

OIL FOR DEVELOPMENT PROGRAMME

ANNUAL REPORT
2011





NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS



NORWEGIAN MINISTRY
OF PETROLEUM AND ENERGY



NORWEGIAN MINISTRY OF FINANCE



NORWEGIAN MINISTRY OF
THE ENVIRONMENT

PREFACE

Energy transforms lives, communities and economies. Energy provides the fuel to cook, the light to read and the opportunity to communicate across borders. Without energy, there can be no development. Yet today, 1.3 billion people, or one in five people on earth, live without access to electricity. Twice as many have no access to safe and clean cooking fuel.

These are also the most vulnerable people to global climate change. The fight against rising temperatures and the struggle to eradicate poverty are two of the most important issues of our time, and they cannot be separated. In order to eradicate poverty and fight climate change, we need sustainable energy for all.

UN Secretary General Ban Ki-moon has set a clear target: By 2030 everyone in the world should have access to sustainable energy. Norway has pledged a strong commitment to this effort. Through the Energy+ and Oil for Development initiatives we share our experience as a responsible steward of renewable energy and for securing the petroleum resources for the benefit of present and future generations.

This annual report presents key achievements in the Oil for Development programme in 2011. Through the Oil for Development programme, Norway assists partner countries in managing petroleum resources in a sustainable manner.

The approach is comprehensive – covering resource, revenue and environmental management. Principles of good governance – transparency, accountability and anti-corruption – are cross-cutting and essential. Support is provided to government institutions as well as civil society.

Since the Oil for Development programme was initiated six years ago, demand for assistance has increased rapidly – a testimony to Norway's reputation as a responsible and competent partner. Four decades of oil and gas experience have provided us with unique expertise in the management of petroleum resources. The ultimate goal is to secure democratic control of the resources and eradicate poverty, while making sure we leave a better environment for our children.

In 2011 the focus on the environment and the development of natural gas was increased, and the intention is to further strengthen this effort in the years to come. The operative goal of the programme remains unchanged: "Economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations".

Everyone should have access to sustainable energy. The Oil for Development programme can help us to get there.

Heikki Holmås

Minister of International Development

TABLE OF CONTENTS

4

PREFACE	3
THE OIL FOR DEVELOPMENT (OfD) PROGRAMME	6
The challenge of the resource curse	8
Oil for Development: Institutional capacity building	8
FINANCIAL OVERVIEW OF 2011	10
GENERAL OVERVIEW	12
REGIONS AND COUNTRIES	13
INSTITUTIONS	18
CIVIL SOCIETY	19
OFD COUNTRY PROGRAMMES	20
AFGHANISTAN	22
ANGOLA	24
BANGLADESH	27
BOLIVIA	29
CUBA	32
ECUADOR	34
GHANA	36
IRAQ	40
IVORY COAST	42
LEBANON	44
LIBERIA	46
MOZAMBIQUE	48
NICARAGUA	51
NIGERIA	53
SÃO TOMÉ AND PRÍNCIPE	55
SIERRA LEONE	57
SUDAN AND SOUTH SUDAN	59
TANZANIA	62
TIMOR-LESTE	64
UGANDA	67
VIETNAM	70



OTHER OFD PROGRAMMES	72
AFRICAN CENTER FOR ECONOMIC TRANSFORMATION (ACET)	72
THE COORDINATING COMMITTEE FOR GEOSCIENCE PROGRAMMES IN EAST AND SOUTHEAST ASIA (CCOP)	72
PETROLEUM GOVERNANCE INITIATIVE (PGI) EXTRACTIVE INDUSTRIES	74
– TECHNICAL ADVISORY FACILITY (EI-TAF)	74
INTERNATIONAL MONETARY FUND (IMF)	75
CIVIL SOCIETY CAPACITY BUILDING THROUGH NORWEGIAN NON-GOVERNMENTAL ORGANIZATIONS (NGOs)	75
CIVIL SOCIETY CAPACITY BUILDING THROUGH REVENUE WATCH INSTITUTE (RWI)	76
PETRAD'S EIGHT-WEEK PROGRAMMES	76
NORAD'S MASTER PROGRAMME FOR ENERGY AND PETROLEUM (ENPE)	77
INTERNATIONAL ASSOCIATION FOR IMPACT ASSESSMENT (IAIA)	77
GLOBAL GAS FLARING REDUCTION PARTNERSHIP (GGFR)	78
GENDER AND ANTI-CORRUPTION - CROSS-CUTTING EFFORTS	80

THE OIL FOR DEVELOPMENT (OFD) PROGRAMME

6

Discoveries of large deposits of natural resources, such as petroleum, have the potential to bring wealth and welfare to the entire population of a country. However, history has shown that natural resources often have turned out to be a curse rather than a blessing.

Norway is often put forward as an exception, and used as an example of how oil and gas revenues may be used to provide long-term benefits for the people. More than 40 years as a producer and exporter of petroleum has given Norway valuable experience in managing its resources in a sustainable way.

Strong and stable legal frameworks, responsible resource management, co-operation with the private sector, technical expertise, development of accountable government institutions and building of a competitive national industry base are central elements in the Norwegian experience and its management system for petroleum. Additionally, regard for the environment and focus on health, safety and environment is an integrated part of the Norwegian approach to its natural resources.

The Oil for Development (OfD) programme, launched by the Norwegian government in 2005, offers experience transfer to developing countries asking for advice on how to manage their hydrocarbon resources. The overall goal of the programme is to promote “Economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations”. This goal is further specified through three objectives. Firstly, that sound policy and legal frameworks are developed. Secondly, that the relevant institutions are able to implement and enforce the policy and legal framework. Thirdly and finally, that the relevant institutions are held accountable to the citizens of the country. In 2011, the OfD programme encompassed activities in a total of 22 countries located in Africa, Latin-America, the Middle-East and Asia.





THE CHALLENGE OF THE RESOURCE CURSE

There are many explanations as to why petroleum resources engender negative effects in a country. From an economic perspective, the resource curse phenomenon is commonly linked to the concept of Dutch disease. The term is used to describe a situation where national competitiveness is weakened due to increased exploitation of natural resources. Discoveries of large petroleum reserves may for example lead to a great inflow of foreign currency, which raises the value of the national currency. As a consequence, other productive sectors decline, because they become unable to compete in the export market.

From a political and institutional perspective the absence of strong, accountable and transparent institutions (defined by government effectiveness, absence of corruption and robust regulatory frameworks) is a decisive hindrance for sound resource management. The quality of political leadership determines not only whether an economy can benefit from its natural resource sector, but also the opportunities for reform. The composition of social groupings in a country furthermore sets the stage for whether social tensions and civil strife will result from the distribution of benefits from windfall revenues.

Among the potential policy responses to prevent natural resource revenues from becoming a curse for the economy, development of accountable institutions stands out as especially important. In combination with dedicated leadership and commitment to national development, good governance is integral to turning natural resources into a blessing. Transparency reduces the possibilities of corruption and is a prerequisite for the establishment of proper regulatory institutions or policies.

OIL FOR DEVELOPMENT: INSTITUTIONAL CAPACITY BUILDING

The Oil for Development programme takes a holistic approach in its assistance to partner countries. Resource management, revenue management and environmental management constitute three pillars addressed in a coordinated manner. The main content of each pillar includes the following:

- Resource management: Technical assistance to develop legal frameworks, frameworks for exploration and production, administra-

tion and supervision mechanisms, state ownership, licensing and tendering processes, systems for fiscal metering and tax reference pricing, and policies to stimulate technology development, education and vocational training and the involvement of local industry. Impact assessments based in law are integral to assessing all relevant impacts, positive and negative, of petroleum operations.

- Revenue management: Assistance aimed at strengthening institutional capacity on revenue management. The assistance focuses on fiscal policy, including government take, tariffs, fees, tax treaties, and petroleum funds. Assistance includes both economic and legal expertise.
- Environmental management: Assistance to develop basic legislation, regulations and guidelines covering environmental dimensions of petroleum sector management, and systems for monitoring the domestic and international oil industry. Environmental impact assessments, risk reduction measures, capacity building on soil remediation and action plans to reduce accidental pollution are particularly important tools for environmental management.

Assistance on issues related to health and safety and oil spill preparedness are also focused on in the programme. In addition, principles of good governance, such as anti-corruption, transparency and accountability, as well as gender equality are cross-cutting.

In 2011, the Oil for Development programme was most heavily involved in Uganda, Sudan (including South Sudan), Ghana, Timor-Leste and Mozambique. In some countries, the programme includes activities within all three pillars, while in other programmes just two or sometimes only one pillar are addressed.

Assistance provided through the programme is demand-driven. Competence building and institutional development of government agencies are driving tools of the OfD assistance. The OfD programme does not seek to export one single solution to sound petroleum governance. The assistance provided to a partner country shall be tailor-made to domestic conditions and demands.

Read more about the OfD programme on www.norad.no

FINANCIAL OVERVIEW OF 2011

10





Photo: Ken Opprann

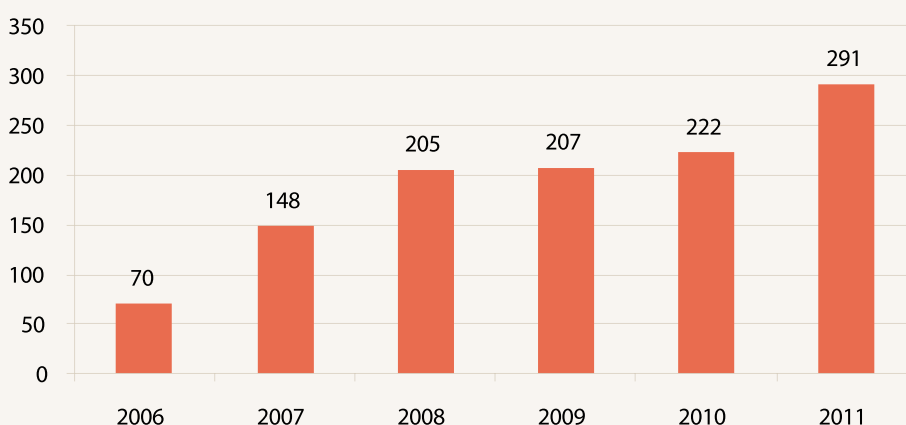
GENERAL OVERVIEW

This chapter provides a financial overview of funds allocated to the Oil for Development programme by the Ministry of Foreign Affairs, the Embassies and Norad.

In 2011, the Oil for Development programme conducted activities in 22 countries: Afghanistan, Angola, Bangladesh, Bolivia, Cuba, Ecuador, Ghana, Iraq, Ivory Coast, Lebanon, Liberia, Mozambique, Nicaragua, Nigeria, São Tomé and Príncipe, Sierra Leone, Sudan (including South Sudan), Tanzania, Timor-Leste, Uganda and Vietnam¹. The programme provided assistance in a broad range of fields, from extensive capacity building projects to short-term courses and seminars. In addition, funding was allocated to several other global initiatives.

The funding allocated to OfD activities has grown rapidly since the start of the programme. Since 2008, funding has exceeded NOK 200 million per year (see Figure 1). From 2010 to 2011, funding for OfD activities increased substantially, from NOK 222 to NOK 291 million. This represents a 31 percent increase. This is partly due to an increase in support to partner countries from NOK 153 million in 2010 to NOK 217 million in 2011, as well as to a higher level of disbursements to global initiatives.

FIGURE 1: OfD activities, NOK million



¹ The OfD programmes in Mauritania, Kenya, the Palestinian Territory and Cambodia were completed in 2010 and therefore do not constitute a part of this report. The OfD programmes in Bangladesh, Ecuador and Vietnam will be completed and formally closed during 2012.



REGIONS AND COUNTRIES

In 2011, Oil for Development funds were distributed among four main regions: Africa, Asia, Middle East and Latin America.

Table 1 and Figure 2 show the distribution by region in 2009, 2010 and 2011. Disbursements without a clear geographical allocation are shown as Global and other.

TABLE 1: Disbursements distributed by region in 2009, 2010 and 2011, NOK 1000²

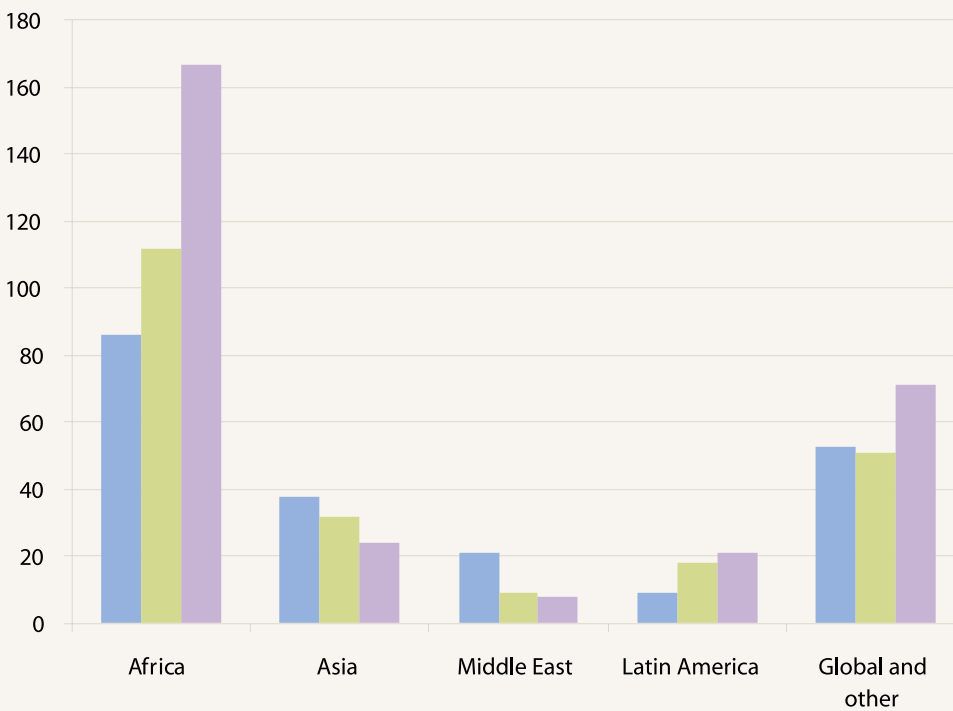
Region	2009	2010	2011
Africa	86 000	112 000	167 150
Asia	38 000	32 000	24 000
Middle East	21 000	9 000	8 000
Latin America	9 000	18 000	21 000
Global and other	53 000	51 000	71 000
TOTAL	207 000	222 000	291 150

The disbursements for the last three years indicate an increasing prioritization of Africa and Latin America. From 2010 to 2011, the disbursements to Africa increased with NOK 55 million, or by 49 percent. Assistance to Latin America was doubled from 2009 to 2010, and increased with 3 million NOK from 2010 to 2011. Disbursements to Asia and particularly the Middle East were reduced. This is illustrated in Figure 2.

² Table 1 and Figure 2 include both OfD disbursements to specific countries and disbursements which are not geographically allocated and thus referred to as "Global and other". The former include disbursements channelled via the Norwegian ministries and subordinate directorates and agencies, Petrad, civil society organizations, research institutes and consultancy firms as well as the Norwegian Embassies.

The latter include allocations made to other OfD initiatives, such as for example the Petroleum Governance Initiative (PGI), the International Monetary Fund (IMF), the Global Gas Flaring Reduction Partnership (GGFR) as well as support to civil society organisations which cannot be geographically allocated. Finally, the term "Global and other" also includes administrative costs in the OfD programme.

