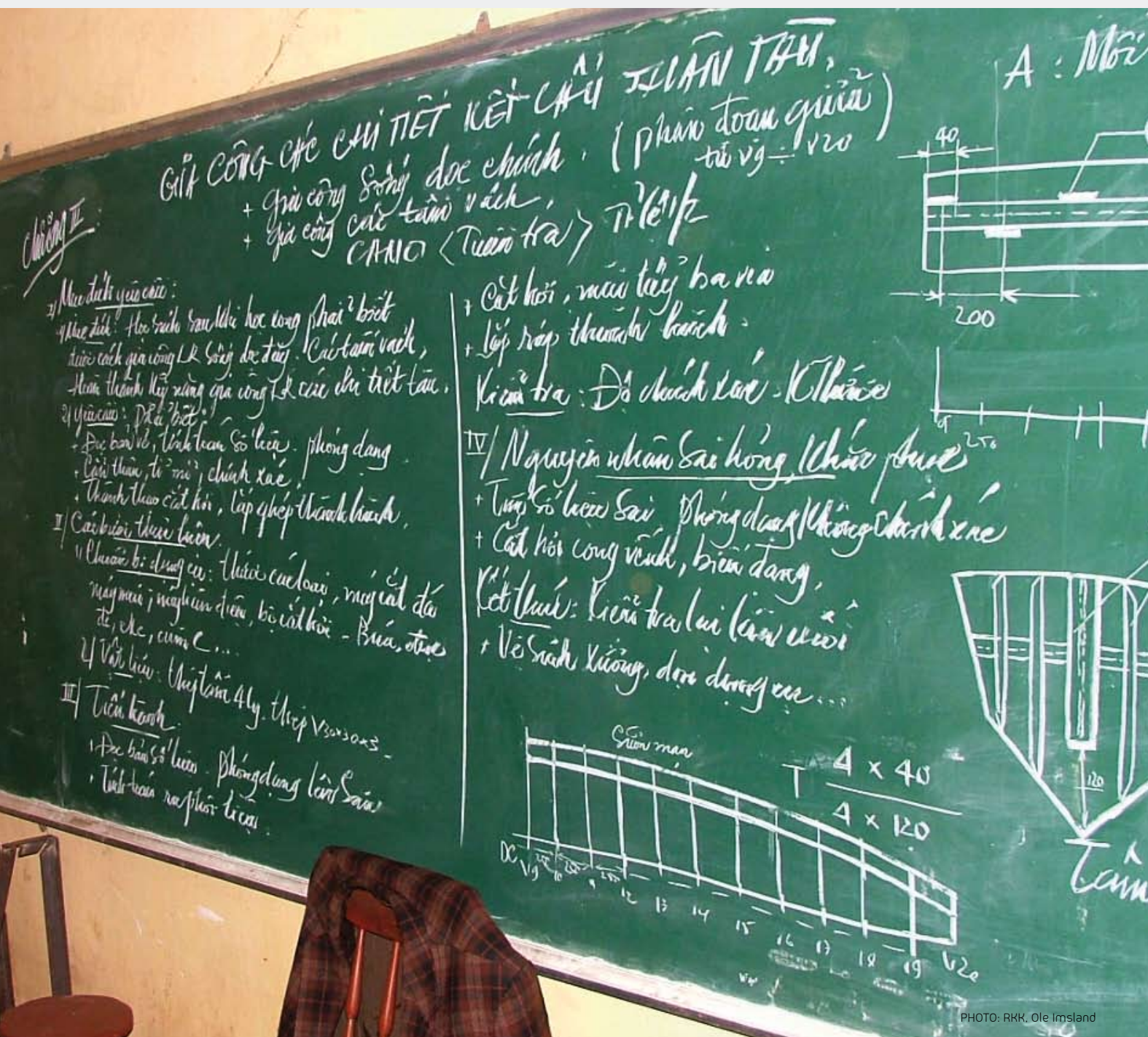


PHOTO: RKK, Ole Imsland



PHOTO: Jan Stenløkk

4.1 AFGHANISTAN

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

Cooperating institution:
Ministry of Mines of the Islamic Republic of Afghanistan (MoM)

Goals and objectives:
The overall goal is to improve capability to exercise regulatory control and to develop policies and strategies to ensure better administration of the Afghan petroleum resources.

More specific objectives include providing assistance and cooperation in order to develop a capacity-building programme based on seminars, training programmes and a mentoring programme. This will be done by establishing a team of experts to support the programme; by ensuring that the recommendations of the Environmental and Social Impact Assessment (ESIA) are implemented; and by facilitating transparency through good resource management in accordance with Extractive Industries Transparency Initiative (EITI).

Project period: 2007–2009

Total budget:
Advisory team: NOK 8 million
Competence building: NOK 7 million (2008–2009)

Programme:
The programme consists of the following main components:

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

Contact:
Oil for Development:
Mr. Hans Peter Christophersen, hapc@norad.no
Mr. John Tore Vatnør, jtv@norad.no

Cooperating Institutions in Norway
Ministry of the Environment



COUNTRY FACTS:

Official Name:
Islamic Republic of Afghanistan

Capital: Kabul

Chief of state:
President Hamid Karzai

Head of Government:
President Hamid Karzai

Population:
32 738 376 (2008)

Petroleum sector, key figures:
Currently insignificant production.

Significant proven reserves, mainly gas.

Organization of the sector:
Ministry of Mines

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 contributed to establishing a better basis for long-term cooperation. Work has been focused on drafting a petroleum act, petroleum regulations, competence building, as well as providing support to the first Afghan oil and gas tender round.

An MoU on cooperation in the petroleum sector was signed by Minister of the Environment and International Development, Mr. Erik Solheim, in Kabul on 8 October 2006.

Activities in 2008
Competence building programme, including:

- Petroleum Management workshop in Kabul in May
- Data management workshop in Stavanger in August
- International delegation visit to the ONS conference in Stavanger in August

Expert assistance, including:

- Developing the hydrocarbon law which was enacted by parliament
- Preparations for the first oil and gas tender round

Plans for 2009

- Environmental management workshop in Istanbul in January
- Provide advice related to the first Afghan oil and gas tender round
- Bid evaluation and petroleum contract negotiation training
- Further training and consultancy on Environmental Management
- Further training and consultancy on Data Management
- Afghan participation in the Petrad annual 8-week course



PHOTO: RKK, Ole Ismand

4.2 BANGLADESH

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

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

Goals and objectives:
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.

The objective is to strengthen the HCU to become a 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

Budget: The project has a total budget of USD 413 million, of which Norway contributes USD 5 million.

Programme:
The programme is concentrated around the following components:

- Preparations for the supervision of license activities
- Resource policy and management
- Resource assessment
- Training and participation in the other institutional support activities

Contact:
Oil for Development:
Ms. Sigrid Russwurm, srus@norad.no

Status of the project:
There is good progress in the project. In the course of 2009 the majority of the tender invitations and subsequent contract awards will be effectuated according to the programme.