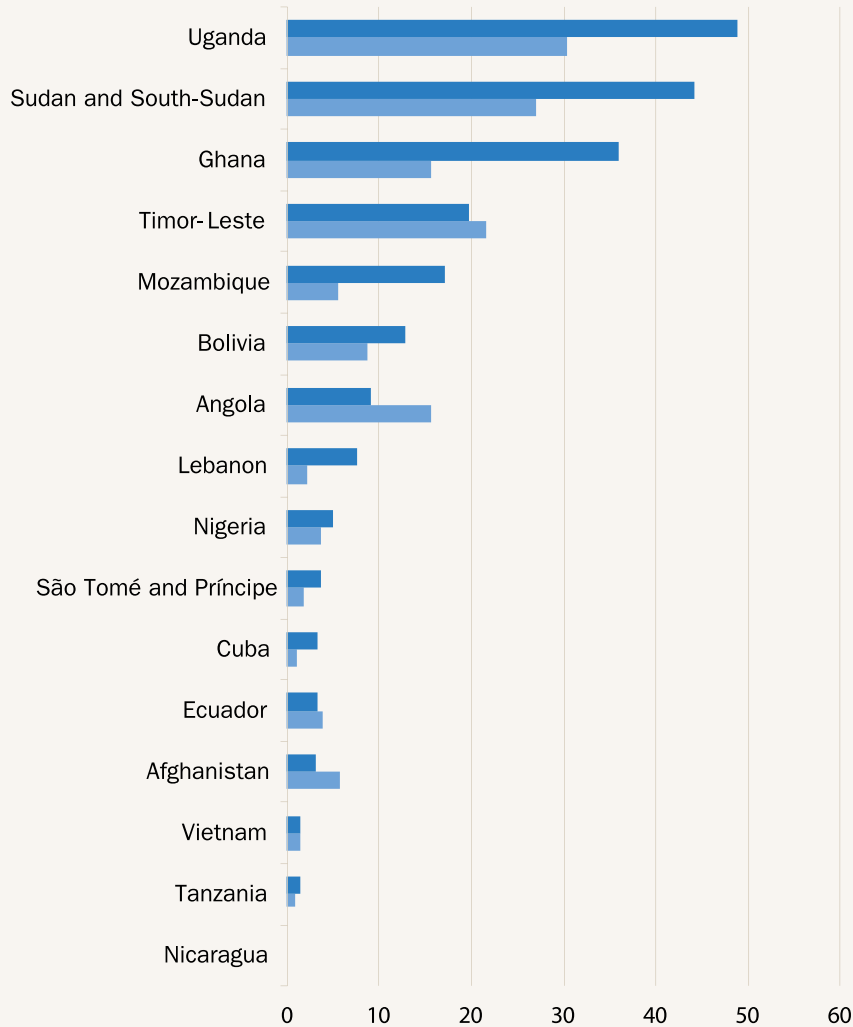
FIGURE 2: Disbursements distributed by region in 2009, 2010 and 2011, NOK million



The disbursements to Oil for Development's bilateral country programmes were NOK 217 million in 2011, up from NOK 153 million in 2010, representing an increase of 42 percent.

Figure 3 and Table 2 show the level of disbursements to the OfD country programmes in 2011, compared with the disbursements made in 2010.

FIGURE 3: Disbursements to OfD countries in 2010 and 2011, in NOK million



Disbursements made for programme activities in Iraq, Sierra Leone and Liberia are relatively small, with NOK 550 000 for each of these countries, and have therefore been left out of Figure 3. Furthermore, the Ivory Coast and Bangladesh are not included because there were no expenditures in 2011.

Figure 3 shows that Uganda was the largest recipient of support from the OfD programme in 2011, followed by Sudan³, Ghana, Timor-Leste and Mozambique. Except for Timor-Leste, the five biggest recipients of OfD support were African countries. Uganda, Sudan (including South Sudan) and Ghana all received a substantially higher level of support in 2011 compared to 2010, thus explaining the increased level of support to Africa as a region.

3 Including South Sudan, which became independent in July 2011.

TABLE 2: Disbursements to OfD countries in 2010 and 2011, in NOK 1000

Country	2010	2011
Afghanistan	5 750	3 100
Angola	15 650	9 100
Bangladesh	3 000	-
Bolivia	8 700	12 800
Cambodia	900	-
Cuba	1 100	3 400
Ecuador	3 800	3 300
Ghana	15 600	36 000
Iraq	1 400	550
Ivory Coast	50	-
Kenya	700	-
Lebanon	2 100	7 600
Liberia	-	550
Mauritania	850	-
Mozambique	5 600	17 200
Nicaragua	900	1 000
Nigeria	3 750	4 600
São Tomé and Príncipe	1 900	1 600
Sierra Leone	-	550
Sudan and South Sudan	27 050	44 200
Tanzania	650	1 500
Timor Leste	21 600	19 800
Uganda	30 300	48 800
Vietnam	1 500	1 500
Sub-total	152 850	217 150

In addition to funding the bilateral country programmes, the Oil for Development programme is engaged in a number of other initiatives, either directly or via other donors and implementing partners. Table 3 shows disbursements to these other initiatives in 2010 and 2011.

TABLE 3: Disbursements to other major initiatives, in NOK 1000⁴

	2010	2011
International Association for Impact Assessments (IAIA)	1 300	1 600
Global Gas Flaring Reduction Partnership (GGFR)	750	750
African Center for Economic Transformation (ACET)	3 000	3 000
The Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP)	4 600	3 000
Petroleum Governance Initiative (PGI)	5 000	7 500
The Extractive Industries Technical Advisory Facility (EI-TAF)	2 500	2 500
Norad's master programme for energy and petroleum (EnPe)	2 500	12 000
Sub-total	19 650	30 350

The increase in disbursements to other major initiatives in the OfD programme from 2010 to 2011 is by and large explained by a substantially higher level of support to Norad's master programme for energy and petroleum (EnPe).

In addition to the above, a number of regional initiatives were carried out in 2011 with funding from the OfD programme. These regional initiatives have to a large extent consisted of seminars facilitated by Petrad. These include, among others, regional seminars on data management conducted in West and East Africa and Latin America, as well as a regional seminar on good governance and anti-corruption and licensing and negotiation in West Africa.

Finally, the OfD programme also conducts programme activities related to local industry development and provides support to civil society organizations in Norway and internationally. The promotion of good governance and gender equality are cross-cutting issues incorporated into all OfD programme activities.

4 The table refers to firsthand recipients.

INSTITUTIONS

OfD funds are distributed through partner institutions, such as the Norwegian Ministry of Petroleum and Energy, the Norwegian Ministry of the Environment and the Norwegian Ministry of Finance as well as subordinate governmental directorates and agencies. In addition, Petrad⁵ is an important partner. Furthermore, selected Norwegian and international consultancy companies receive funding for the implementation of some of the OfD country programme activities.

Funds are also disbursed to multinational organizations such as the World Bank and the International Monetary Fund (IMF). Table 4 shows the amount of funding disbursed to key partner institutions in the OfD programme in 2010 and 2011.

TABLE 4: Disbursements made through major funding channels, in NOK 1000⁶

	2010	2011
The Norwegian Ministries of Petroleum and Energy, Environment and Finance	15 500	15 000
The Norwegian Petroleum Directorate (NPD)	51 000	64 000
Petrad	53 000	51 000
World Bank	10 000	15 000
International Monetary Fund (IMF)	6 000	8 000
Sub-total	135 500	153 000

5 Petrad is a non-profit Norwegian government foundation established to facilitate knowledge and experience transfer about petroleum management, administration and technology.

6 The table refers to firsthand recipients.

CIVIL SOCIETY

Supporting civil society organizations is an important part of the OfD programme. Table 5 includes both Norwegian and international civil society organizations that received OfD funding in 2010 and 2011. The level of funding has remained relatively stable over the two years, largely due to funding being provided through framework agreements for three years at the time. The international organization Revenue Watch Institute (RWI) and the Norwegian organization World Wildlife Fund for Nature Norway (WWF) were the two largest recipients of funds in 2011.

TABLE 5: Disbursements made through major funding channels, in NOK 1000⁷

	2010	2011
World Wildlife Fund Norway (WWF)	4 500	4 400
The Norwegian People's Aid	2 000	2 000
The Norwegian Confederation of Trade Unions (LO)	1 660	1 660
Publish What You Pay Norway	3 100	1 900
The Norwegian Students and Academics International Assistance Fund (SAIH)	800	800
Revenue Watch Institute (RWI)	6 000	6 000
Norwegian Society for the Conservation of Nature	1 300	1 400
Norwegian Church Aid	1 700	1 700
Sub-total	21 060	19 860

⁷ The table refers to firsthand recipients.

OFD COUNTRY PROGRAMMES

20

In 2011, the Oil for Development programme conducted activities in 22 countries: Afghanistan, Angola, Bangladesh, Bolivia, Cuba, Ecuador, Ghana, Iraq, Ivory Coast, Lebanon, Liberia, Mozambique, Nicaragua, Nigeria, São Tomé and Príncipe, Sierra Leone, Sudan and South Sudan, Tanzania, Timor-Leste, Uganda and Vietnam⁸. The level of assistance ranged from long-term capacity building and institutional cooperation programmes to limited short-term courses and seminars.

The OfD programmes in Mauritania, Kenya, the Palestinian Territory and Cambodia were completed in 2010 and do therefore not constitute a part of this report. Furthermore, the OfD programmes in Bangladesh, Ecuador and Vietnam will be completed and formally closed during 2012.

⁸ For the purpose of this annual report, unlike last year, countries will not be grouped according to core countries and countries with limited cooperation, but are rather listed alphabetically in one common chapter. Also, Sierra Leone and Liberia have been listed separately, although the programme activities were implemented through a regional approach.





AFGHANISTAN

22

COOPERATING INSTITUTION
Ministry of Mines (MoM)

GOALS AND OBJECTIVES

Assist several ministries in the Islamic Republic of Afghanistan with the development of a first Comprehensive National Energy Policy, and assist the Ministry of Mines with the assessment of a possible domestic gas transmission network in the Northern provinces.

PROGRAMME

The programme consists of two main components:

- The development of a National Energy Policy, addressing large hydropower, oil and gas, imported power as well as small scale renewable and rural electrification.
- The assessment of a gas distribution network based on domestic gas serving the Northern provinces.

PROJECT PERIOD
2011-2012 (planned)

EXPENDITURES 2011
NOK 3.1 million

CONTACT
Oil for Development: Mr. Geir Ytreland,
geir.ytreland@norad.no

BRIEF HISTORY OF THE OFD PROGRAMME

In 2006, the Islamic Republic of Afghanistan requested assistance from Norway for the development of a national petroleum regulatory authority. Assistance was provided, comprising two main components:

- Development of a legal framework and provision of consultancy for a tendering process
- Organizational capacity building

Despite the deteriorating security situation in Afghanistan, both components were completed in spring 2010, their most important objectives having been achieved. As a separate activity, the Oil for Development programme provided and funded energy consultants to the United Nations Assistance Mission in Afghanistan (UNAMA), from mid 2009 to mid 2010.

In July 2010, Norway received a request from the Afghan Minister of Mines for further assistance. A new programme was agreed in spring 2011, with the objective of developing a national energy policy as well as studying the infrastructure for utilization of domestic gas in the Balkh, Jowzjan and Kunduz provinces. An OfD project organization was established in cooperation with the German organization GIZ; the latter would concentrate on the role of renewable energy in the energy policy. On the Afghan side, an inter-ministerial project team was to be established. The programme was aborted after five months due to coordination issues on the Afghan side.





ACTIVITIES IN 2011

Through a series of meetings in Kabul, scope of work for the programme was agreed with the Afghan Ministry of Mines. Meetings were also held with the Ministry of Energy and Water.

Relations were established between the respective ministries in Afghanistan, and programme activities were started in May. A draft National Energy Policy was issued in early autumn, before the termination of the programme.

KEY ACHIEVEMENTS IN 2011

A joint project organisation with German GIZ was established and the first draft of a comprehensive energy policy for Afghanistan was issued.



AFGHANISTAN

OFFICIAL NAME
Islamic Republic of Afghanistan

CAPITAL
Kabul

CHIEF OF STATE
President Hamid Karzai

HEAD OF GOVERNMENT
President Hamid Karzai

POPULATION
29,835,392 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Insignificant production

ORGANIZATION OF THE SECTOR
Ministry of Mines (MoM)
Ministry of Energy and Water (MEW)

ANGOLA

24

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 for ensuring better administration of the Angolan petroleum resources.

PROJECT PERIOD
2008-2012

EXPENDITURES 2011
NOK 9.1 million

PROGRAMME
The programme consists of the following main components:

- Institutional capacity and competence building of MINPET
- Development of MINPET petroleum and administrative data systems
- Development of internal and regional cooperation on the coordination of the oil, fisheries and environmental sectors
- Support and technical assistance to Angolan petroleum research and academic training institutions

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

COOPERATING INSTITUTIONS IN
NORWAY
Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has provided assistance to the petroleum sector in Angola since 1987. In October 2006, an agreement between Norway and Angola regarding technical assistance to the petroleum sector was signed, and an institutional cooperation programme was agreed upon by the Ministry of Petroleum of Angola (MINPET) and the Norwegian Petroleum Directorate (NPD) in May 2008.

The Oil for Development programme defined 12 main activity areas (outputs) to be completed by 2010. Due to delays in programme implementation, it was decided to continue with some of the activities into 2012. In late 2011, MINPET submitted a formal request for further support.

ACTIVITIES IN 2011

FAST-TRACK PROJECTS

The programme initiated nine so-called Fast-Track projects, i.e. projects that may be delivered rapidly. The Fast-Track programme activities conducted in 2011 include the following:

Leadership development and management training

Management training related to the development of a human resource policy for the Angolan Ministry of Petroleum was initiated. Two seminars were organised and a policy proposal is expected in early 2012.

Developing and upgrading long-term and strategic planning

A seminar and workshop on strategic planning and document management was conducted in the Ministry of Petroleum supported by the Norwegian Petroleum Directorate.

Language training

Two 90-hour English language courses were organized in 2011 for more than 20 employees in MINPET. Tests conducted at the end of the courses indicated good progress in language proficiency.



Inspection strategy

A programme for inspection strategy was developed and implemented by experts from the Petroleum Safety Authority Norway (PSA) together with staff from the Angolan Ministry of Petroleum.

Administrative IT and petroleum data management

Two workshops on administrative IT and petroleum data management were conducted.

OTHER ACTIVITIES

Improvement of petroleum scientific knowledge in Angola

A study on how the benefits from petroleum exploration in Angola can contribute to improved scientific knowledge in Angola was conducted by the International Research Institute of Stavanger (IRIS) and the University of Stavanger (UiS). A final report will be presented in 2012.

Technical support from the Norwegian Petroleum Museum regarding the possible establishment of a national petroleum museum/scientific knowledge centre in Angola was provided.

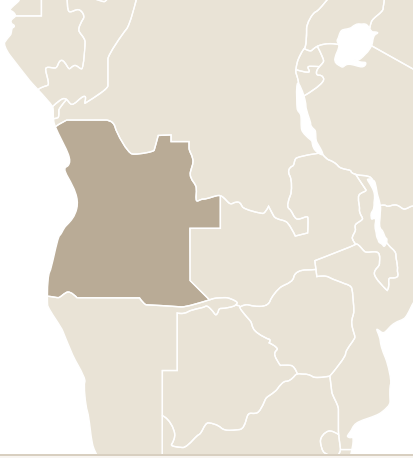
Cooperation between Agostinho Neto University (ANU) and Norwegian University of Science and Technology (NTNU)

Technical assistance and scientific knowledge were provided to the Agostinho Neto University (ANU) in Angola by the Norwegian University of Science and Technology (NTNU) through the NOMA programme⁹. This enabled the university to conduct petroleum-oriented academic courses and research projects.

General training of MINPET staff

Three representatives from the Angolan Ministry of Petroleum participated in Petrad's eight-week programmes in Stavanger.

⁹ NOMA is a Norad programme providing financial support to develop and run Master's Degree programmes in cooperation between higher education institutions in the South and corresponding institutions in Norway.



ANGOLA

OFFICIAL NAME
Republic of Angola

CAPITAL
Luanda

CHIEF OF STATE
President José Eduardo dos Santos

HEAD OF GOVERNMENT
President José Eduardo dos Santos

POPULATION
13,338,541 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 1.988 mill. bbl/day (2010 est.)
Annual gas production: 0.69 bill. m3 (2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Petroleum of the Angolan Republic (MINPET)
Sociedade Nacional de Combustíveis de Angola (Sonangol) – state-owned oil company, sole concessionaire and partner in Production Sharing Agreements with international oil companies

Civil Society

The Norwegian People's Aid's project Oil for the Common Good aims to contribute to the strengthening of Civil Society Organizations in Angola. This is in order to influence decision making to achieve a transparent and democratic society with equitable distribution of resources. In Angola, local partners are assisted in creating lobby strategies, building a network of civil society organizations to monitor national budgets, and target national parliamentary budget committees.

OfD also supports Norwegian Church Aid in Angola with projects focused on accountable governance of oil revenues with the aim of achieving economic justice. Project activities include promoting transparency in public financial management in Angola, and challenging national and local authorities on how they use and distribute oil revenue.

KEY ACHIEVEMENTS IN 2011

An inspection strategy programme was developed and implemented.

Capacity and understanding at the Agostinho Neto University (ANU) in Angola was improved, enabling the University to conduct petroleum-oriented academic courses and research projects



BANGLADESH

27

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has supported Bangladesh in building a sustainable energy sector since 1979.

The ongoing Norwegian supported project “Institutional Strengthening of Hydrocarbon Unit – Phase II” is a component of the agreement “Bangladesh Gas Transmission and Development Project” signed in 2006 between the Asian Development Bank and the Government of Bangladesh. The project focuses on building capacity in the Ministry of Power, Energy and Mineral Resources for the management of mineral resources through the Hydrocarbon Unit (HCU).

The project is implemented in the form of ten consulting missions (reports as well as training) covering topics such as exploration and extraction of oil and gas resources, refining and marketing, and monitoring and supervision. By December 2010, a review of a mining proposal and a feasibility study for setting up a straddle plant had been completed.

Due to delays in implementing programme activities, the programme period was extended to October 2012. The programme is to be completed and closed ultimo 2012.

COOPERATING INSTITUTIONS

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

GOALS AND OBJECTIVES

Strengthen the Hydrocarbon Unit to become a full-fledged functioning, permanent body in the Ministry of Power, Energy and Mineral Resources, 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.

PROJECT PERIOD

2006-2012

EXPENDITURES 2011

0¹⁰

PROGRAMME

The programme consists of the following components:

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

CONTACT

Oil for Development: Mrs. Torhild H. Martinsen, tohm@norad.no

10 The activities conducted in 2011 were financed by previous allocations made to the Asian Development Bank throughout the project period. These allocations comprise approximately USD 2 million.



28



BANGLADESH

OFFICIAL NAME

People's Republic of Bangladesh

CAPITAL

Dhaka

CHIEF OF STATE

President Zillur Rahman

HEAD OF GOVERNMENT

Sheikh Hasina Wajed

POPULATION

158,570,535 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

Average oil production: 5,724 bbl/day
(2010 est.)

Annual gas production: 19.9 bill. m³
(2010 est.)

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

ACTIVITIES IN 2011

Draft reports from three consultancy assignments were submitted. These reports were related to the topics of petroleum resource management, monitoring and supervision of production sharing contracts, and gas production augmentation.

The development of three ongoing consultancy assignments continued, namely the provision of advisory services to the Ministry of Power, Energy and Mineral Resources concerning policy strategy, development of the mines and minerals sector, and issues related to petroleum refining and marketing.

The selection process of a consultant for a study on the potential of shale gas in Bangladesh was initiated. Short listing of consultants for the training component of this assignment has not yet been finalized.

KEY ACHIEVEMENTS IN 2011

Consultant reports on petroleum resource management, production sharing agreements and gas production were prepared and submitted.



BOLIVIA

BRIEF HISTORY OF THE OFD PROGRAMME

Petroleum development cooperation between Norway and Bolivia was initiated in 2006, following a request from the Bolivian government. In 2007, a Memorandum of Understanding (MoU) was signed. The Norwegian-Bolivian cooperation is coordinated with petroleum related support from the Netherlands and Canada.

A three-year bilateral agreement on petroleum cooperation between Bolivia and Norway was signed on 25 July 2011.

ACTIVITIES IN 2011

RESOURCE MANAGEMENT

Technical assistance was provided to the Bolivian Ministry of Hydrocarbons and Energy on various issues:

- Developing the petroleum law, fiscal reforms and education of technical staff
- General capacity building
- Technical support to the ministry on upstream production plans

A long-term training programme for Bolivian professionals in the Ministry of Hydrocarbons and Energy, the La Paz University Universidad Mayor de San Andrés (UMSA), and the state-owned oil company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) commenced in 2011 with the aim of improving the competence and general understanding of the petroleum industry. Two semesters including 6 modules of the “Basic Training course for Non Professionals” have been completed.

Advice to the Bolivian Ministry of Hydrocarbons and Energy on the development of the gas sector was provided by the Norwegian Petroleum Directorate.

Technical reviews of production profiles, investments, and wells were performed and recommendations were passed to the Ministry. Seminars and workshops were arranged on topics such as organization and corporate governance, exploration and production, data management and environmental management.

COOPERATING INSTITUTIONS

Ministry of Hydrocarbons and Energy (MHE)
Yacimientos Petrolíferos Fiscales Bolivianos (YPFB)
Ministry of Environment and Water (MMAyA)

GOALS AND OBJECTIVES

Capacity building for the Bolivian Ministry of Hydrocarbons and Energy and other parts of the Bolivian petroleum sector

PROJECT PERIOD

2011-2014

EXPENDITURES 2011

NOK 12.8 million

PROGRAMME

The programme consists of the following main components:

- Environmental management
- Resource management
- Capacity building
- Legal framework
- Data management
- Support to civil society

CONTACT

Oil for Development: Mr. Geir Ytreland,
geir.ytreland@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Norwegian Petroleum Directorate (NPD)
Ministry of Environment (MoE)
Ministry of Petroleum and Energy (MPE)
Climate and Pollution Agency (Klif)
Norwegian Directorate for Nature Management (DN)
Petroleum Safety Authority Norway (PSA)
Petrad
Norwegian Confederation of Trade Unions (LO)
Norwegian Students' and Academics' International Assistance Fund (SAIH)
Industri Energi

Technical assistance was provided to the national oil company concerning organizational development, and capacity building activities within exploration and data management were conducted by Petrad.

ENVIRONMENTAL MANAGEMENT

Capacity building activities related to sustainable environmental management in the petroleum sector were conducted in close collaboration between Bolivian and Norwegian institutions. Topics included environmental impact assessments, resource management as well as remediation of contaminated soil.

CIVIL SOCIETY

Capacity building activities were conducted for local civil society organizations, aiming at improving their engagement in the petroleum sector in Bolivia. The support was provided through the Norwegian Students' and Academics' International Assistance Fund (SAIH).

Informational support and assistance were provided to the Bolivian Oil and Gas Labour Union (FSTPB) by the Norwegian Confederation of Trade Unions (LO), in close collaboration with Industry Energy (member of LO). The issues covered included among others the management of collective agreements and health, safety and environmental regulations.

KEY ACHIEVEMENTS IN 2011

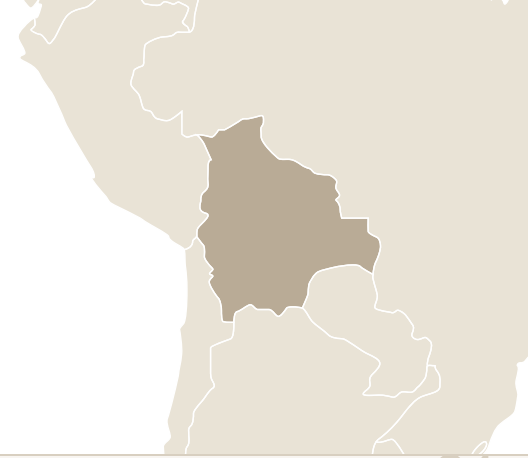
The understanding of sustainable petroleum management in the Ministry and in the national oil company was strengthened and enhanced through capacity building activities.

A bilateral agreement for continued cooperation was signed.

The capacity of the Bolivian Oil and Gas Labour Union regarding management of collective agreements and health, safety and environmental regulations was improved.

Six training courses were completed under the UMSA programme.





BOLIVIA

OFFICIAL NAME
Plurinational State of Bolivia

CAPITAL
Sucre (constitutional capital)
La Paz (seat of government)

CHIEF OF STATE
President Juan Evo Morales Ayma

HEAD OF GOVERNMENT
President Juan Evo Morales Ayma

POPULATION
10,118,683 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 53,740 bbl/day (2010 est.)
Annual gas production: 14.73 bill. m3 (2010 est.)

ORGANIZATION OF THE SECTOR
Ministerio de Hidrocarburos y Energia (MHE).
Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) – state-owned oil company
Agencia Nacional de Hidrocarburos (ANH)* – regulator
Empresa Boliviana de Industrialización de los Hidrocarburos (EBIH)* – state enterprise for commercialization of gas

* Not fully functional by end 2011

CUBA

32

COOPERATING INSTITUTIONS

Ministry of Foreign Trade and Foreign Investment (MINCEX)
Ministry of Basic Industry (MINBAS)
National Office of Mineral Resources (ONRM)
Cuba Petrólio (Cupet)

GOALS AND OBJECTIVES

Contribute to a sustainable development of Cuba's petroleum resources, implying the promotion of economic growth, safety management and protection of the environment.

PROJECT PERIOD

2010-2013

EXPENDITURES 2010

NOK 3.4 million

PROGRAMME

The main focus of the programme is capacity building in the Cuban petroleum administration through workshops, seminars or short courses which are mainly to be held in Cuba. This includes assistance in processes linked to petroleum legislation, strategic planning, technology, safety and environment issues, supervision of and implementation of sector activities.

CONTACT

Oil for Development: Halvor Musæus,
halm@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Petroleum Safety Authority Norway (PSA)
Climate and Pollution Agency (Klif)
Petrad

BRIEF HISTORY OF THE OFD PROGRAMME

A bilateral cooperation agreement between Norway and Cuba was signed in April 2010. This led to Cuba requesting cooperation with the Oil for Development programme. A formal cooperation agreement establishing the programme was signed in May 2011, covering the period December 2010 to November 2013.

The agreement established a Coordinating Committee with two representatives from each party. The Committee shall approve the annual work plan and see to the implementation and supervision of activities. Three workshops or alternative activities shall be carried out each year, coordinated by Petrad.

ACTIVITIES IN 2011

The programme activities carried out in 2011 focused on addressing challenges faced by the authorities related to deep-water petroleum activities. In particular, this applies to the management of safety and environment issues. Two workshops and a seminar were organized and facilitated by Petrad:

- A workshop on monitoring and supervision of drilling operations
- A workshop on management, risk and emergency response
- A seminar on deep water drilling operations





In connection with the seminar, the first Coordinating Committee Meeting (CCM) was conducted in Havana in September.

Four representatives from Cuba participated in Petrad's eight-week programmes in Stavanger.

KEY ACHIEVEMENTS IN 2011

The knowledge of key issues related to safety and environment issues in connection with deep-water petroleum activities was increased.



CUBA

OFFICIAL NAME
Republic of Cuba

CAPITAL
Havana

CHIEF OF STATE
Raúl Castro Ruz

HEAD OF GOVERNMENT
Raúl Castro Ruz

POPULATION
11,087,330 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 53,690 bbl/day
(2010 est.)
Annual gas production: 1.16 bill. m³
(2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Basic Industry (MINBAS)
National Office of Mineral Resources
(ONRM) – mining and petroleum authority
Cuba Petrólío (Cupet) – state-owned oil company

ECUADOR

34

COOPERATING INSTITUTIONS

Ministerio de Recursos Naturales No Renovables (MRNR)
Ministerio del Ambiente
PetroEcuador

GOALS AND OBJECTIVES

Capacity building in relevant institutions with respect to management of the petroleum sector

PROJECT PERIOD

2007-2011

EXPENDITURES 2011

NOK 3.3 million

PROGRAMME

The programme consists of the following main components:

- Resource management
- Environmental management
- Data management

CONTACT

Oil for Development: Mr. Geir Ytreland,
geir.ytreland@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Petrad
Ministry of the Environment (MoE)
Norwegian Directorate for Nature Management (DN)
Climate and Pollution Agency (Klif)

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has assisted Ecuador in building its petroleum sector since November 2007. The assistance has mainly been provided through workshops and seminars. For example, in 2010, seminars were conducted in the fields of sustainable resource and environmental management in the petroleum sector, both in a regional format and in particular for PetroEcuador.

The OfD programme in Ecuador is to be completed and formally closed in 2012.

ACTIVITIES IN 2011

ENVIRONMENTAL MANAGEMENT

A visit to Ecuador related to sustainable environmental management in the petroleum sector was conducted. A meeting was held with the Ministry of the Environment, Ministry of Non-renewable Natural Resources, PetroEcuador and Petro Amazonas (the latter two both state-owned oil companies). Focus was on giving advice on capacity building in the environmental sector. Capacity building on the treatment of polluted substances was provided in connection with a field trip to the Sacha oil field located outside of Coca.

A delegation from Ecuador visited Norway with the purpose of learning how environmental issues are organized in the petroleum sector and also to see technical onshore installations in practice. This was followed up by two visits from Norway to Ecuador with discussions with Ecuadorian authorities regarding future cooperation.

Three workshops were held on environmental issues and offshore gas development.





35

RESOURCE MANAGEMENT

A seminar on gas development was conducted, facilitated by Petrad.

The Ministry of petroleum had meetings with its counterparts in Oslo and in Quito in June 2011.

Preparations for the establishment of a National Data Repository were initiated through workshops and on the job training.

A programme for Increased Oil Recovery was established, aiming at improving the current extraction level of 20 percent. The programme is supported by Petrad.

KEY ACHIEVEMENTS IN 2011

The understanding of sustainable environmental management in the petroleum sector was increased.



ECUADOR

OFFICIAL NAME
Republic of Ecuador

CAPITAL
Quito

CHIEF OF STATE
President Rafael Correa Delgado

HEAD OF GOVERNMENT
President Rafael Correa Delgado

POPULATION
15,007,343 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 495,100 bbl/
day (2010 est.)
Annual gas production: 0.22 bill. m3
(2010 est.)