COUNTRY FACTS:

Official Name:
People's Republic of Bangladesh

Capital: Dhaka

Chief of state:
President Zillur Rahman

Head of Government:
Sheikh Hasina Wajed

Population:
153 547 000 (2008)

Petroleum sector, key figures:
Average oil production:
5 100 bbl/day (2007)
Annual gas production:
16.5 bill m³ (2007)

Organization of the sector:

Ministry of Power, Energy and Mineral Resources (MOEMR), Energy and Mineral Resources Division (EMRD) to which the HCU reports.

Bangladesh Oil, Gas & Mineral Corporation (Petrobangla)
– State-owned oil and gas corporation. Consists of several companies of which three are engaged in exploration and production.



PHOTO: Jan Stenløkk

4.3 CAMBODIA



Project:
Development of Cambodia's oil and gas industry

Cooperating institutions:
Cambodian National Petroleum Authority (CNPA)
UNDP

Goals and objectives:
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 licences with oil companies and promote Cambodia's petroleum resources by maintaining a competitive licensing system and a model petroleum contract.

OfD also has a cooperation within petroleum management with UNDP Cambodia. The project started in 2007 and will be completed by the end of 2009. The focus is on good governance and transparency within the petroleum sector. As part of this cooperation, a major conference involving Cambodian authorities, NGOs and oil companies was held in Phnom Penh in 2008, where these issues were addressed.

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
Ms. Liv Marte Nordhaug, lino@norad.no

COUNTRY FACTS:

Official Name:
Kingdom of Cambodia

Capital:
Phnom Penh

Chief of state:
King Norodom Sihamoni

Head of Government:
Prime Minister Hun Sen

Population:
14 241 640 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
The Cambodian National Petroleum Authority (CNPA)
- Reports directly to the Prime Minister. Deputy Prime Minister Mr. Sok An is Chairman of the CNPA

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 assistance 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 assistance 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 2008

Mr. Børre Gunnerud from Wikborg Rein Law Firm was reappointed as Local Project Coordinator and he resumed work with CNPA in Phnom Penh in early May 2008. A legal team from Wikborg Rein provided legal advice and competence building to the CNPA.

Legal framework

The legal advisors cooperated with the CNPA Petroleum Law Committee to draft the Petroleum Sub-decree. A workshop for harmonization of the draft Petroleum Law and the draft Petroleum Sub-decree was arranged in August 2008. A new translation of the Royal Decree on the establishment of CNPA, the organizational structure of CNPA and the revision of the model Production Sharing Contract (PSC) was finalized.

The legal advisors re-edited and restructured the entire draft Petroleum Sub-decree. This was done in accordance with newer petroleum legislation from other petroleum producing countries and largely completed by the end of June 2008. However, since the Petroleum Sub-decree will eventually have to be harmonized with a completed and re-edited draft Petroleum Law, some parts of the drafting work are pending.

The legal advisors reviewed and commented on the new provisions for petroleum taxation to be incorporated into the Law on Taxation.

The legal advisors worked both with the Petroleum Law Committee and members of an ADB funded technical assistance team on the revision of the organizational structure of the CNPA.

Licensing and model petroleum contract

The model PSC currently in use by CNPA is to some extent in conflict with the Petroleum Regulation from 1991 and will conflict with the draft Petroleum Law and draft Petroleum Sub-decree if they are adopted as envisioned by the Petroleum Law Committee. The legal advisor assisted the Petroleum Law Committee with the revision of the model PSC.

Competence building

In 2008 Wikborg Rein Law Firm organized and/or facilitated the following workshops:

- Harmonization of Petroleum Law and Sub-decree
- Marketing and trading of petroleum (given by Norengconsult)
- Transfer pricing
- Authority assessment of Plan for Development and Operations (given by NPD)
- Use of Geographic Information Systems (given by PGS)

A large international conference called 'Fuelling Poverty Reduction with Oil and Gas Revenues' was arranged in Phnom Penh in March. CNPA, SNEC, Norad, NPD, Petrad and UNDP organized this event together, and around 500 people attended.

A joint delegation from Timor-Leste and Cambodia visited Oslo, Bergen and Stavanger in May. They were hosted by NPD on 29 May and were informed about the duties of NPD and the PSA

A delegation from CNPA together with delegates from Timor-Leste, Afghanistan, Ghana and Madagascar attended the ONS conference in Stavanger in August. They also attended the project Steering Committee at NPD.

Plans for 2009

The project is completed. An application has been sent by the CNPA for additional legal advice and is currently under consideration. The exact set-up of a further cooperation programme between Norway and Cambodia is now being discussed.

4.4 ECUADOR



Project:
Petroleum assistance to Ecuador

Cooperating institutions:
Various ministries in Ecuador
The Royal Norwegian Embassy in Venezuela (also accredited to Ecuador)

Goals and objectives:
Assist the relevant institutions in their management of the petroleum sector.

Project period: 2007–2010

Total budget: NOK 7 million

Programme:

- Seminars and workshops

Contact:
Oil for Development:
Mr. Jon Tore Vatnar, 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 with Norway started in November 2007 based on a request from Ecuador.

The Norwegian Minister of the Environment and International Development, Mr. Erik Solheim visited Ecuador in November 2007.

Activities in 2008
A delegation visited Quito for planning purposes, including a field visit.

Plans for 2009

- Petrad seminar(s) focusing on environmental issues as well as some financial management issues.
- Possibly regional seminars organized in Quito.

COUNTRY FACTS:

Official Name:
Republic of Ecuador

Capital:
Quito

Chief of state:
President Rafael
Correa Delgado

Head of Government:
President Rafael
Correa Delgado

Population:
13 927 650 (2008)

Petroleum sector, key figures:
Average oil production:
510 000 bbl/day (2007)
Annual gas production:
0.59 bill m³ (2007)

Organization of the sector:
Ministry of Mines and
Petroleum

4.5 INDONESIA



Project:
Institutional and industrial cooperation

Cooperating institutions:
Ministry of Energy
BPMigas
Pertamina

Goals and objectives:
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 million

Programme:
Three seminars on:

- Deep-water technology (2007)
- Mature field rejuvenation (2008)
- Drilling, Drilling Service, including High temperature – high pressure well construction (2008)

Contact:
Oil for Development:
Mr. Hans Peter Christophersen, hapc@norad.no
Ms. Liv Marte Nordhaug, lino@norad.no

Cooperating Institutions in Norway
Petrad
INTSOK

COUNTRY FACTS:

Official Name:
Republic of Indonesia

Capital:
Jakarta

Chief of state:
President Susilo
Bambang Yudhoyono

Head of Government:
President Susilo Bambang
Yudhoyono.

Population:
237 512 352 (2008)

Petroleum sector, key figures:
Average oil production:
950 000 bbl/day (2007)
Annual gas production:
77.2 bill m³ (2007)

Organization of the sector:
Ministry of Energy

BPMigas
– Executive Agency for
Upstream Oil and Gas
Activity

Pertamina
– State-owned oil
and gas company



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), an MoU for cooperation in energy (petroleum) and associated environmental activities was signed.