ORGANIZATION OF THE SECTOR
Ministry of Non-renewable Natural
Resources (Ministerio de Recursos Nat-
urales No Renovables – MRNR)
PetroEcuador – state-owned oil com-
pany

COOPERATING INSTITUTIONS

Ministry of Energy (MoE)
Ministry of Environment, Science and Technology (MEST)
Petroleum Commission (PC)
Ghana National Gas Company (GNGC)
Ghana National Petroleum Corporation (GNPC)
Environmental Protection Agency (EPA)
Town and Country Planning Department (TCPD)

GOALS AND OBJECTIVES

Short-term cooperation to provide assistance to ongoing governance activities related to the Jubilee oil field development, management of petroleum data and petroleum legislative framework.

Long-term cooperation to provide advice and assistance with competence and capacity building to governance institutions within resource management, revenue management and environmental management.

PROJECT PERIOD

2010-2014

EXPENDITURES 2011

NOK 36 million

PROGRAMME

The programme consists of the following main components:

- Capacity building of governmental institutions within the petroleum sector
- Advice and assistance on the drafting of new petroleum legislative framework
- Advice to the government on field development issues, resource evaluations, collection of marine environmental and bathymetric data, environmental impact assessments, environmental governance issues, and spatial planning
- Advice on establishment of a National Data Bank for petroleum related information

BRIEF HISTORY OF THE OFD PROGRAMME

In 2007, Ghana, through the state-owned oil and gas company Ghana National Petroleum Corporation (GNPC), applied for assistance from the Oil for Development programme. In early 2008, a Memorandum of Understanding (MoU) for cooperation within the OfD programme was signed by Ghana and Norway.

In 2008, Norway assisted Ghana in the development of its petroleum policy and a master plan for developing the sector, followed by technical assistance in evaluation of the development plan and the development of a unitization agreement for the Jubilee Field. In addition, assistance was provided on reviewing the Jubilee Environmental and Social Impact Assessment. In 2009, marine environmental surveys of offshore sea bottom sediments and water columns were carried out. Assistance was provided for an application to the UN on extension of the continental shelf. Additionally, assistance on development of petroleum legislation and management of petroleum data was initiated.

Cooperation agreements and institutional agreements between the relevant Ghanaian and Norwegian counterparts for a new five-year programme within resource management and environmental management were signed in December 2010.

ACTIVITIES IN 2011

RESOURCE MANAGEMENT

Assistance was provided to the Ministry of Energy in Ghana on drafting the new Petroleum (Exploration and Production) Bill and the Petroleum Commission Bill.

The newly established Petroleum Commission was provided training on sustainable management of petroleum resources. A two-year development programme within petroleum management and technical training was completed, facilitated by Petrad. In 2011, four training activities were completed based on different phases of the value chain.

Advice was given to the Ghana National Petroleum Corporation (GNPC) and Ministry of Energy on petroleum data management and for the establishment of a National Data Bank Repository (NDR). This included assistance in defining relevant specifications of a NDR, development of



a reference data base, as well as procedures for purchase of equipment and training. The World Bank was a cooperation partner.

Advice was given to the Ministry of Energy and the oil and gas company GNPC on resource evaluations (data loading, interpretations, volume calculations), subsurface/development issues and on fiscal metering for the Jubilee field.

ENVIRONMENTAL MANAGEMENT

A resident part-time adviser on environmental policy issues related to petroleum activities was made available to the Ministry of Environment, Science and Technology (MEST) by the Norwegian Ministry of the Environment. Support was also provided regarding organizational and strategic issues in the Ministry.

The development of a spatial development framework for the Western Region of Ghana was initiated. A visit to Norway was organized to present the spatial footprint of the onshore segment of the oil and gas industry on the Norwegian continental shelf.

A multi-year baseline survey covering chemistry and biodiversity in sediments in Ghanaian waters was finalized and made publicly available. About 50 scientific and laboratory personnel received training. Advice was furthermore provided for the construction of a laboratory at the Environmental Protection Agency (EPA)- Ghana's Western Region office and for upgrading the Accra Head Office laboratory.

Continued support was provided to the Strategic Environmental Assessment (SEA) process. A study tour to the Netherlands and Norway was organized to share experiences in the SEA field.

Input to the Environmental Impact Assessment (EIA) for gas transportation and processing infrastructure was provided. Comments were submitted on draft EIA guidelines developed by EPA-Ghana.

A high level visit by EPA-Ghana to the Norwegian Climate and Pollution Agency (Klif) and the Norwegian Directorate for Nature Management (DN) was organized. Input was provided for environmental permitting, compliance monitoring, hazardous waste regulations, environmental data management and the national oil spill contingency plan for Ghana.

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Norwegian Climate and Pollution Agency (Klif)
Norwegian Directorate for Nature Management (DN)
Norwegian Coastal Administration (NCA)
The Institute of Marine Research (IMR)
Petrad
Petroleum Safety Authority Norway (PSA)

CIVIL SOCIETY

OfD provided support to the Norwegian Confederation of Trade Unions (LO) for projects focusing on strengthening labour rights and the decent work agenda in the petroleum industry, carried out in close cooperation with Ghanaian labour unions.

OTHER ACTIVITIES

A programme for the development of a governmental framework for delivery of goods and services to the petroleum industry and training of up to 10 Ghanaian companies was designed and initiated through close collaboration between several Ghanaian institutions and the Norwegian research institution SINTEF. A three-year implementation programme for the governmental programme, funded by Norad, was signed early 2011.

Personnel from the Ministry of Energy and GNPC participated in Petrad's eight-week programmes in Stavanger.

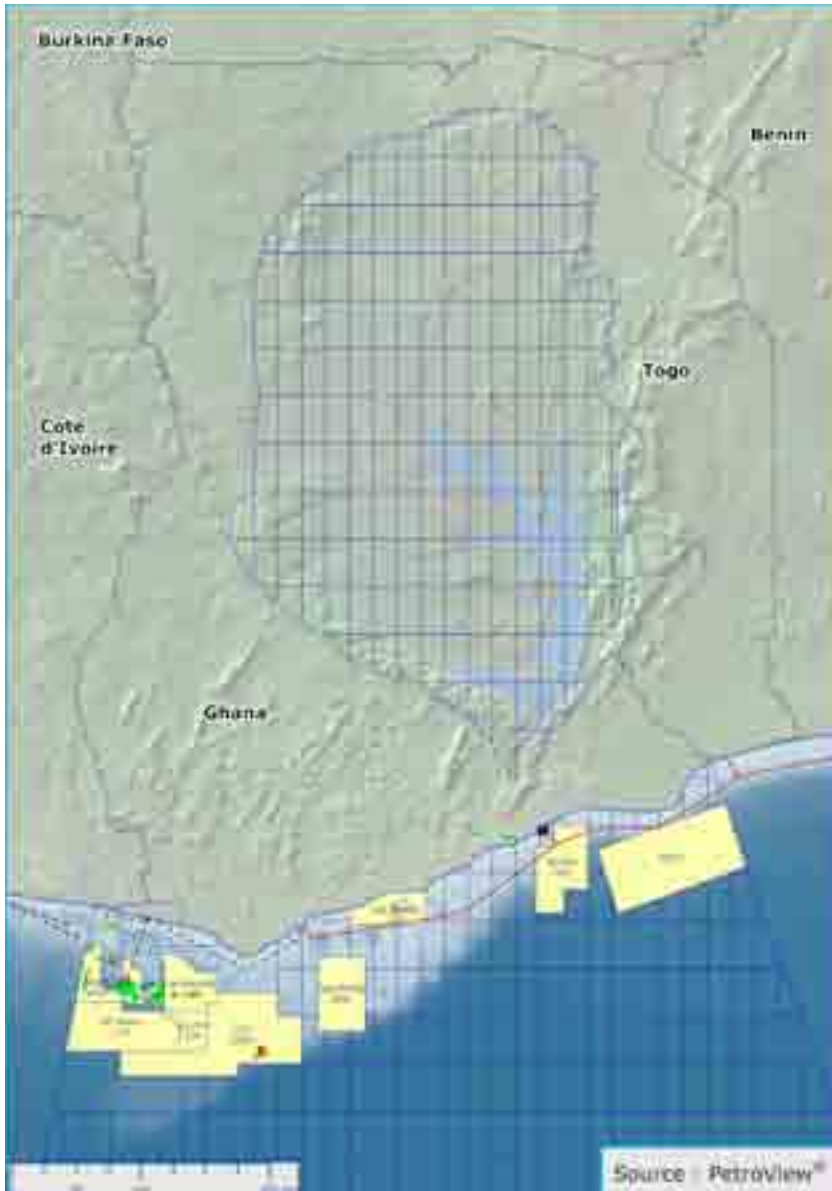
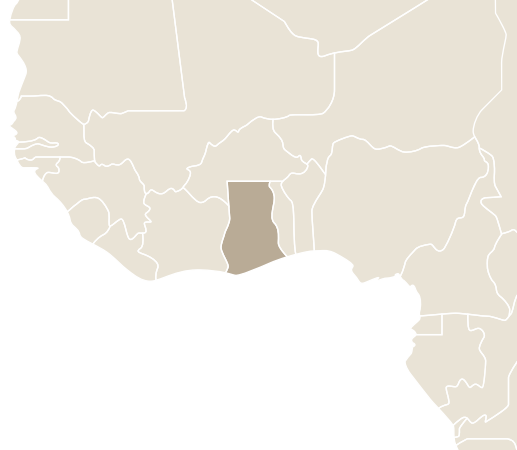
KEY ACHIEVEMENTS IN 2011

Technical assistance was provided to the Ghana National Petroleum Cooperation (GNPC) and the Environmental Protection Agency (EPA). The assistance improved the country's ability to follow up environmental assessments and to conduct independent calculations and evaluations of petroleum resources.

Extensive assistance was provided to the Ministry of Energy on drafting new Petroleum Bills. This contributed to improving the legislative framework of the petroleum sector in Ghana.

The data from the complete baseline survey of Ghanaian coastal waters were made public on the internet and via the data storage system at the Norwegian Institute of Marine Research.





GHANA

OFFICIAL NAME
Republic of Ghana

CAPITAL
Accra

CHIEF OF STATE
President John Evans Atta Mills

HEAD OF GOVERNMENT
President John Evans Atta Mills

POPULATION
24,791,073 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 100,000 bbl/day (2010 est.)
No gas production (2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Energy (MoE)
Ministry of Environment, Science and Technology (MEST)
Petroleum Commission (PC)
Ghana National Gas Company (GNGC)
Ghana National Petroleum Corporation (GNPC) – state-owned oil and gas company
Environmental Protection Agency (EPA)-Ghana – advisory and coordinating body
Town and Country Planning Department (TCPD)

IRAQ

40

COOPERATING INSTITUTIONS

Ministry of Oil (MoO)
Ministry of Environment (ME)

GOALS AND OBJECTIVES

Use of hydrocarbon resources in an economically, socially and environmentally sustainable manner in order to meet the needs of present and future generations in Iraq.

PROJECT PERIOD

2011-2014

EXPENDITURES 2011

NOK 0.55 million

PROGRAMME

The programme consists of the following main components:

- Policy development
- Petroleum resource management including data management and Improved Oil Recovery (IOR)
- Environmental management and health, safety and working environment
- Technical cooperation and skills development and training

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY:

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Norwegian Directorate for Nature Management (DN)
Climate and Pollution Agency (Klif)
Petrad

BRIEF HISTORY OF THE OFD PROGRAMME

The Norwegian cooperation with the petroleum sector in Iraq goes back to 2005. In 2009 a five-year programme was completed. A Memorandum of Understanding (MoU) between Iraq and Norway was signed in June 2010, and an agreement between the Iraqi Ministry of Oil and Norway was signed in September 2011. An Institutional cooperation agreement between the Norwegian Ministry of Petroleum and Energy (MPE) and the Iraqi Ministry of Oil is planned to be signed in 2012 followed by a Programme Agreement outlining the further cooperation in more detail.

The early programme was directed mainly towards the provision of training and technical support. The new programme will, in addition to management of the oil and gas resources, also include a focus on environmental management. It has been agreed that both countries should contribute financially.

ACTIVITIES IN 2011

A new institutional agreement between the Iraqi Ministry of Oil and Norway for a new phase of the cooperation programme was prepared and signed.

With respect to transparency in the sector, Iraq has committed to the Extractive Industries Transparency Initiative (EITI) and prepared its first report to the EITI secretariat in the process towards full EITI compliance. The Oil for Development programme and EITI coordinate activities as appropriate.





CIVIL SOCIETY

Through Norwegian People's Aid's project Oil for the Common Good, the local civil society partners Kirkuk Journalist Group and Shauoob Institution for Culture and Democracy advocated and lobbied decision makers for equitable distribution of Iraq's natural resources, and created a network to discuss and debate issues related to the oil sector. Training courses and workshops with topics related to the oil sector in Iraq were also conducted. The main objective of the Oil for the Common Good project is to mobilize public debate on the topic of management of Iraq's petroleum resources.

KEY ACHIEVEMENTS IN 2011

An agreement for a new phase of the cooperation between the Iraqi Ministry of Oil and Norway was signed in September 2011.



IRAQ

OFFICIAL NAME
Republic of Iraq

CAPITAL
Baghdad

CHIEF OF STATE
President Jalal Talabani

HEAD OF GOVERNMENT
Prime Minister Nouri al-Maliki

POPULATION
30,399,572 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 2.6 mill. bbl/day
(2011 est.)
Annual gas production: 1.3 bill. m3
(2010 est.)

ORGANIZATION OF THE SECTOR
Ministry of Oil (MoO)
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 Co
Other companies for refining, transport
and marketing

IVORY COAST

42

COOPERATING INSTITUTIONS

Ministry of Mines and Energy
Ministry of Environment
Petroci

GOALS AND OBJECTIVES

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

PROJECT PERIOD

2008-2010

EXPENDITURES 2011

0

PROGRAMME

The programme focuses on two main components: Petroleum resource management and environmental management training.

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Petrad

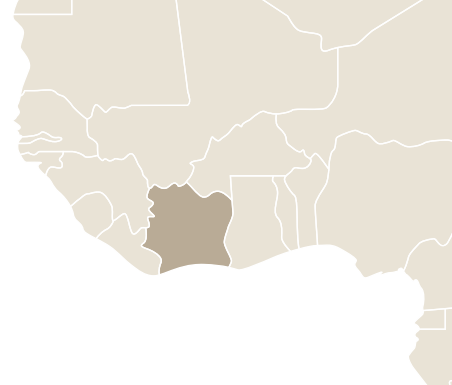
BRIEF HISTORY OF THE OFD PROGRAMME

The Oil for Development programme was initiated with the Ministry of Mines and Energy in Abidjan in 2008. A seminar on petroleum policy and resource management was organized in the autumn of 2008.

In 2009, the Ivorian government requested a formalization of the cooperation into institutional cooperation with relevant Norwegian institutions. In 2010, the Minister of Energy and Mines headed a large Ivorian delegation visiting Norway during the Offshore Northern Seas (ONS) conference in Stavanger. The Minister was given an audience by HM King Harald and a meeting was held with the Norwegian Minister of Petroleum and Energy.

The delegation visit to Norway in 2010 was the last activity undertaken in the project. Further assistance has been halted due to the social unrest which followed the presidential election in late 2010.





ACTIVITIES IN 2011

No programme activities were conducted in 2011.

Late in 2011 some contacts were re-established and a request for further assistance from Norway is expected.

KEY ACHIEVEMENTS IN 2011

No programme activities were conducted in 2011.



IVORY COAST

OFFICIAL NAME
Republic of Cote d'Ivoire

CAPITAL
Yamoussoukro

CHIEF OF STATE
President Alassane Ouattara

HEAD OF GOVERNMENT
Prime Minister Guillaume Soro

POPULATION
21,504,162 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 44,880 bbl/day
(2010 est.)
Annual gas production: 1.6 bill. m³
(2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Mines and Energy
Petroci – state-owned oil company

LEBANON

44

COOPERATING INSTITUTIONS

Presidency of the Council of Ministers
Ministry of Energy and Water
Ministry of Environment
Ministry of Finance

GOALS AND OBJECTIVES

Assist the authorities of Lebanon in establishing capacity for petroleum sector management, developing a legal framework, environmental assessment and general institutional capacity (tools and knowledge).

PROJECT PERIOD

2007-2011

EXPENDITURES 2011

7.6 million NOK

PROGRAMME

The programme consists of the following two components:

- Assistance with developing the legal framework
- Advice with regards to planning a Strategic Environmental Assessment (SEA)
- Capacity building, seminars and workshops

CONTACT:

Oil for Development: Mr. Petter Stigset,
pest@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Petrad

BRIEF HISTORY OF THE OFD PROGRAMME

A short-term cooperation programme for training, petroleum policy and legal framework was initiated in 2006. A three-year programme was agreed in 2007, and close cooperation was developed between a Lebanese task force and the Oil for Development programme.

An unsettled political situation in Lebanon slowed the progress in programme activities in 2007 and 2008. In late 2008, the project regained momentum and comprehensive work was done through 2009 and 2010 completing the drafting of the Lebanese Offshore Petroleum Resources Law (LOPL) which was passed by the Lebanese Parliament in August 2010. The programme continued through 2011.

ACTIVITIES IN 2011

Legal assistance and support was provided in order to further develop the legal framework in the petroleum sector. This includes advice on regulations supporting the Offshore Petroleum Resources Law, Model Contracts and Joint Operating Agreements - as well as taxation issues and environmental impact assessments. This support was mainly provided through desk work supporting the Lebanese drafting team and also eight workshops and seminars conducted in Beirut and Oslo.

In addition, several coordination meetings were conducted in Beirut and Oslo.

Two people from the Lebanese Ministries participated in Petrad's eight-week programmes.





45

KEY ACHIEVEMENTS IN 2011

A final English version of the Lebanese Offshore Petroleum Resources Law was completed.

Petroleum Activities Regulations (PAR) were drafted and revised by the Joint Lebanese Drafting Group (LDG) and Norwegian advisors.

A model Exploration and Production Agreement (EPA) was drafted.



LEBANON

OFFICIAL NAME
Republic of Lebanon

CAPITAL
Beirut

CHIEF OF STATE
President Michel Suleiman

HEAD OF GOVERNMENT
Prime Minister: Saad Hariri (acting January-June 2011)
Prime Minister: Najib Mikati (PM since June 2011)

POPULATION
4,143,101 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
No oil or gas production (2011)

ORGANIZATION OF THE SECTOR
Ministry of Energy and Water

LIBERIA

46

COOPERATING INSTITUTIONS

Office of the President
Ministry of Lands, Mines and Energy
Ministry of Planning & Economic Affairs
Environmental Protection Agency of
Liberia
National Oil Company of Liberia (Nocal)

GOALS AND OBJECTIVES

Assist Liberia in its reform of the petroleum sector and strengthen Liberia's ability to manage the exploitation of its petroleum resources in accordance with international best practice.

PROJECT PERIOD

2010-2013

EXPENDITURES 2011

NOK 0.55 million

PROGRAMME

The programme is mainly focused on capacity building through workshops and training programmes.

CONTACT

Oil for Development: Mr. Halvor
Musæus, halm@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Petrad

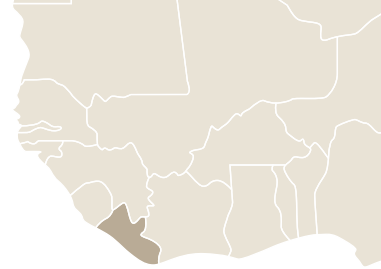
BRIEF HISTORY OF THE OFD PROGRAMME

The president of Liberia, Ellen Johnson Sirleaf, sent a formal request to Norway in December 2009 for assistance related to the sustainable management of petroleum resources. An offer of assistance from Norway was confirmed in January 2010.

The Oil for Development programme in Liberia has been closely coordinated and implemented with programme activities in Sierra Leone. The two countries have been offered assistance through regional and bilateral initiatives, and in close cooperation with the Revenue Watch Institute (RWI) and the African Center for Economic Transformation (ACET). Representatives from RWI, ACET and OfD constituted a Petroleum Advisory Group (PAG) to assist in programme implementation.

Starting in 2010, PAG has conducted four bilateral missions to Monrovia addressing the legal framework, the organization of the petroleum sector and negotiations of petroleum agreements with oil companies. In addition, four joint workshops were held for Liberia and Sierra Leone, to which also representatives from other West African countries were invited. The subjects for these workshops were Petroleum resource management, organizational structure, policy guidelines, the legal framework, licensing of offshore blocks and good governance and fight against corruption.





ACTIVITIES IN 2011

A joint workshop with Sierra Leone addressing licensing of offshore blocks and preparations for negotiations was conducted in Ghana, organized and facilitated by Petrad. Other West African countries were invited to participate. Eight representatives from Ghana and a Minister from Senegal attended.

A donor coordination meeting was arranged by Nocal in Monrovia, in which representatives from the Petroleum Advisory Group, the International Monetary Fund and the US Embassy met with a number of representatives from the Liberian Government. The meeting clarified roles and responsibilities moving forward, as well as reiterated the request to implement the stated programme activities. Areas of support include the formulation of a National Policy on Petroleum; revision of the existing legislation and standard contracts and examination of the administrative structure.

KEY ACHIEVEMENTS IN 2011

A joint workshop with Sierra Leone was conducted, which contributed to an improved level of knowledge of petroleum related issues in the relevant institutions in Liberia.



LIBERIA

OFFICIAL NAME
Republic of Liberia

CAPITAL
Monrovia

CHIEF OF STATE
President Ellen Johnson Sirleaf

HEAD OF GOVERNMENT
President Ellen Johnson Sirleaf

POPULATION
3,86,764 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
No oil production (2010)
No gas production (2009)

ORGANIZATION OF THE SECTOR
National Oil Company of Liberia (Nocal).
Nocal is operating as a commercial company and as a regulator of the petroleum sector.

MOZAMBIQUE

48

COOPERATING INSTITUTIONS

National Petroleum Institute (INP)
Ministry for Coordination of Environmental Affairs (MICOA)

GOALS AND OBJECTIVES

Strengthen the administration of petroleum resources to enhance economic development and welfare in Mozambique.

PROJECT PERIOD

2006-2011

EXPENDITURES 2011

NOK 17.2 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

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)
Climate and Pollution Agency (Klif)
Norwegian Directorate for Nature Management (DN)

BRIEF HISTORY OF THE OFD PROGRAMME

Petroleum related development cooperation between Norway and Mozambique started in 1983. When the National Petroleum Institute (Instituto Nacional do Petroleo, INP) was formed in 2005, it became the main partner on the Mozambican side for the cooperation with Norway.

In 2009, the Norwegian Ministry of Foreign Affairs and the Ministry for Coordination of Environmental Affairs (MICOA) entered into an agreement concerning capacity building related to sustainable environmental management in the petroleum sector.

A new phase of the cooperation programme for the period 2012-2014 is currently under preparation.

ACTIVITIES IN 2011

LEGAL AND REGULATORY FRAMEWORK

Legal advice and assistance related to proposals for improvements to the Petroleum Law, the Petroleum Regulation and the model agreement were provided. Workshops were organized in Oslo and Maputo.

Improvements on several important areas were suggested, inter alia concerning Liquefied Natural Gas covered by upstream legislation, a specific reconnaissance licence for acquisition of speculative seismic data, and regulation of shale gas and coal bed methane.

The environmental regulations to the petroleum sector were approved by the Government of Mozambique.

MONITORING AND SUPERVISION

A metering audit was completed by the National Petroleum Institute (INP) both in the field and in Secunda, South Africa.

An emergency preparedness workshop with focus on the Matola Gas distribution system was organized by the National Petroleum Institute (INP).

Assistance in the development of an economic model for the new Rovuma gas discoveries was provided and a modelling workshop was conducted in Stavanger, particularly looking at tax payments under different development scenarios. Support to ongoing drilling supervision



and development planning was also provided. Support was also given to the handling of Sasol's plans for an extended well test on Inhassoro.

NEGOTIATION AND LICENSING

A new licence for acquisition of seismic data was issued.

PETROLEUM DATA MANAGEMENT

Assistance in data modelling continued. A workshop was arranged in Maputo. A study of the Information and Communication Technology infrastructure was conducted.

INSTITUTIONAL STRENGTHENING AND ADMINISTRATION

A new Master's programme was started by INP staff (in Germany) and significant technical training was also conducted in Brazil and Malaysia.

ENVIRONMENTAL MANAGEMENT

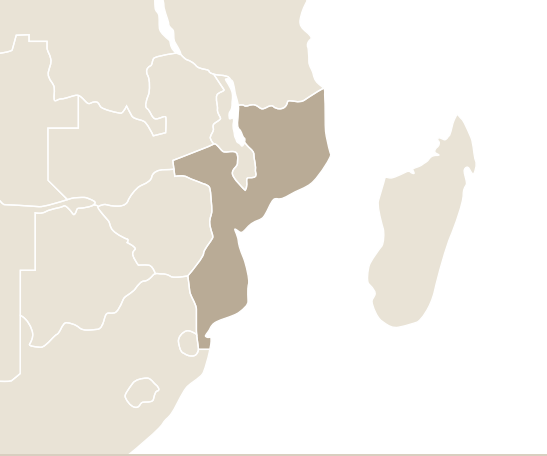
A needs assessment workshop was conducted involving representatives from different organizational units at MICOA and from the Norwegian Ministry of the Environment, the Climate and Pollution Agency and the Norwegian Directorate for Nature Management.

A workshop involving relevant MICOA staff and representatives from the Norwegian Climate and Pollution Agency was organized to facilitate sharing information and experience relevant to compliance monitoring in the petroleum industry.

An assessment of the current Information Technology system in MICOA was conducted in close collaboration between representatives from MICOA, the Norwegian Climate and Pollution Agency and the Norwegian Directorate for Nature Management. The way forward for support in the field of environmental data management was also discussed.

GENERAL EDUCATION

Mapping of the need for Vocational Educational and Training was undertaken.



50



MOZAMBIQUE

OFFICIAL NAME
Republic of Mozambique

CAPITAL
Maputo

CHIEF OF STATE
President Armando Guebuza

HEAD OF GOVERNMENT
Prime Minister Aires Bonifacio Ali

POPULATION
22,948,858 (2011 est.)

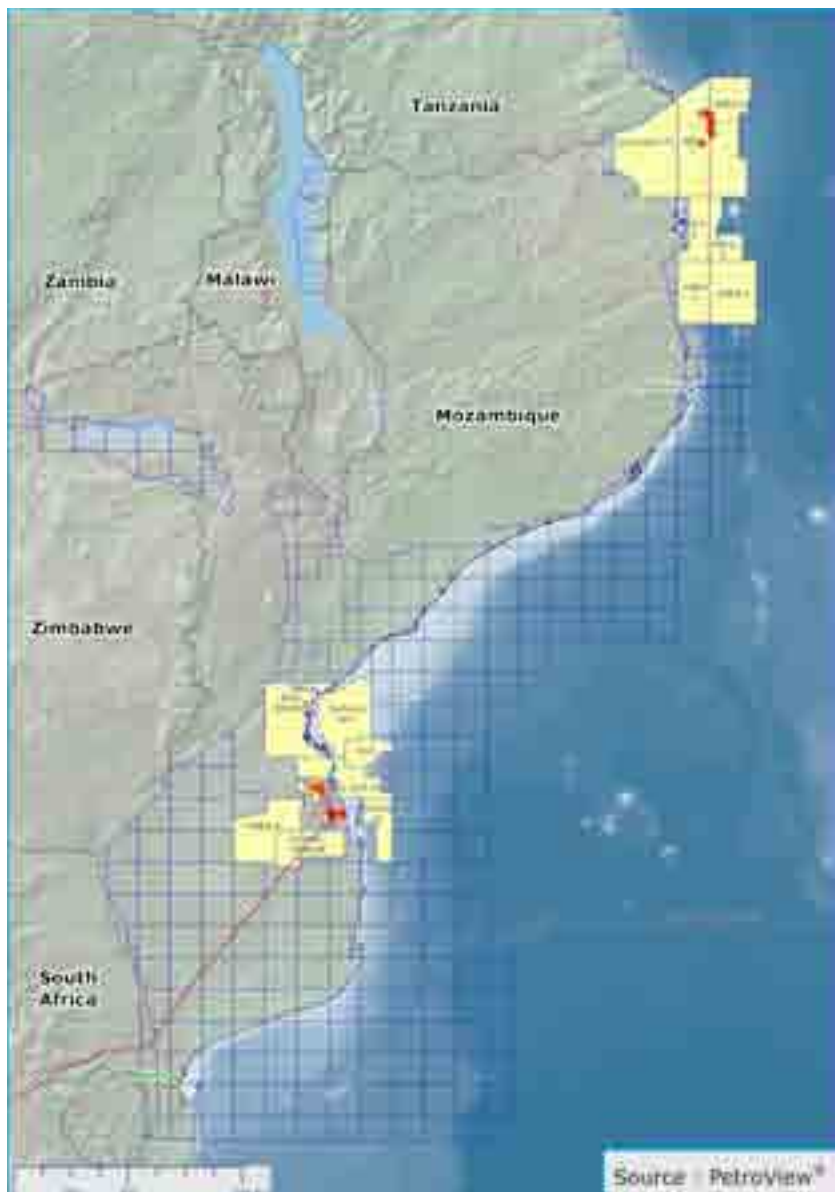
PETROLEUM SECTOR, KEY FIGURES
Annual oil production: No oil production (2010 est.)
Annual gas production: 3.6 bill. m3 (2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Mineral Resources (MIREM)
National Petroleum Institute (INP) – promotion, licensing and supervision of upstream petroleum operations

KEY ACHIEVEMENTS IN 2011

Environmental regulations for the petroleum sector were approved by the Government of Mozambique.

A new license for acquisition of seismic data was issued.



NICARAGUA

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has assisted Nicaragua in building its petroleum sector since 1989. The Norwegian Petroleum Directorate assisted the Nicaraguan Energy Institute (Instituto Nicaragüense de Energía, INE), the former state agency responsible for regulations, norms, control and taxation of the electricity and hydrocarbon sectors. In March 2007, the hydrocarbons division of the Nicaraguan Energy Institute was transferred to The Ministry of Energy and Mines.

In May 2010, Nicaragua requested continued support to the petroleum sector. The present programme is phase V of the cooperation.

ACTIVITIES IN 2011

Assistance was provided in building a national Petroleum Data Base.

Work stations to interpret seismic data were installed and training in their use was provided by the Norwegian Petroleum Directorate.

Assistance was provided in the fields of monitoring and supervision within Health, Safety and Environment.

An audit of the planned drilling operation was conducted.

A seminar on safety and environmental management of the petroleum activity was organized and carried out.