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

In addition, personnel from Pertamina and BPMigas have attended the Petrad 8-week courses in Norway.

In coordination with the Ministry of Petroleum and Energy (MPE) a dialogue comprising development cooperation, complemented with business development activities from the supply and service industry, has evolved and will be followed up according to priority.

Activities in 2008

A seminar on 'Mature Field Rejuvenation' was held in Bali 31 March to 2 April with 195 participants. The organizers of the seminar were BPMIGAS, PETRAD, INTSOK and CCOP (Coordinating Committee for Geoscience programmes in East and Southeast Asia). OfD contributed NOK 500

000 to the seminar. Involved Norwegian institutions included the Ministry of Petroleum and Energy (MPE), the Norwegian Petroleum Directorate (NPD), the Centre for Integrated Petroleum Research (CIPR) at the University of Bergen, Det norske Veritas (DNV) and the Institute of Energy Technology (IFE) and several Norwegian companies.

Another seminar on 'Drilling, Drilling Service, including High temperature – high pressure well construction' was held in Bandung on 10-12 November with 135 participants. Presentations were made by BPMigaas and the Norwegian Petroleum Industry.

The Seminars were a follow-up to Prime Minister Stoltenberg's visit to Indonesia in March 2007. The first was a seminar on 'Deepwater Technology' held in Surabaya in November 2007. 180 people attended this seminar. Indonesia has expressed great appreciation for the activities' contribution to competence building and development.

Plans for 2009

A seminar with the title 'Stranded Gas' (i.e. gas not easily accessed commercially) is planned to be held in 2009. INTSOK together with PETRAD will organize the seminar. The content of the seminar will focus on environmental issues related to gas extraction. OfD will contribute financially with NOK 460 000 of a total seminar budget estimate of NOK 2.3 million.

There are no plans for further OfD petroleum sector cooperation once activities scheduled for 2009 have been completed.

4.6 IRAQ



COUNTRY FACTS:

Official Name:
Republic of Iraq

Capital: Baghdad

Chief of state:
President Jalal Talabani

Head of Government:
Prime Minister
Nuri al-Maliki

Population:
28 221 180 (2008)

Petroleum sector, key figures:

Average oil production:
2.4 mill bbl/day (2008)

Annual gas production:
17.6 bill m³ (2006)

Organization of the sector:
Ministry of Oil

15 state-owned operating companies, among them:

- North Oil Company
- South Oil Company
- North Gas Company
- South Gas Company
- Oil Exploration Company
- Iraq Drilling Company
- Oil Projects Company

Other companies for refining, transport and marketing

Project:
Institutional and technical assistance

Cooperating institution:
Ministry of Oil (MoO)

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

Project period: September 2005–June 2009

Total budget: NOK 27.5 million

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 capacity
- Policy

Contact:

Oil for Development:
Mr. Ivar Aarseth, iaa@norad.no

Cooperating institutions in Norway:

Ministry of Petroleum and Energy
Ministry of the Environment
Norwegian Petroleum Directorate
Petrad
INTSOK

Brief history of the project

On 6 September 2004, the Iraqi Ministry of Oil requested petroleum-related support from Norway. The scope of the cooperation was discussed with representatives from the Iraqi Ministry of Oil in Norway in May 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.

Due to the post-war problems, the current programme is delayed and has been extended to 1 July 2009.

Activities in 2008 and first part of 2009

The 6th Joint Steering Committee meeting and the annual meeting were conducted in Stavanger and Oslo in February 2009.

Data management

A workshop on data legislation, guidelines and procedures with the aim to complete the reporting legislation (guidelines) for E&P data based on accepted industry standards and conventions for data types has been postponed.

The Iraqi manager for national petroleum data management participated in the World Petroleum Data Repository Conference (NDR8) in Cape Town in February.

The aim is to establish a National Data Repository (NDR) for Iraqi petroleum data.

IOR

The overall objective was only partly achieved due to limited field data made available to the project. The joint work was concentrated on a quick look assessment of 6 fields in the Northern area.

A report on the joint work was issued in 2007. In 2008 the work was supplemented with some general comments from the Norwegian side regarding IOR in the context of overall petroleum resource management and strategy.

The methodology introduced and discussed through a number of workshops has given the MoO tools to evaluate IOR in additional fields.

A final workshop to discuss MoO in-house work on 2 fields using the quick look assessment methods was organized.

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 20 negotiators from the MoO was conducted in May-June in Stavanger.

A training programme for technical experts in fiscal measurement was developed and conducted for 18 people during September-October in Stavanger.

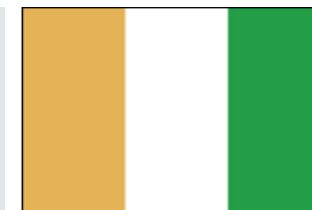
Plans for 2009

In March 2008, Norway received a formal request from Iraq to continue the cooperation in the petroleum sector. The Norwegian government has responded positively and discussions for a new 3-year programme have started. The cooperation will, in addition to petroleum resource management, also focus on environmental and revenue issues.

The monetary value of the Norwegian contribution will be NOK 20 million over 3 years. In addition, Iraq has informed that it will contribute with USD 2 million in 2009.

The plan is to sign a new MoU within the first half of 2009.

4.7 THE IVORY COAST



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:
20 179 602 (2008)

Petroleum sector, key figures:
Average oil production:
51 000 bbl/day (2007)
Annual gas production:
1.5 bill m³ (2007)

Organization of the sector:
Ministry of Mines and Energy

Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (PETROCI)
- State-owned oil company

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 2009: NOK 2.3 million

Programme:
Petroleum management training

Contact:
Oil for Development:
Mr. Svein Heglund, sveh@norad.no

Proposed cooperating institutions in Norway:
Ministry of Petroleum and Energy
Norwegian Petroleum Directorate
Ministry of Foreign Affairs
Petrad

Activities in 2008

An OfD delegation visited Abidjan in the summer of 2008, where the programme was agreed upon.

A Seminar on petroleum policy and resource management was organized in the autumn of 2008.

Plans for 2009

- Seminar on environmental management, spring 2009
- Seminar on corruption prevention and civil society, autumn 2009
- Journalists' visit to Norway, summer 2009.

4.8 KENYA



Project:
Short-term assistance to Kenyan petroleum authorities

Cooperating institution:
National Oil Corporation of Kenya (NOCK)

Goals and objectives:
Under development

Project period: 2008–2009

Total budget: NOK 2 million

Programme:
Data Management

Contact:
Oil for Development:
Mr. Ivar Aarseth, iaa@norad.no

Cooperating institutions in Norway:
Petrad

Brief history of the project

On 30 September 2005 Kenyan authorities, represented by the National Oil Corporation of Kenya (NOCK), applied for petroleum-related assistance from Norway. On 15 December 2005 the Steering Committee of OfD approved short-term assistance limited to NOK 2 million. A second application was sent to the Norwegian Embassy on 16 June 2006. 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 NOK 2 million, and suggest a schedule for the activities.