COOPERATING INSTITUTION
Ministry of Energy and Mines (MEM)

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

PROJECT PERIOD
2010-2013

EXPENDITURES 2011
NOK 1 million

PROGRAMME
The programme consists of the following main components:

- Updating of the petroleum data base
- Implementation of the monitoring and supervision (HS&E) system for offshore activities
- Updating and improving MEM's Environmental Unit (UGA) on petroleum operations
- Training for MEM staff and institutional support

CONTACT:
Oil for Development: Mr. Geir Ytreland,
geir.ytreland@norad.no

COOPERATING INSTITUTIONS IN
NORWAY
Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)
Climate and Pollution Agency (Klif)



52



NICARAGUA

OFFICIAL NAME

Republic of Nicaragua

CAPITAL

Managua

CHIEF OF STATE

President Daniel Ortega Saavedra

HEAD OF GOVERNMENT

President Daniel Ortega Saavedra

POPULATION

5,666,301 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

No oil or gas production.

ORGANIZATION OF THE SECTOR

Ministry of Energy and Mines (MEM)
(created in 2007) – took over the
responsibility for regulating the hydro-
carbons sector from the former Nicara-
guan Energy Institute (INE)

KEY ACHIEVEMENTS IN 2011

A national petroleum data base was built.

The understanding of and the capacity on interpretation of seismic data was improved.



BRIEF HISTORY OF THE OFD PROGRAMME

Energy sector cooperation between Nigeria and Norway started in 1999, and a Memorandum of Understanding (MoU) for cooperation in the petroleum sector and associated environmental activities was signed in 2000. The period covered by the memorandum ended in 2010.

The Oil for Development programme was originally scheduled to be concluded in 2007. Due to the postponement of several activities and unused funds from the original grant, project implementation was prolonged and instead terminated at the end of 2009.

The cooperation has consisted of two main elements: firstly, local content and industrial cooperation; secondly, institutional cooperation between the Norwegian Petroleum Directorate and the Department of Petroleum Resources (DPR). The co-operation with the DPR has covered petroleum policy and methodology for administration and technology. A strategy based on existing policy and a structure for administration and technology were established. Support has been provided to assure the full implementation of the issued regulations and guidelines.

Over the last years, a process of restructuring in the petroleum industry has taken place in the country. The cooperation with the Department of Petroleum Resources has to a certain degree been influenced by this process and some of the planned activities were delayed.

There have been extensive activities in the civil society organizations supporting capacity building of the civil society in Nigeria. An agreement was entered into with the African Network for Environment and Economic Justice (ANEEJ) in 2009. The goal and purpose of supporting civil society through ANEEJ has been to contribute to the capacity building in five Delta States with regard to the management of petroleum revenues, transparency, democratic processes and security of energy supplies.

COOPERATING INSTITUTION

Department of Petroleum Resources (DPR)
African Network for Environment and Economic Justice (ANEEJ)

GOALS AND OBJECTIVES

Through supporting civil society and NGOs in the Niger Delta, the Oil for Development programme has been aiming at building involvement and awareness at state level. This work is indirectly also contributing to the mandate and implementation of the Nigeria Extractive Industry Transparency Initiative (NEITI), where civil sector involvement is essential.

The aim of Naturvernforbundet's (Norwegian Society for the Conservation of Nature) activities in Nigeria (Oil Watch) is to strengthen local community based organizations, environmental NGOs and the civil society in general, so that they can advocate acceptable environmental management. The project aims to ensure that environmental standards are followed in oil development processes.

PROJECT PERIOD

2003-2007, extended to December 2009

EXPENDITURES 2011

NOK 4.6 million

PROGRAMME

The programme consists of the following main components:

- Institutional cooperation
- Local content and industrial cooperation
- Support to civil society ANEEJ and Oil Watch

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY

Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)



54



NIGERIA

OFFICIAL NAME

Federal Republic of Nigeria

CAPITAL

Abuja

CHIEF OF STATE

President Goodluck Jonathan

HEAD OF GOVERNMENT

President Goodluck Jonathan

POPULATION

155,215,573 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

Average oil production: 2.5 mill. bbl/day
(2010 est.)

Annual gas production: 33.6 bill. m3
(2010 est.)

ORGANIZATION OF THE PETROLEUM SECTOR

Ministry of Petroleum Resources
Department of Petroleum Resources (DPR) – licensing, supervision and control of the petroleum sector
Nigerian National Petroleum Company – state-owned oil company

ACTIVITIES IN 2011

Offshore oil exploration started in the Joint Development Zone (JDZ) between Nigeria and São Tomé and Príncipe. A marine environmental survey of bottom fauna, selected physical and chemical components and a fishery survey were conducted by the research vessel Dr. Fridtjof Nansen. Furthermore, training of staff from the Joint Development Authority was provided.

No institutional cooperation activities were carried out in 2011, due to the uncertainty related to the passing of the Petroleum Industry Bill (PIB).

The three-year contract with the African Network for Environment and Economic Justice was completed in 2011.

Capacity building activities for Nigerian labour unions related to labour rights and the decent work agenda in the petroleum industry were conducted by the Norwegian Confederation of Trade Unions (LO).

Capacity building and advocacy work for local communities affected by oil and gas-related activities were conducted by the Norwegian Society for the Conservation of Nature (Naturvernforbundet). Advocacy work focused on influencing e.g. the Petroleum Industry Bill and the Gas Flare Bill, as well as disseminating information to the broader public concerning issues such as oil spills and security in the oil fields.

KEY ACHIEVEMENTS

A marine environmental survey giving valuable data for the Nigeria-São Tomé and Príncipe Joint Development Authority (JDA) was completed.



SÃO TOMÉ AND PRÍNCIPE

55

BRIEF HISTORY OF THE OFD PROGRAMME

In October 2006, an official request was submitted to Norway by the National Petroleum Agency (ANP) for cooperation under the OfD programme. An institutional agreement between the Agency and the Norwegian Petroleum Directorate (NPD) regarding institutional support and capacity building was signed in November 2008.

The assistance was designed to address urgent issues primarily related to the first licensing round in the Exclusive Economic Zone (EEZ). The aim was to provide a second opinion and additional technical expertise regarding draft legislation, regulations, the model contract, strategic papers and governance processes.

São Tomé and Príncipe launched the first licensing round for the Exclusive Economic Zone in March 2010. The National Petroleum Agency requested OFD for an extension of the institutional cooperation through 2011.

ACTIVITIES IN 2011

PRODUCTION SHARING CONTRACTS NEGOTIATIONS AND LEGAL ADVICE

Legal advice regarding the formulation of Production Sharing Contracts (PSC) was provided. São Tomé and Príncipe signed one new PSC 2011. A gap report was completed where law, regulations and model contract were compared.

RESOURCE ASSESSMENT

The National Petroleum Agency conducted its first negotiation meetings, assisted by the Norwegian Petroleum Directorate. Specifically, advice was provided concerning the work obligation in the Production Sharing Contracts.

Petroleum economics

The National Petroleum Agency's economic model for use in contract negotiations and to estimate profit split between Government and Contractor was improved.

COOPERATING INSTITUTIONS

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

GOALS AND OBJECTIVES

The assistance aims to strengthen the National Petroleum Agency's capacity as petroleum regulator and through institutional cooperation to give advice on urgent issues during São Tomé and Príncipe's first Exclusive Economic Zone (EEZ) licensing round. Assistance is also provided on the formulation of HSE regulations and auditing methodology.

PROGRAMME PERIOD

2008-2011

EXPENDITURES 2011

NOK 1.6 million

PROGRAMME

The programme includes the following components:

- Model contract advice (including legal issues, economic modelling and evaluation of suitable work programmes)
- Technical advice on health and safety
- Improvements in document handling and local archive at the ANP
- Regional cooperation through seminars
- Training
- Participation in Petrad's eight-week programmes

CONTACT:

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)
Climate and Pollution Agency (Klif)



SÃO TOMÉ AND PRÍNCIPE

OFFICIAL NAME

Democratic Republic of São Tomé and Príncipe

CAPITAL

São Tomé

CHIEF OF STATE

President Manuel Pinto da Costa

HEAD OF GOVERNMENT

Prime Minister Patrice Emery Trovoada

POPULATION

179,506 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

No oil or gas production (2011 est.)

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



Health, Safety and Environment (HSE) advice and development of related regulations

The National Petroleum Agency was provided support in understanding and drafting HSE legislation, assisted by the Petroleum Safety Authority Norway. A comparison of international HSE regulation as a basis for São Tomé and Príncipe's own legal text was also conducted.

Improvement in archive and document handling routines

A central paper archive and a classification system on functions and areas of business were established.

Training and seminars

National Petroleum Agency staff attended international courses and regional conferences, including one participant to Petrad's eight-week programme in Stavanger.

Planning for continued cooperation with Norway

The National Petroleum Agency sent a request for continued support to Norad in December 2011, accompanied by a new programme proposal for 2012-13 and work plan/budget for 2012.

KEY ACHIEVEMENTS IN 2011

São Tomé and Príncipe evaluated bids, negotiated terms and signed a production sharing contract in the first licensing round in the EEZ. The promotion and invitation for bidding was based on transparent principles and a solid legal framework.

SIERRA LEONE

57

BRIEF HISTORY OF THE OFD PROGRAMME

In 2009, President Ernest Bai Koroma of Sierra Leone requested Norwegian assistance under the Oil for Development programme. The programme in Sierra Leone has been closely coordinated and implemented with programme activities in Liberia. The two countries have been offered assistance through regional and bilateral initiatives, and in close cooperation with the Revenue Watch Institute (RWI) and the African Centre for Economic Transformation (ACET). Representatives from RWI, ACET and OfD constituted a Petroleum Advisory Group (PAG) to assist in programme implementation.

Starting in 2009, PAG has conducted eight missions to Freetown addressing the legal framework, the organization of the petroleum sector and the management of current petroleum agreements. In addition, four joint workshops have been held for Sierra Leone and Liberia, to which also representatives from other West African countries were invited. The subjects for these workshops were Petroleum resource management, organizational structure, policy guidelines, the legal framework, licensing of offshore blocks and good governance and fight against corruption.

The Commonwealth Secretariat (ComSec) has also been part of the cooperation in Sierra Leone.

ACTIVITIES IN 2011

The development of a new petroleum law, initiated in 2010, continued. A Legal Drafting Team (LDT) with representatives from relevant institutions was established under the leadership of the Attorney General (Minister of Justice). Advice was given by the Petroleum Advisory Group and the Commonwealth Secretariat through correspondence and two extensive sessions held with the Legal Drafting Team in Freetown.

In spite of clear advice from the Petroleum Advisory Group, the hearing process that was carried out before the draft law was presented to the Parliament was very limited. The petroleum law was adopted by the Parliament in July 2011.

COOPERATING INSTITUTIONS

Office of the President, President's Task Force, Chief of Staff
Petroleum Resource Unit (PRU)/ Petroleum Directorate (SLPD)
Ministry of Justice/ Attorney General/ Solicitor General – Legal Drafting Team (LDT)

GOALS AND OBJECTIVES

Assist the Government of Sierra Leone (GOSL) in its reform of the petroleum sector, and strengthen its ability to manage the exploitation of its petroleum resources in accordance with applicable well established international best practices.

PROJECT PERIOD

2010-2013

EXPENDITURES 2011

NOK 0.55 million

PROGRAMME

The programme is mainly focused on capacity building through workshops and training programmes.

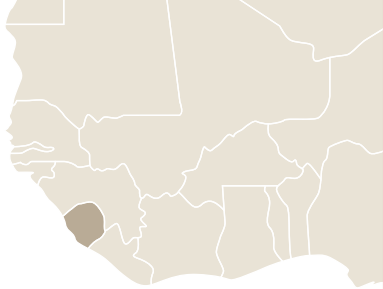
CONTACT

Oil for Development: Mr. Halvor Musæus, halm@norad.no

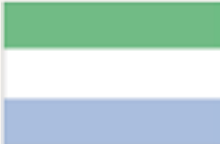
COOPERATING INSTITUTIONS IN

NORWAY

Petrad



58



SIERRA LEONE

OFFICIAL NAME

Republic of Sierra Leone

CAPITAL

Freetown

CHIEF OF STATE

President Ernest Bai KOROMA

HEAD OF GOVERNMENT

President Ernest Bai KOROMA

POPULATION

5,363,669 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

Average oil production: 25 bbl/day
(2010 est.)

No natural gas production (2009 est.)

ORGANIZATION OF THE SECTOR

The new Petroleum Law prescribes the establishment of a Ministry of Petroleum. In the interim, the President will act on its behalf. The Presidential Task Force, with the mandate to lay the foundations for the further development of the petroleum activities, was dissolved in 2011. Late 2011, the PRU was dissolved and replaced by a newly established Petroleum Directorate (SLPD) with a new Director General.

Plans were made for starting the work on developing petroleum regulations in the second half of 2011. This did not, however, materialize due to other priorities of the government of Sierra Leone.

Two representatives from Sierra Leone participated in Petrad's eight-week programme in Stavanger.

KEY ACHIEVEMENTS IN 2011

A new Petroleum Law entered into force in 2011. The law strengthens the principles of transparency in the administration and prescribes an open bidding process for allocation of blocks.



SUDAN AND SOUTH SUDAN

59

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has provided expert support within the petroleum sector to Sudan, including the regional government of South Sudan (GoSS) since the signing of the Comprehensive Peace Agreement (CPA) in January 2005. In October 2008, Norway and Sudan signed a Memorandum of Understanding (MoU) regarding cooperation within the petroleum sector. Based on the MoU, the OfD programme has been conducting discussions with MOP in Khartoum and MEM in Juba with the aim of signing long-term cooperation agreements within capacity building of the petroleum sector in the areas of resource, environmental and revenue management.

South Sudan was established as a fully sovereign state on 9 July 2011. Norway was asked to facilitate the Post 2011 negotiations related to the petroleum sector between the two parties. These concerned outstanding issues from the peace agreement on the sharing of oil revenues. Norway has a team of advisers working mainly with capacity building in the ministries in Juba and Khartoum.

ACTIVITIES IN 2011

TECHNICAL SUPPORT

An evaluation of Increased Oil Recovery (IOR) potential for the three fields Heglig, Unity and Neem was conducted by technical professionals from the government. Phase II of the evaluation was concluded in late 2011 and showed significant potential for increased flow rates and reserves if better reservoir management is applied. A presentation on the study was made in October to operating companies and the ministries.

A Petroleum Law and associated Petroleum Regulations in South Sudan were prepared. The Petroleum Law is due to be approved by the Parliament in 2012. Further, expert assistance was provided on petroleum revenue management, which included preparation of the draft Petroleum Revenue Law.

Support also included provision of expert advisers to the post 2011 negotiations between North and South Sudan, with the aim of settling unresolved issues related to petroleum resources.

COOPERATING INSTITUTIONS

Government of National Unity (GoNU)
Government of Southern Sudan (GoSS)
Since 9 July 2011:
Government of the Republic of Sudan
Government of the Republic of South Sudan

GOALS AND OBJECTIVES

Contribute to the implementation of the Comprehensive Peace Agreement (CPA), with main focus on wealth sharing, technical assistance, and capacity building. Two separate capacity building programmes are being implemented with the Government of the Republic of Sudan and the Government of the Republic of South Sudan, respectively.