Activities in 2008

Based on participation in regional data management seminars in Kenya a proposal was made to start a Data Management programme together with NOCK. The programme has a monetary value of NOK 1.5 million.

Plans for 2009

Plans have been discussed with NOCK. The programme is planned to commence in the second half of 2009.

COUNTRY FACTS:

Official Name:
Republic of Kenya

Capital:
Nairobi

Chief of state:
President Mwai Kibaki

Head of Government:
President Mwai Kibaki

Population:
37 953 840 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
Ministry of Energy

National Oil Corporation of Kenya (NOCK)
– State-owned oil company

4.9 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 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 million

Programme:
The project consists of the following main components:

- Assistance in 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

Cooperating institutions in Norway:
Petrad

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.

Constraints due to the political situation in Lebanon have slowed down the progress of the project in 2007/2008. The project period may be extended through 2010/2011.

Activities in 2008

Focus has been on assisting the development of the legal framework.

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

Plans for 2009

- Assistance with data management
- Complete development of the legal framework
- Assistance in planning a licensing round
- Capacity building through various seminars and workshops

COUNTRY FACTS:

Official Name: Lebanese Republic

Capital: Beirut

Chief of state: President Michel Sulayman

Head of Government: Prime Minister Fuad Siniora

Population: 3 971 941 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
Ministry of Energy and Water

4.10 MAURITANIA

Project:
Environmental capacity building

Cooperating institution:
World Bank

Goals and objectives:
Determination of social and environmental impacts from the development of petroleum operations and evaluation of the magnitude of these impacts due to the growth in exploration and production of hydrocarbons, particularly in offshore areas.

Project period: 2007–2009

Total budget: NOK 2.5 million

Programme:
The programme includes inter alia assistance in drafting the legal and regulatory framework as well as conducting a training programme for the staff of relevant Mauritanian institutions.

Civil society support:
OfD supports a programme carried out by the Norwegian Church Aid to reinforce 'Publish What You Pay' in Mauritania. The main objective is to reduce poverty through transparent and just management of the petroleum resources.
Total budget: NOK 815 000.

Contact:
Oil for Development:
Ms. Sigrid Russwurm, srus@norad.no

Activities in 2008

OfD cooperates very closely with the World Bank in Mauritania, and in 2008 all activities were channelled via the Petroleum Governance Initiative in conjunction with the World Bank. By August 2008 the World Bank had earmarked USD 392 000 financed by Norway for this work in the coming two years.

As a consequence of the military coup in the beginning of August 2008, the Norwegian government, as most other donors, has stopped the cooperation with the authorities in Mauritania. This also includes the World Bank petroleum-related programme and support to 'Publish What You Pay'.



COUNTRY FACTS:

Official Name:
Islamic Republic of Mauritania

Capital:
Nouakchott

Chief of state:
Gen. Mohamed Ould Abdel Aziz

Head of Government:
Prime Minister Moulaye Ould Mohamed Laghdaf

Population:
3 364 940 (2008)

Petroleum sector, key figures:
Average oil production:
15 000 bbl/day (2007)
No gas production

Organization of the sector:
Ministry of Petroleum and Energy

4.11 NICARAGUA

Project:
Assistance to the petroleum sector, phase IV

Cooperating institution:
Ministry of Energy and Mines (MEM)

Goals and objectives:
Contribute to economic and social development and poverty reduction by identifying and developing new areas for utilization of the country's natural resources.

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

Project period: 2008–2009

Total budget: NOK 2.25 million

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. Jon Tore Vatnar, jtv@norad.no

Cooperating institutions in Norway
Norwegian Petroleum Directorate
Petroleum Safety Authority Norway
Norwegian Pollution Control Authority

Brief history of the project

Since the early 1990s, the NPD has assisted the Nicaraguan Energy Institute (Instituto Nicaragüense de Energía, INE), which was the state organization responsible for regulations, norms, control and taxation of the electricity and hydrocarbon sectors. On 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.

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

Activities in 2008

- Installation of petroleum database equipment
- Workshops on data management
- Workshop on supervision

Plans for 2009

- Continue assistance on data management
- Organize a regional workshop on contingency planning



COUNTRY FACTS:

Official Name:
Republic of Nicaragua

Capital:
Managua

Chief of state:
President Daniel Ortega Saavedra

Head of Government:
President Daniel Ortega Saavedra.

Population:
5 785 846 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
The Ministry of Energy and Mines (MEM) (created in 2007)
– took over responsibility for regulating the hydrocarbons sector from the former Nicaraguan Energy Institute (INE).

4.12 PALESTINIAN TERRITORY

Project:
Capacity building – Palestine 2007–2009

Cooperating institution:
Palestinian Energy Authority (PEA)

Goals and objectives:
Assist the authorities of Palestine in establishing capacity for management of the petroleum sector, in particular with regards to development of the "Gaza Marine" project.

Project period: 2007–2009
Due to the conflicts ongoing in the region during the last two years, very little has been decided regarding a programme

Total budget: NOK 1.5 million is planned for 2009

Programme:
The programme is aimed at competence building in the newly established Gas Directorate. The programme is expected to consist 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

Brief history of the project
On 14 April 2007, the Palestinian Authorities requested 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.

In mid-2007 the BG Group was negotiating sales of up to 2 bcm/year to Israel from subsea development, via a pipeline to a terminal at Ashkelon (Israel). Due to lack of progress in the negotiations, the BG Group in 2008 terminated the negotiations and closed its office in Israel.

Participants from Norad, Petrad, the World Bank and IPAN conducted a fact-finding mission in August 2007 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 cooperation with the PEA and the Representative Office of Norway to the Palestinian Authority.

Activities in 2008
One participant from Palestine participated in Petrad's 8-week course in October–November 2008.

Due to the conflict with Israel no activities have commenced in Palestine.

Based on information that BG Group and Israel would start new negotiations on the Gaza Marine gas field, the World Bank and Norad investigated the possibilities to start a programme in November.

Plans for 2009
The programme will focus on assistance on policy, law and regulations within the gas sector.



COUNTRY FACTS :

Official Name:
Palestinian National Authority (transitional status)

Capital:
Ramallah (Gaza City is the legislative centre)

Chief of state:
President Mahmoud Abbas

Head of Government:
Prime Minister
Salam Fayyad

Population:
approximately
4 000 000

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
Palestinian Energy Authority

4.13 SÃO TOMÉ AND PRÍNCIPE

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

Cooperating institutions:
National Petroleum Agency (ANP)
Ministry of Natural Resources and Environment

Goals and objectives:
The short-term complementary assistance addresses urgent issues, most of which are currently handled under the World Bank Technical Assistance and Capacity Building Project. The issues discussed are 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 million

Programme:
The programme includes 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
- Participation in Petrad's 8-week

Contact:
Oil for Development:
Mr. Svein Heglund, sveh@norad.no

Cooperating Institutions in Norway:
Norwegian Petroleum Directorate
Ministry of Petroleum and Energy
Petroleum Safety Authority
Directorate of Fisheries
Norwegian Pollution Control Authority
Petrad

Brief history of the project
In 2005 the NPD was 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 National Petroleum Agency (ANP) visited the NPD to discuss a cooperation programme. In October 2006 the request was presented by the ANP to Minister Erik Solheim in Oslo. In a meeting in June 2007 the request for Norwegian support was aligned with the World Bank and other initiatives.

The cooperation agreement between the ANP and the NPD has been signed and work has been started. Work will continue into 2009.

Activities in 2008 and 2009

- 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 in Petrad's 8-week training programme



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 Joachim
Rafael Branco
(since 22 June 2008)

Population:
206 178 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
Ministry of Natural Resources and Environment

National Petroleum Agency
- National petroleum regulator

Nigeria - São Tomé e Príncipe Joint Development Authority
- Responsible for Jointly Operated Zone with Nigeria

4.14 SOUTH AFRICA



Project:
The South African petroleum sector policy and capacity building project, NPD-PASA sub-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 are to transform the core functions of the Petroleum Agency under the Mineral and Petroleum Resources Development Act, to develop capacity to implement resource evaluation technologies for routine, on-going evaluation of South Africa's petroleum resources and to assure an effective extended continental shelf claim.

Project period: 2007–2009

Total budget: Approximately NOK 3.5 million

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 data management
- Continued support regarding the delineation of the continental shelf

Contact:
Oil for Development:
Ms. Solveig Andresen, 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 Jacob Zuma

Head of Government:
President Jacob Zuma

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)

Organization of the sector:
Ministry of Minerals and Energy

Department of Minerals and Energy (DME)

Central Energy Fund (CEF) is the state holding company for:

- Petroleum Agency South Africa
– Upstream regulator
- PetroSA
– State-owned oil company
- iGas
– State-owned company for natural gas
- Energy Development Corporation
– State-owned company for renewables

Regional Mining Offices (H&S)

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 are assisting 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 2008
An institutional capacity review was conducted by Petrad.

A consultancy firm was selected to assist PASA in strengthening its capacity to perform resource evaluation. The major part of the assistance has been carried out with some final work to be done in 2009 after the resource evaluation software has been procured.

PASA personnel participated in the Petrad 8-week course.

Plans for 2009

- Some training activities and other follow-up activities are expected to be implemented as a result of the institutional capacity review. PASA personnel will most likely participate in the Petrad 8-week course.
- Final assistance regarding reserves and resource evaluation is planned.
- Regulatory assistance is the remaining activity of the programme and will most likely be part of the 2009 programme.

There are no plans for further petroleum sector cooperation once activities scheduled for 2009 have been completed.

4.15 TANZANIA

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

Cooperating institution:
Tanzania Petroleum Development Corporation (TPDC)

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

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 million

Programme:
The programme consists of the following main components:

- Quality control of the 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

Cooperating institutions in Norway:
Norwegian Petroleum Directorate

Brief history of the project

Norad previously supported the establishment of a Petroleum Data Archive at the TPDC in Dar es Salaam from 1985 to 1997 under the TANOS1 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 on supporting the commercialization of the Songo Songo gas project.

Activities in 2008

A Training Needs Assessment for the Ministry of Water, Construction, Energy and Lands at Zanzibar was conducted.

An assessment of the possible use of the Mnazi Bay Gas was performed.

Plans for 2009

- Arrange a visit to Norway for a group of representatives from Parliament
- Assist Zanzibar with seminars for capacity building
- The data management programme managed by the NPD will continue to the end of 2009. The TPDC in cooperation with the NPD will prepare a project description.
- There will be need for additional maintenance of the data storage system and possibly also assistance to the TPDC during transfer of the data facilities to new offices.



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:
40 213 160 (2008)

Petroleum sector, key figures:
No oil production
Annual gas production:
568 mill m³ (2007)

Organization of the sector:
Ministry of Energy and Minerals of Tanzania (MEM)

Tanzania Petroleum Development Corporation (TPDC)
- Has both a commercial and regulatory role.

4.16 ZAMBIA



COUNTRY FACTS:

Official Name:
Republic of Zambia

Capital:
Lusaka

Chief of state:
President Rupiah Banda

Head of Government:
President Rupiah Banda

Population:
11 669 534 (2008)

Petroleum sector, key figures:
No oil or gas production

Organization of the sector:
Ministry of Mines and Minerals Development

Project:
The project is a comprehensive programme for the development of potential petroleum resources in Zambia. A main element of the programme is to contribute to a good decision making process focusing on how petroleum development can take place without harming the environment.

Cooperating institutions:
Ministry of Mines and Minerals Development
Geological Survey Department
Environmental Council
The Royal Norwegian Embassy in Zambia

Goals and objectives:
Increase the understanding, capacity and competence of the petroleum potential and development within ministries and other state institutions in Zambia. Support Zambian authorities and enable them to conduct a Strategic Environmental Assessment (SEA) before opening areas for petroleum activity and to clarify responsibilities between ministries and departments. The Norwegian contribution focuses on knowledge transfer and institution building.

Project period: 2006–2009

Total budget: NOK 6.3 million

The programme: Support with

- Revising petroleum legislation
- Petroleum and Resource Management
- Environmental Management, SEA
- Data Management

Contact:
Oil for Development:
Ms. Solveig Andresen, 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. Some of the best petroleum prospects in Zambia may be located in areas where there are national parks. The programme therefore has a strong focus on possible environmental consequences for the country of petroleum activity.

The law firm Arntzen de Besche assisted in the revision of the Petroleum Act in 2007.

Activities in 2008 and plans for 2009

Petrad arranged a national seminar on petroleum development in Lusaka in January 2008. The seminar focused on the petroleum potential in Zambia and possible challenges. Speakers came from both Norway and Zambia, and participants came from various parts of society in Zambia. The majority of the participants came from the public sector but many NGOs were also represented. Based on positive feedback from the seminar, various activities followed throughout the year.

A data management workshop was arranged, focusing on techniques and tools that could be used to bring the Zambian data up to a modern standard and increase its availability. A plan for this was made, and today most of the old data has been made available and indexed.

The aim is that all indexes of tapes and documents should be made electronically available. Work towards this aim continues into 2009. A seminar on the environmental impact of petroleum activity was held in October 2008 with contributions both from Zambia and Norway. Relevant ministries in Zambia and several NGOs participated. After the seminar a follow-up meeting was arranged where the importance of conducting a SEA to map the consequences of possible activity in advance was discussed. Together with the Norwegian Embassy in Lusaka and Norad it was agreed to initiate and conduct an environmental assessment. Petrad/the Directorate for Nature Management took the lead in the process. A Zambian project manager was hired to coordinate the process between authorities and NGOs in Zambia. This work continues into 2009 and a follow-up workshop was held in January. The aim is to have a SEA ready by the end of Q4 2009.