PROJECT PERIOD

Since 2005

EXPENDITURES 2011

NOK 44.2 million (covering both Sudan and South Sudan)

PROGRAMME

The two capacity building programmes have three main focus areas:

- Support to the implementation of the Comprehensive Peace Agreement (CPA)
- Technical support with focus on enhanced recovery (IOR)
- Capacity building

CONTACT

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

COOPERATING INSTITUTIONS IN

NORWAY

Ministry of Foreign Affairs (MFA)
Ministry of the Environment (MoE)
Ministry of Petroleum and Energy (MPE)
Norwegian Petroleum Directorate (NPD)
Norwegian Directorate for Nature Management (DN)
Petrad
Petroleum Safety Authority Norway (PSA)
Climate and Pollution Agency (Klif)



60



SUDAN

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
45,047,502 (2010 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 470,000 bbl/d (2011 est.; after 9 July 120,000 bbl/d)
No gas production

ORGANIZATION OF THE SECTOR
(until 9 July 2011):
Ministry of Petroleum (MOP)
Ministry of Finance and Economic Planning (MoFEP)

CAPACITY BUILDING

Competence building and organizational development of relevant institutions continued. This involved training related to the following issues: petroleum economics, petroleum policy, health, safety and environment, resource management and legal framework. In total more than 250 participants were involved. Furthermore, workshops on seismic interpretation and fiscal regimes were arranged in Khartoum with joint participation from North and South Sudan.

Assistance and support to the physical building of a Petroleum Directorate in South Sudan was provided.

Four participants from South Sudan participated in Petrad's eight-week programme in Stavanger.

CIVIL SOCIETY

An Oil Task Force in Jonglei and Unity states in what is now South Sudan was assisted by the Norwegian People's Aid. The Oil Task Force consists of members from civil society, traditional leaders, state government authorities including the oil commission, legislature, line ministries, representatives of community and religious leaders within the state with the objective to monitor oil company activities and government revenue management and other issues related to the oil industry.





Training and capacity building activities were provided, and an oil conference was conducted in the Upper Nile State to set up an Oil Task Force in the Upper Nile State. A survey of corporate social responsibilities of Oil companies in South Sudan was produced and presented to the task forces to use in their advocacy strategies.

KEY ACHIEVEMENTS IN 2011

A draft Petroleum Law and a draft Petroleum Revenue Law was prepared and is ready for Parliamentary sanction.

The Increased Oil Recovery Study concluded that there is a considerable potential for increased recovery of oil.

New office facilities for the staff of the Petroleum Directorate in Juba are under construction. The layout will support the operation of the organisation.



SOUTH SUDAN

OFFICIAL NAME

Republic of South Sudan (since 9 July 2011)

CAPITAL

Juba

CHIEF OF STATE

Salva Kiir Mayardit

HEAD OF GOVERNMENT

Salva Kiir Mayardit

POPULATION

8 260 490 (according to disputed 2008 census; actual number may be as high as 9.28 million)

PETROLEUM SECTOR, KEY FIGURES

Average oil production:
350,000 bbl/d (2011 est.) Around $\frac{3}{4}$ of the total Sudan pre 9 July production comes from South Sudan.
No gas production

ORGANIZATION OF THE SECTOR

Ministry of Petroleum and Mining (MoPM)
Ministry of Finance and Economic Planning
Ministry of Environment
Ministry of Legal Justice (MLJ)
Nilepet (National Oil Company)



COOPERATING INSTITUTIONS

Ministry of Energy and Mines (MEM)
Tanzania Petroleum Development Corporation (TPDC)
National Environment Management Council (NEMC)

GOALS AND OBJECTIVES

Increase 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 Tanzania Petroleum Development Corporation to transcribe, store and manage all relevant petroleum data needed by the upstream petroleum industry to operate efficiently in Tanzania.

PROJECT PERIOD

2005-2010

EXPENDITURES 2011

NOK 1.5 million

PROGRAMME

The programme consists of the following main components:

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

CONTACT:

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Petroleum Safety Authority Norway (PSA)
Norwegian Directorate for Nature Management (DN)
Climate and Pollution Agency (Klif)
Norwegian Coastal Administration (NCA)
Petrad

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has provided assistance to Tanzania and its petroleum sector for many years. Norway supported the establishment of a Petroleum Data Archive at the Tanzania Petroleum Development Corporation from 1985 to 1997. Large resources were utilized to reformat Tanzanian petroleum data onto more modern storage media. This work was part of a larger project, which also included support for the commercialization of the Songo Songo gas project, ending in 2010.

Based on recent gas discoveries offshore the Tanzanian coast, the authorities have approached Norway for continued assistance, and there have been formal discussions between OfD, the Ministry of Energy and Mines (MEM) and the National Environment Management Council (NEMC) regarding the establishment of a new support programme for the period 2012-2014.

An institutional agreement is planned entered into in 2012 between the Norwegian Ministry of Petroleum and Energy and MEM. There has also been formal contact between the environmental authorities in the two countries in order to include this component in the same agreement.





ACTIVITIES IN 2011

A first visit to key environmental institutions was conducted to establish a dialogue between relevant Tanzanian and Norwegian management institutions and to ensure input of environmental activities into the working programme.

KEY ACHIEVEMENTS IN 2011

Preparations were made for a new programme on resource management and environment.



TANZANIA

OFFICIAL NAME
United Republic of Tanzania

CAPITAL
Dodoma

CHIEF OF STATE
President Jakaya Kikwete

HEAD OF GOVERNMENT
President Jakaya Kikwete

POPULATION
43,601,796 (2012 est.)

PETROLEUM SECTOR, KEY FIGURES
No oil production (2011 est.)
Annual gas production: 658 mill. m³
(2009 est.)

ORGANIZATION OF THE SECTOR
Ministry of Energy and Minerals of
Tanzania (MEM)
Tanzania Petroleum Development
Corporation (TPDC) (has both the com-
mercial and the regulator role)

TIMOR-LESTE

64

COOPERATING INSTITUTIONS

Timor-Leste State Secretariat for Natural Resources (SERN)
Timor-Leste Ministry of Finance (MoF)
Timor-Leste State Secretariat for the Environment (SEMA)
Directorate for Environment (DNMA)

GOALS AND OBJECTIVES

Assist the Government of Timor-Leste in managing its petroleum activities in such a way that the petroleum sector delivers the greatest possible benefit to the people of Timor-Leste.

Increase competence and capacity of the authorities of Timor-Leste so that the public sector will be capable of managing all petroleum activities, in particular within technical, legal, health, safety and environment (HSE) compliance, and in revenue management.

PROJECT PERIOD
2008-2013

EXPENDITURES 2011
NOK 19.8 million

PROGRAMME

The programme consists of the following main components:

- Resource management including data management and legal advice
- Revenue management
- Financial management
- Environmental management
- Education/scholarships and training

CONTACT

Oil for Development: Mrs. Torhild H. Martinsen, tohm@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of Finance (MoF)
Ministry of the Environment (MoE)
Norwegian Petroleum Directorate (NPD)
Climate and Pollution Agency (Klif)
Norwegian Directorate for Nature Management (DN)

BRIEF HISTORY OF THE OFD PROGRAMME

An agreement for an Oil for Development programme concerning support in developing the energy sector (Phase 1) 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 2005, the programme was expanded to include support to the public finance sector.

A programme agreement for a new phase of cooperation between Norway and Timor-Leste was signed in May 2008. The phase 2 programme includes support within resource, environment and revenue management.

ACTIVITIES IN 2011

HUMAN RESOURCES

Ten students are enrolled in master studies during Phase 2 of the OfD programme. Three students graduated in 2011; two from the University of Nordland and one from the Norwegian University of Science and Technology. These students now work in the Ministry of Finance (Petroleum Fund Directorate and Petroleum Revenue Directorate) and in the State Secretariat for the Environment.

Two Timorese – both from the National Petroleum Authority – participated in Petrad's eight-week programmes in Stavanger.

RESOURCE MANAGEMENT

A high-level workshop in Dili on petroleum sector policy issues was organized in order to discuss issues related to national oil company and local content. The workshop included participants from Timor-Leste from the National Petroleum Authority (ANP), the Ministry of Finance, the State Secretariat for Natural Resources and the State Secretariat for the Environment. An open day seminar with civil society organizations, academic professionals and government agencies was also conducted.

The Timorese National Petroleum Authority was provided with support in areas such as resource assessment and geological advice, data management/data security, legal issues and fiscal metering. Seminars and workshops were arranged in Dili and the petroleum authority lawyers had a two-week internship period at the Norwegian Petroleum Directorate and Petroleum Safety Authority.



FINANCIAL MANAGEMENT

The work related to a comprehensive audit of taxpayers (oil companies) continued. Revenues from audits conducted in 2011 are USD 165 million compared to USD 37 million in 2010. Staff at Dili Institute for Technology (DIT) received training, including a three-month internship at the Norwegian Petroleum Tax Advisor.

The Petroleum Fund Law amendments were approved by Parliament in August 2011. The amended law includes a new investment policy that allows for a higher degree of diversification.

Capacity building on efficient implementation of the new investment policy was provided, including two Investment Advisory Board (IAB) workshops. This has resulted in the advisory board giving its advice on the first stage phasing-in of equities to the Petroleum Fund portfolio.

ENVIRONMENTAL MANAGEMENT

The State Secretariat for Environment national department (DNMA) petroleum core team was provided with capacity building and transfer of competence through on the job training on a daily basis from a full-time resident adviser from the Norwegian Ministry of the Environment (MoE).

Several workshops and training sessions on environmental management and data management were arranged in 2011. SEMA/DNMA conducted training inspections on two drilling vessels in Timor Leste Exclusive Area with assistance from the resident adviser and the ANP.

A workshop on energy production and environmental regulation was arranged with 130 participants from governmental offices, civil society and the industry. A separate sub-programme for activities with assistance from the Norwegian Climate and Pollution Agency and the Norwegian Directorate for Nature Management was developed and established. Training in environmental management was provided to the core team by the Norwegian Climate and Pollution Agency. A functional analysis and a needs assessment on data management and training of local staff was carried out by the Norwegian Directorate for Nature Management.



66



TIMOR-LESTE

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

1,177,834 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES

Timor-Leste Exclusive Area (TLEA):

Ongoing exploration activities; no oil or gas production (2011)

Timor Sea Joint Petroleum Development Area (JPDA):

Average oil production: 98,300 bbl/d (2011 est.)

Average gas production: 14.9 mill m3 per day (2011 est.)

ORGANIZATION OF THE SECTOR:

State Secretariat of Natural Resources – responsible for petroleum policy, execution and follow-up. HSE issues within sovereign Timor-Leste Exclusive Area (TLEA) are divided according to a political decision between SERN (Health and Safety) and SEMA (Environment).

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

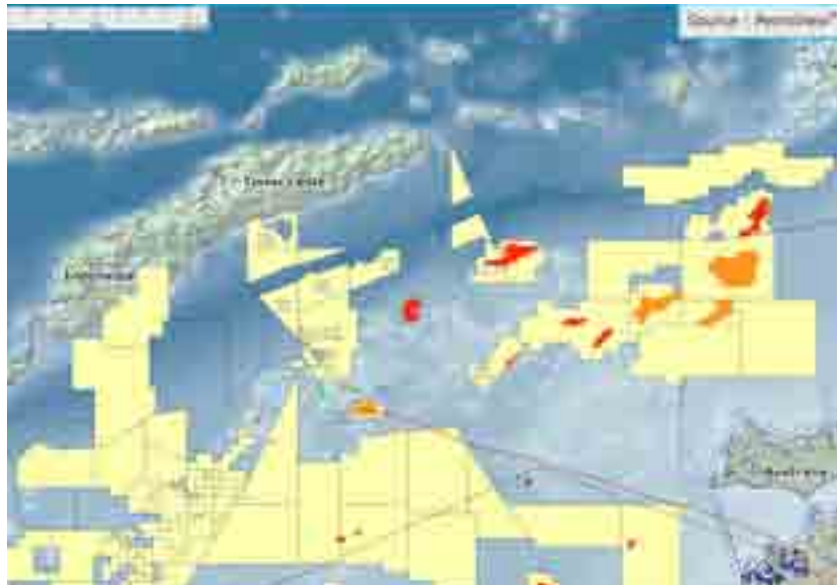
KEY ACHIEVEMENTS IN 2011

Knowledge of sustainable petroleum management was improved due to capacity building and support in the fields of evaluation of resources and reserves, production strategy, field development concept, the issue of flaring of associated gas and fiscal metering.

An amended Petroleum Fund law, including a new investment policy that allows for a higher degree of diversification, was approved.

Four master students graduated from Norwegian universities in 2011 and took up important positions in Timor-Leste governmental institutions.

The state secretariat for Environment national department (DNMA) received basic training in environmental management and environmental data management in the petroleum sector.



UGANDA

67

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has assisted Uganda in building up its petroleum sector since the 1980s. A three-year cooperation programme was completed in 2009.

An Agreement for a new five-year programme was signed in July 2009. Institutional agreements covering resource management, revenue management and environmental management, respectively, were signed in 2010.

ACTIVITIES IN 2011

RESOURCE MANAGEMENT

A draft Petroleum (Exploration, Development and Production) Bill and a draft Petroleum (Refining, Gas Processing and Conversion, Transportation and Storage) Bill were prepared and submitted to the Cabinet in November 2011. Supervisory frameworks for wells and seismic monitoring were drafted.

Three reports for setting up new institutions were prepared by Government and reviewed. A separate workshop was conducted to discuss and define how to organize health and safety in the new institutions in the petroleum sector.

Capacity building was undertaken both abroad and in Uganda in the disciplines of data management, geosciences, law, economics, basin analysis, pipeline study, resource assessment, human resource and change management. A curriculum for the second year intake, training of trainers and identification of equipment for a laboratory was undertaken for the Uganda Petroleum Institute Kigumba (UPIK).

A National Content study was completed. Development of a Petroleum Data Management system for the country continued, a grid system was developed and the transcription of seismic data was completed.

A feasibility study for the development of Pipelines and Storage Facilities for Crude Oil and Gas in Uganda was carried out.

COOPERATING INSTITUTIONS

Ministry of Energy and Mineral Development (MEMD)
Ministry of Finance, Planning and Economic Development (MFPED)
Ministry of Water and Environment (MWE)
National Environmental Management Authority (NEMA)

GOALS AND OBJECTIVES

Contribute to the achievement of the National Oil and Gas Policy's goal to use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society.

Put in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and HSE management in the oil and gas sector in Uganda.

PROGRAMME

The programme is comprised of three pillars:

- Resource management
- Revenue management
- Environmental management

In addition, the programme assists in the development of a communication strategy.

PROJECT PERIOD

2009-2014

EXPENDITURES 2011

NOK 48.8 million

CONTACT

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

COOPERATING INSTITUTIONS IN NORWAY

Ministry of Petroleum and Energy (MPE)
Ministry of the Environment (MoE)
Ministry of Finance (MoF)
Norwegian Petroleum Directorate (NPD)
Norwegian Directorate for Nature Management (DN)
Climate and Pollution Agency (Klif)
Petroleum Safety Authority Norway (PSA)

ENVIRONMENTAL MANAGEMENT

The drafting of the General Management Plans for Queen Elizabeth National Park and Maramagambo Forest reserve was completed. The Murchison Falls General Management Plan process started and field reconnaissance, stakeholder consultations and proposal generation workshops were undertaken.

A Draft Environmental Monitoring Plan for the oil region Albertine Graben was developed. To support the monitoring plan, initial work to establish an environmental data base to be hosted by the National Environmental Management Authority was undertaken.