It has not yet been determined whether or not Zambia has commercially significant petroleum resources. An important activity is therefore to evaluate available geological data in order to find out as much as possible about the country's potential. The evaluation work started in 2008 and a report by Bridge Consult is expected in 2009.

Based in part on this report there will be a full assessment of the future of the OfD programme in Zambia.

5 Regional projects

OfD also supports projects with a regional scope. The projects outlined below are focusing on East and South East Asia and East Africa respectively.



PHOTO: RKK, Ole Imsland

5.1 CCOP



Project:
Enhanced Public Petroleum Management (EPPM)

Brief history of the cooperation

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

The Petroleum Policy and Management project (PPM) was successfully completed by year-end 2006.

Surplus funding from the PPM project as well as additional funding from the Norwegian Embassy in Bangkok has been very important for developing a proposal for a new project, Enhanced Public Petroleum Management (EPPM). The proposal was presented to Norad in July 2007 and the Agreement for the EPPM project was signed in July 2008. Later, agreements of cooperation were signed between CCOP and the NPD and between CCOP and Petrad. In the 52nd CCOP Steering Committee Meeting in Khon Kaen, Thailand ultimo November 2008, Timor-Leste was accepted as a new member country of CCOP.

Contact:
Oil for Development,
Mr. Hans Peter Christophersen, hapc@norad.no

Cooperating institutions in Norway:
Norwegian Petroleum Directorate
Petrad

Activities in 2008

The EPPM kick-off seminar was carried out in Bangkok in October where both the NPD and Petrad were present. Norway was represented at the CCOP 44th annual session in Khon Kaen, Thailand in October. In January 2008 a representative from the NPD attended a brainstorming meeting of the Advisory Group held in Bangkok as Norway's Representative to the CCOP.

Plans for 2009

The EPPM project is structured in three different projects. The NPD will have an advisory role in projects 1 and 3, whereas Petrad is advising on project 2.

Project 1: Petroleum resource management with focus on the undiscovered gas resources. North Sumatra – Mergui Basin cross border case study.

- Workshop 1. Geology and tectonic setting. May, venue Malaysia or Thailand.
- Workshop 2. Data correlation and Basin Modelling. August, venue Indonesia.

Project 2: Natural gas development and Clean Development Mechanism

- Workshop 1. CO₂ and CCS. March, venue Bali
- Workshop 2. Case Study, Puguang Gas Field, Sichuan Basin, China. September, venue Chengdu, China.
- Workshop 3. CO₂ for IOR / EOR and Gas Hydrates potential. December, venue Vietnam.

Project 3: Metadata on natural gas resources in the CCOP region

- Workshop 1. Metadata standards and requirements analysis. April, venue Shanghai, China.
- Workshop 2. Metadata database structure. June, venue Manila, Philippines.

EPPM Programme Seminar 2. November, venue Bangkok, Thailand.

- Member reports on management of knowledge learned
- Technical presentations from the projects
- Review and plans forward



The Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP) is an intergovernmental 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 twelve member countries: Cambodia, China, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, the Philippines, Singapore, Thailand, Timor-Leste and Vietnam. It is supported by fourteen cooperating countries, namely: Australia, Belgium, Canada, Denmark, France, Germany, Japan, the Netherlands, Norway, Poland, the Russian Federation, Sweden, the United Kingdom and the United States of America.

5.2 EAC

The East African Community (EAC) is the regional intergovernmental organisation of the Republic of Kenya, the Republic of Uganda, the United Republic of Tanzania, the Republic of Burundi and the Republic of Rwanda. The EAC has its headquarters in Arusha, Tanzania. The EAC aims at widening and deepening co-operation among the Partner States inter alia in the political, economic and social fields. To this aim the EAC countries established a Customs Union in 2005 and are working towards the establishment of a Common Market by 2010, subsequently a Monetary Union by 2012 and ultimately a Political Federation of the East African States.

Petroleum

Norad and Oil for Development has given support to the petroleum sector by recommending that the relevant embassies sponsor the East African Petroleum Conference, which is held every second year. In 2009 it will be in Mombasa. The conference has become an important meeting place for the oil exploration sector and holds high quality with respect to transparency and information sharing on this subject.

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

6 Economic overview of 2008 and 2009



PHOTO: RKK, Ole Imsland

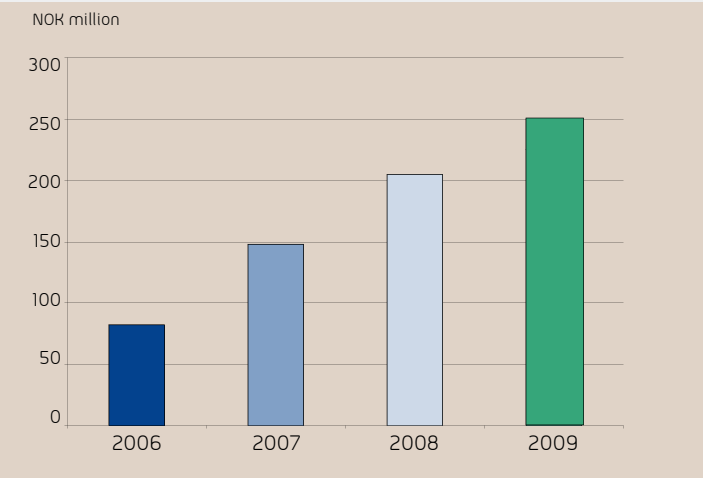
6.1 General overview

Oil for Development's activities are financed from several different posts of the development assistance budget. The most important funding sources for the programme are the allocations from the Ministry of Foreign Affairs to the embassies and Norad.

Funds allocated to Oil for Development activities show a steady increase from start-up late 2005 (see Figure 1).

Total spending in 2008 was NOK 205 million, an increase of almost 40% from 2007.¹ In 2009 the forecasted need is a total of NOK 250 million. The 2009 column in Figure 1 indicates the forecasted need. Actual expenditure might be below what is forecasted because of funds available for OfD activities and political events (e.g. Madagascar and Mauritania where all bilateral activities are currently frozen).

Figure 1: OfD activities, NOK million



¹ OfD is improving its financial reporting on country level. Available financial data for 2008 on country level differ slightly from 2007. A comparison between expenditure in 2007 and 2008 on country- and regional level must therefore be understood as trends and not exact figures.

6.2 Regions and countries

Table 1 shows how resources are distributed among the four regions. The figures are based on total funds to activities on a country basis. Almost 60 percent of the funds are directed to Africa.

Table 1: Country-wise budget allocations distributed by region, in NOK 1 000

Region	Expenditure 2007	Expenditure 2008
Africa	52 229	78 507
Asia	30 563	29 203
Middle East	13 100	19 714
Latin America	2 085	4 875
Regional	2 700	4 283
Total	100 650	136 582

Figure 2: Country-wise budget allocations distributed by region, in percent

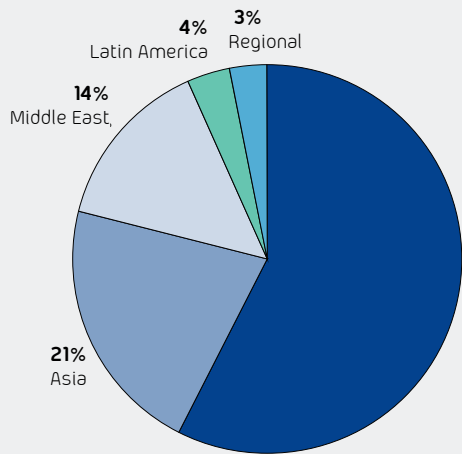


Table 2 shows the country-wise distribution of funds for 2007 and 2008. The table confirms increased support from 2007 to 2008 for OfD activities in core countries such as Madagascar,² Mozambique and Sudan. Countries with limited cooperation such as Afghanistan, Lebanon and Bangladesh also experienced increased support in 2008. In 2009, around 70% of the country-wise distributed funds will be directed to the 10 core cooperation countries. Sudan, Mozambique, Timor-Leste and Angola are the countries that will receive most funds. A marked increase from 2008 to 2009 is expected in Timor-Leste, as a new institutional agreement has been entered into. Also, the increase in support to Ghana is substantial. There will be an increased focus on regional initiatives through regional seminars and the possible establishment of a West Africa Centre of Excellence based in Ghana.

Table 2: Country-wise distribution of budget funds, in NOK 1 000.³

Country	Expenditure 2007	Expenditure 2008
Core countries		
Angola	11 162	7 888
Bolivia	1 401	2 805
Ghana		3 428
Madagascar	6 272	12 574
Mozambique	14 900	18 802
Nigeria	5 655	4 511
Sudan	4 800	13 476
Timor-Leste	15 889	13 553
Uganda	7 121	8 419
Vietnam	5 775	1 657
Iraq	10 500	
Subtotal core countries	83 475	87 113
Countries with limited cooperation		
Afghanistan	3 289	8 570
Bangladesh	3 045	10 210
Cambodia	2 410	2 773
Ecuador	657	1 724
Iraq		4 844
Ivory Coast		1 148
Indonesia	500	1 010
Kenya	30	1 500
Lebanon	2 422	5 600
Mauritania	358	745
Nicaragua	346	
Palestinian Territory	388	700
São Tomé & Príncipe	200	50
South Africa	500	2 392
Tanzania	1 431	1 447
Zambia		2 127
Subtotal countries with limited cooperation	15 230	45 186
Regional	2 700	4 283
Total	101 405	136 582

Table 1 and 2 exclude OfD funds that are not broken down on a country or regional basis. This includes allocations to the World Bank Petroleum Governance Initiative (PGI) and Global Gas Flaring Reduction (GGFR), Petrad's 8-week course and most of the allocations to Civil Society organizations.

² All bilateral support to Madagascar was frozen from late March 2009.

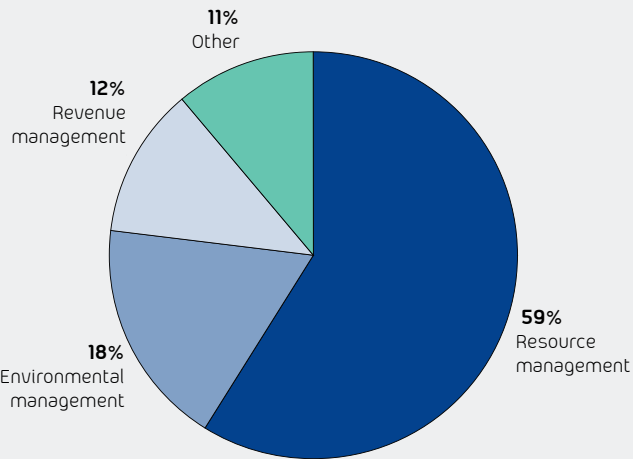
³ Including OfD disbursements on country level via consultants, the NPD, Petrad, civil society, research institutions and private sector as well as Embassy disbursements on country level.

6.3 Sectors -the 3 pillars

Figure 3 shows how OfD's country-wise disbursements are shared between the three core components: resource management, environmental management and revenue management. The fourth category "other" mostly relates to good governance. The components are all integrated but in this case they are dealt with separately.

Activities associated with resource management have the highest budgeted share of about 59 percent of all country-wise allocated funds in 2008. Also in 2009 resource management will account for the biggest share, but its relative importance has been reduced each year. In 2007 it was almost 65 percent. The share of the other two main categories are correspondingly increasing in line with one overall objective of OfD, which is to increase the weight of both environmental- and revenue management activities. The share of activities explicitly related to good governance ("other") is decreasing. This category is, however, to a large extent integrated into the three other categories. Note also that NGO support provided by Norad is left out of this estimate. Consequently, the aggregate figures must be interpreted more as rough estimates than exact figures.

Figure 3: Country-wise activities distributed by thematic issues, in percent



6.4 Institutions

Table 3 shows how OfD funds are distributed between key institutions of cooperation (partners). The NPD is the institution that receives the largest part of the OfD budget funds. It will continue to play an important role in 2009. Petrad will also play an increasingly important role as one of the biggest partners in Norway for OfD. In 2009 OfD will also initiate long-term cooperation with the Norwegian University of Science and Technology (NTNU), the IMF and and probably the West Africa Centre of Excellence.

Table 3: Budget allocations made through major funding channels, in NOK 1 000 ⁴

Major funding channels	2008
Norwegian Petroleum Directorate (NPD)	42 900
Petrad ⁵	43 800
Environmental institutions ⁶	3 800
Consultants with framework agreement	9 319
Norwegian/international civil society ⁷	23 918
World Bank	20 000

⁴The table refers to first-hand recipients.

⁵Of the total funding for Petrad, 23 000 is funded directly from Norad's budget lines (OfD's budget for Petrad and Petrad's 8-week courses). The rest is funded from other budget lines (e.g. Norwegian Embassies' budgets).

⁶Includes Ministry of the Environment, Norwegian Pollution Control Authority, Directorate for Nature Management, Norwegian Institute for Urban and Regional Research and Norwegian Mapping Authority.

⁷Includes Revenue Watch Institute, Publish What You Pay, Global Witness, WWF Norway, NPA, LO, SAIH and Norwegian Society for the Conservation of Nature/ Friends of the Earth Norway.



PHOTO: RKK, Ole Imsland

The Oil for Development initiative (OfD) was launched by the Norwegian government in September 2005.

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 whole period 1994 to 2004.

OfD builds on an integrated approach to the petroleum sector that centres around three themes:

- Resource management
- Revenue management
- Environmental management

Good governance is a cross-cutting dimension throughout these themes.

OfD aims at assisting developing countries in their efforts to manage petroleum resources in a way that generates economic growth, promotes the welfare of the population in general and at the same time is environmentally sustainable. Norway has been successful 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.

Anti-corruption work is a cross-cutting theme in OfD's work. The first course dealing with this issue was arranged in 2008 and will be further developed in 2009 with plans to inter alia have a week-long course in Mozambique in the autumn of 2009 for all Portuguese speaking countries. These courses are arranged in cooperation with civil society. Gender issues are currently primarily dealt with through active recruitment of governmental staff to training courses at Petrad as well as through capacity building projects for civil society.

OfD is a programme which unites the efforts of a range of public and private institutions representing diverse skills and competences. A brief introduction of the Norwegian and international institutions involved is given below.

7.1 The Steering Committee and the Secretariat

An inter-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. As of April 2009 there are 12 people working 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.

7.2 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 channelled 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 is responsible for the professional content of different initiatives.

7.3 Key implementing agencies

Key implementing agencies are the Norwegian Petroleum Directorate (NPD), the Norwegian Pollution Control Authority (SFT), the Directorate for Nature Management,

and Petrad (International programme for petroleum management and administration). A range of consultancies, research institutions and NGOs are also involved, as are personnel from the relevant ministries. In addition the Norwegian oil and gas industry is drawn upon in transferring competence and knowledge.

A more detailed introduction of the institutions that are involved in implementing OfD is presented below.

7.3.1 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 coordinating 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 2008 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 is also responsible for a number of government institutions, e.g. Norad.

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

7.3.2 The Norwegian Ministry of Petroleum and Energy

The Ministry of Petroleum and Energy (MPE) has the overall administrative responsibility for petroleum operations on the Norwegian continental shelf. Its job is to ensure that these operations are pursued 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 new acreage and licensing, handling of field development, production and transport plans and environmental issues
- Implementation of Memoranda of Understanding for cooperation with the authorities in other countries
- Internationalization of the Norwegian petroleum sector; the INTSOK foundation has been established to assist the MPE in this process.
- Monitoring state-owned companies in the petroleum sector

The MPE is a member of the steering committee for the OfD programme. The Ministry also coordinates the involvement of the Norwegian Petroleum Directorate and the Petroleum Safety Authority Norway.

7.3.3 The Norwegian Ministry of the Environment

The Norwegian Ministry of the Environment was established in 1972 as one of the first ministries of its kind in the world.

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 of results environmental policies. The Ministry serves as the secretariat for the Minister of the Environment and International Development, and is the catalyst for new policy and legislation. It is also responsible for providing sufficient budgetary and other administrative means to fulfil environmental goals. The basic legislation includes laws and regulations in the fields of pollution control, nature conservation, cultural heritage and planning and building.

Environmental policy is divided into eleven target areas, with a main focus on climate change, sustainable use and protection of biodiversity, and hazardous substances. The Ministry also has expertise in regional planning, mapping and geodata, and is involved in an extensive international and bilateral cooperation.

The Ministry of the Environment is a member of the steering committee for the OfD programme. The Ministry also coordinates the involvement of the Directorate for Nature Management and the Norwegian Pollution Control Authority in the OfD programme.

7.3.4 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 of Norway). 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 economic policy in general. 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. In 2009, all assistance projects to Madagascar have been frozen.

7.3.5 The Norwegian Petroleum Directorate (NPD)

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

the NPD shall assist in creating the greatest possible value 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.

7.3.6 The Norwegian Pollution Control Authority (SFT)

The Norwegian Pollution Control Authority is administratively subordinate to 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, regulations connected to the two acts together with the Greenhouse Gas Emissions Trading Act.

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 to the environmental pillar. The SFT will give advice and long-term support within

its areas of responsibility, including advice and input on Strategic Environmental Assessments (SEA), evaluation of Environmental Impact Assessments, climate changes including CO2 emissions and quota systems, discharges to water/sea, emissions to air, the use and discharge of chemicals, waste management, reporting, environmental monitoring, contingency, decommissioning, audits and inspections.

7.3.7 The Directorate for Nature Management (DN)

The Directorate for Nature Management is the Ministry of the Environment's advisory and executive body in the area of biodiversity and nature management. The Directorate possesses multidisciplinary expertise in the fields of terrestrial, freshwater and marine ecology, land-use management and outdoor recreation, and is a national centre for data-based information on ecology and biology. Key Acts in the legal basis for the Directorate include the Nature Conservation Act, the Wildlife Act, the Act related to salmonoids and freshwater fish, the Gene Technology Act and the Planning and Building Act.

- The Directorate for Nature Management is working to preserve biological diversity. DN's main tasks include:
- Safeguarding the variation of Norway's natural environment and landscape and maintain the natural production capacity
 - Ensuring that consideration for the long-term use of natural resources is taken into account in connection with oceans and coastal management, land-use and watercourse planning and plans that affect the natural environment
 - Having management responsibilities for wildlife, freshwater fish, protected areas and invasive alien species
 - Maintaining overview of present and future ecological effects of climate change in Norway and developing adaptation and mitigation measures within nature management
 - Promoting opportunities to use nature for outdoor recreation, training and harvesting
 - Procuring and disseminating knowledge as the basis for active and preventive transparent nature management
 - Performing national management and advisory duties for global and regional multilateral environment conventions and agreements on biodiversity

DN serves as an advisor to Norad on issues related to biological diversity, biotechnology and sustainable use of natural resources. Within the OfD programme, the DN is involved in strategic and environmental impact assessments (SEA and EIA), biodiversity mapping and monitoring, and spatial/geodata management.

7.3.8 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 cooperation 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 an ongoing or planned assistance project. In most such projects, regulation of safety and the working environment has been one topic in a broader petroleum-related context.

7.3.9 Petrad

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

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 worldwide, as well as tailor-made seminars covering a range of different topics within petroleum management, administration and technology. 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.

7.3.10 Other involved agencies

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 M4 International Petroleum Associates A/S (IPAN) and run to 1 September 2009. OfD may draw upon Norad's general framework agreements as well.

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. The relationship with the IMF was recently formalized in an agreement, and OfD has budgeted NOK 10 million for this cooperation in 2009.

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. The EITI-secretariat is located in the same building as the OfD secretariat.

Civil society organizations are becoming increasingly important in realizing the objectives of OfD. In 2008 nearly NOK 24 million was spent on civil society capacity building, and the major share of the funds is allocated by OfD to Norwegian non-governmental organizations (NGOs) through an annual application-based 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). The current agreement ends in 2009.

OfD draws upon the competence of Norwegian and international oil and service companies on some issues. Companies assist OfD cooperation programmes in areas such as education/vocational training, technology transfer and generating industrial/economic spin-offs from oil sector activities. Furthermore, OfD cooperation with the petroleum industry will increasingly 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 is therefore always 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: www.norad.no

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