A study trip to Norway was undertaken to enhance the understanding of issues related to hazardous waste management and compliance monitoring frameworks in relation to the oil industry.

Work related to the development of the National oil spill contingency plan continued.

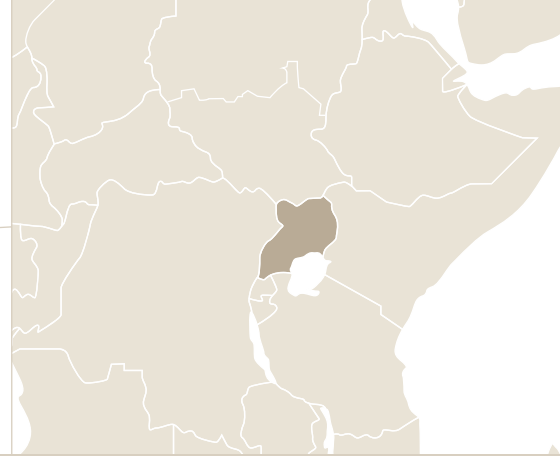
REVENUE MANAGEMENT

An Oil Revenue Management Policy (ORMP) was finalized and submitted to the Cabinet. Furthermore the principles and the draft Public Finance Bill were submitted to the Cabinet in December 2011. The Bill caters for oil revenue management and provides for petroleum funds management.

A seminar was held to discuss the proposed amendments of the Public Finance and Accountability Act and the Budget Act, as well as the Oil Revenue Management Policy and a Fiscal and Monetary Framework Paper.

The Chart of Accounts was finalized and forwarded to oil companies for discussion before publishing the Guide.

A Capacity Needs Assessment for the revenue management pillar was completed. Training was provided on taxation, transfer pricing systems, taxation treaties and petroleum economics and policy.



KEY ACHIEVEMENTS IN 2011

A new Petroleum Upstream bill was prepared and presented to the cabinet.

An Oil Revenue Management Policy (ORMP) was finalized and submitted to the Cabinet. The principles and the draft Public Finance Bill were submitted to Cabinet in December 2011.

A draft Environmental Monitoring Plan for the Albertine Graben was developed.



UGANDA

OFFICIAL NAME
Republic of Uganda

CAPITAL
Kampala

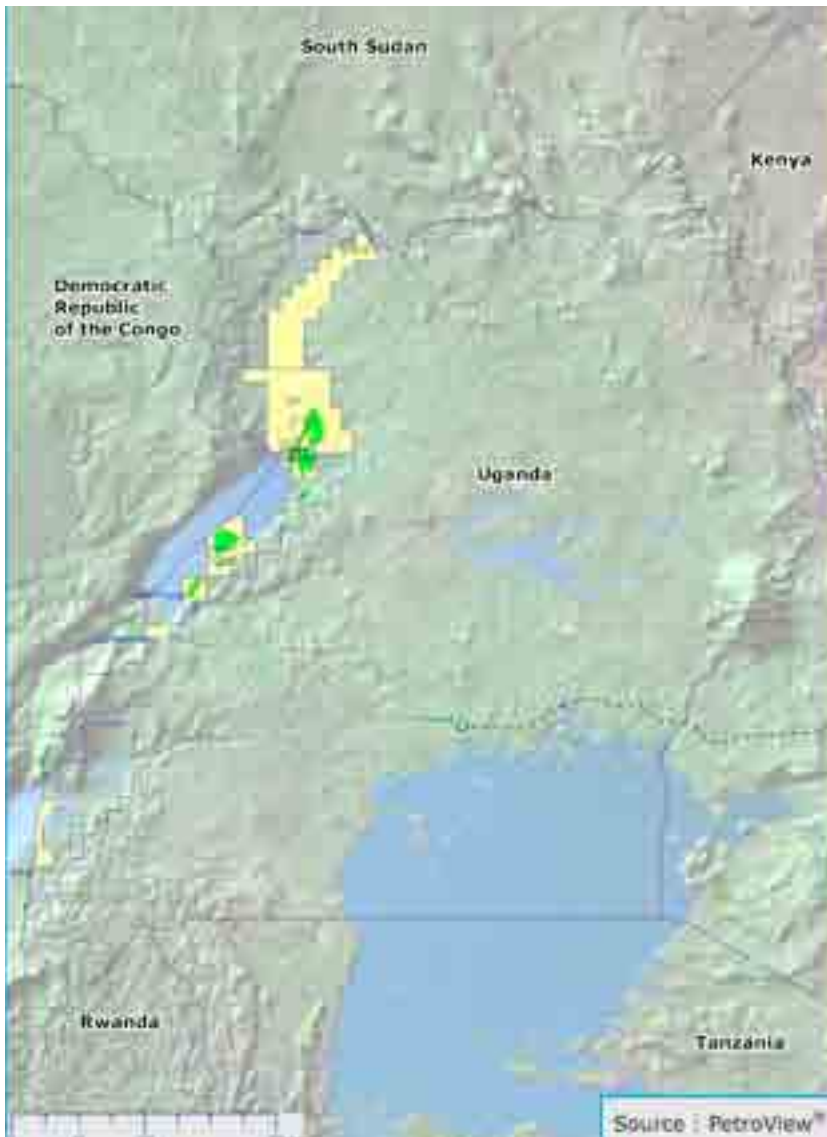
CHIEF OF STATE
President Lt. Gen. Yoweri Kaguta Museveni

HEAD OF GOVERNMENT
President Lt. Gen. Yoweri Kaguta Museveni

POPULATION
34,612,250 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
No oil or gas production (2010 est.)

ORGANIZATION OF THE SECTOR
Ministry of Energy and Mineral Development (MEMD)
The Petroleum Exploration and Production Department (PEPD) – promotes investments, monitors and regulates the sector, and initiates policy



VIETNAM

70

COOPERATING INSTITUTION
Petrovietnam (PVN)

GOALS AND OBJECTIVES

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

PROJECT PERIOD
2008-2011

EXPENDITURES 2011
NOK 1.5 million

PROGRAMME

Phase 3 of the programme has consisted of the following main components:

- Implementation of Petrovietnam's 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
- HSE training activities to support Petrovietnam's system developments through competence and capacity building
- Support the development of appropriate HSE management systems in Petrovietnam's subsidiaries based on Petrovietnam's corporate HSE management system
- Development of emergency response management and oil/hazardous waste management

CONTACT:

Oil for Development: Mrs. Ida Aronsen,
iaro@norad.no

COOPERATING INSTITUTIONS IN NORWAY

Petroleum Safety Authority Norway
(PSA)
Climate and Pollution Agency (Klif)
Norwegian Coastal Administration (NCA)

BRIEF HISTORY OF THE OFD PROGRAMME

Norway has supported the development of management systems for health, safety and environment (HSE) in the Vietnamese petroleum industry since 1996. The recipient of the Norwegian support has been Petrovietnam (PVN), the national oil company.

The programme has been implemented in three subsequent phases. Phase 1 focused mainly on the legal framework, while Phase 2 emphasized the development of an HSE management system in Petrovietnam and its subsidiaries. The main purpose of Phase 3 was to ensure implementation of the HSE management system developed in the first two phases of the programme.

The Norwegian institutional partners in the implementation of the programme have been the Climate and Pollution Agency (Klif), the Petroleum Safety Authority Norway (PSA), the Norwegian Petroleum Directorate (NPD) as well as the Norwegian Coastal Administration (NCA). The programme was finalized in 2011 and will be closed with an end review in 2012.





ACTIVITIES IN 2011

Several guidelines and regulations in the area of Health, Safety and Environment (HSE) were completed on inter alia safety, risk analyses, contingency and working environment. Training courses were also conducted in Vietnam, supplemented by study tours to and on the job training in Norway, as well as audit training courses.

An experience transfer conference was conducted in Vietnam in end 2011. The conference brought together the main stakeholders in the programme and representatives from Vietnamese authorities. Lessons learned and key success factors were shared and discussed with participants from Vietnamese authorities and petroleum industry. The conference marked the formal closure of the Oil for Development programme in Vietnam.

In addition to the OfD programme on health, safety and environment, the study “Oil for Development in Vietnam: In what ways is context sensitivity reflected in the programme and how does it affect outcome?” was conducted by the University of Oslo.

KEY ACHIEVEMENTS IN 2011

The Oil for Development programme in Vietnam was successfully completed. The programme has contributed to a more sustainable management of health, safety and environment issues in the Vietnamese petroleum industry.



VIETNAM

OFFICIAL NAME
Socialist Republic of Vietnam

CAPITAL
Hanoi

CHIEF OF STATE
President Truong Tan SANG

HEAD OF GOVERNMENT
Prime Minister Nguyen Tan Dung

POPULATION
90,549,390 (2011 est.)

PETROLEUM SECTOR, KEY FIGURES
Average oil production: 343,200 bbl/day (2010 est.)
Annual gas production: 9.4 bill. m3 (2010 est.)

ORGANIZATION OF THE SECTOR
Ministry of Industry and Trade (since 2007)
Department of Energy and Petroleum
Ministry of Planning and Investments
Petrovietnam – state-owned oil and gas corporation

OTHER OFD PROGRAMMES

72

In addition to our bilateral country programmes, the Oil for Development programme is supporting a number of other programmes either directly or via other donors and implementing partners. These programmes, which include our regional efforts in Asia and Africa, are presented in this chapter.

AFRICAN CENTER FOR ECONOMIC TRANSFORMATION (ACET)

The African Center for Economic Transformation (ACET) was established in 2007 and has its office in Accra, Ghana. ACET's objective is to enhance capacity building in cooperation with governments in African countries to support them in achieving a sustainable development and reduction in poverty. In these efforts emphasis is put on using African experts with relevant knowledge and experience from engagements at home and abroad. The purpose is to make African countries less dependent on external consultants with limited knowledge of local conditions.

OfD is, together with the Revenue Watch Institute (RWI), providing financial support to ACET's activities within the extractive industries, enabling ACET to widen its activities to include advice on the management of natural resources, primarily oil and gas.

OfD's cooperation programme with Sierra Leone and Liberia has been established as a pilot project under ACET in close cooperation with OfD and the RWI. A description of the joint work carried out in Sierra Leone and Liberia is provided in the chapter on OfD Country Programmes of this report, page 59 and 77 respectively.

Total expenditures in 2011 were NOK 3 million.

Key contact person in the OfD Secretariat is Halvor Musæus.

For more information, please visit www.acetforafrica.org

THE COORDINATING COMMITTEE FOR GEOSCIENCE PROGRAMMES IN EAST AND SOUTHEAST ASIA (CCOP)

CCOP is an intergovernmental organization devoted to geosciences programmes in East and Southeast Asia. The organization promotes capacity building, information transfer, sustainable resource development, management of geo-information, geo-hazard mitigation and protection of the environment. There are twelve member countries: Cambodia, China, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, the Philippines, Singapore, Thailand, Timor-Leste and Vietnam.

CCOP is supported by fifteen cooperating countries. Norway has supported CCOP since 1976 and has been the main supporter of the petroleum programmes since 1989. Cooperating institutions in Norway are the Norwegian Petroleum Directorate and Petrad. Norway is supporting the Programme for Enhancing Public Petroleum Management (EPPM). The programme comprises the following main projects:

- Petroleum Resource Management with focus on Natural Gas, Cross-border study of the North Sumatra-Mergui Basin between Indonesia, Malaysia and Thailand
- Natural Gas Field Developments and Environmental Issues
- Metadata on Natural Gas Resources in the region

The following workshops were conducted in 2011:

- Workshop and training on metadata (Malaysia)
- Workshop on seismic stratigraphy and petroleum play concepts (Thailand)
- Carbon capture and storage: workshop on Public Awareness (Thailand)





- North Sumatra-Mergui basin case study: workshop on petroleum play and prospect analysis (Indonesia)

The current project period is 2008 to 2012. Total expenditures in 2011 were NOK 3 million. The OfD support to CCOP will be closed in 2012, and a final end-review will be conducted.

The key contact person in the OfD Secretariat is Geir Ytreland.
For more information, please visit www.ccop.or.th

PETROLEUM GOVERNANCE INITIATIVE (PGI)

The Petroleum Governance Initiative is a bilateral collaboration between the Government of Norway and the World Bank Group. PGI provides technical assistance and capacity building, consensus building and advocacy, global knowledge management and dissemination of best practices. The programme works at both global and country-specific levels. The programme comprises four pillars: Petroleum sector governance and revenue management; Environmental management; Natural gas; and Community development.

In 2011, some examples of subject areas at the country level include regulatory management in the petroleum sector in Cambodia; social and environmental impact of offshore operations in Mauritania; local government effectiveness of revenue management in Peru; and strengthening social accountability to improve the impact of royalties in Cambodia. Global activities include studies of gender dimensions of oil and gas; the role of Liquefied Petroleum Gas (LPG) in reducing energy poverty as well as broader information dissemination of good practices in community development and investments.

Total expenditures in 2011 were NOK 7.5 million.

The key contact person in the OfD Secretariat is Ida Aronsen.

For more information, please visit www.worldbank.org

EXTRACTIVE INDUSTRIES – TECHNICAL ADVISORY FACILITY (EI-TAF)

The Extractive Industries Technical Advisory Facility (EI-TAF) is a multi-donor trust fund established in 2009, managed by the World Bank. In addition to the World Bank itself, the current funding partners are Norway, Switzerland and International Finance Corporation (IFC). EI-TAF facilitates advisory services to resource-rich, developing country governments for capacity building related to extractive industry contract negotiations and associated policy reforms/frameworks. The objective of EI-TAF is to assist resource-rich, developing countries on a demand-driven basis to correctly structure extractive industry development projects and related policies, thereby reducing the risk of costly or politically difficult remediation at later stages. The intention is to level the playing field between resource-rich, developing countries and resource companies and ensure that the countries – and ultimately their citizens – benefit from the exploitation of their extractive resources.

In 2011, EI-TAF conducted activities in eight countries, namely Liberia, Rwanda, Kyrgyz Republic, Sierra Leone, Pakistan, Mexico, Guinea and Mozambique. Total expenditures from OfD in 2011 were NOK 2.5 million.

The key contact person in the OfD Secretariat is Ida Aronsen.

For more information, please visit www.worldbank.org



INTERNATIONAL MONETARY FUND (IMF)

In 2011, the cooperation with IMF has focused on supporting the IMF Topical Trust Fund – Managing Natural Resource Wealth. In December 2010, Norway agreed to support the fund with NOK 30 million until 2015. The objective of the fund is to assist resource-rich countries in realizing the full development potential of their natural resources and avoid the resource curse. The fund commenced operations in May 2011.

The fund concentrates on financing and conducting capacity building in five areas:

- Extractive industries fiscal regime
- Extractive industries revenue administration
- Fiscal policies and public financial management specific to resource-rich countries
- Natural resources related financial asset and liability management
- Statistics for natural resources

Total expenditures in 2011 were NOK 8 million.

The key contact person in the OfD Secretariat is Torhild M. Martinsen.

For more information, please visit www.imf.org

CIVIL SOCIETY CAPACITY BUILDING THROUGH NORWEGIAN NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

Strengthening civil society in OfD member countries aims at promoting OfD core goals in the field of transparency in the management of petroleum revenues, respect for the environment, safety and industrial policy. Three thematic areas are prioritized for OfD support to civil society projects: anti-

corruption (including the role of the media), the external environmental challenges associated with the petroleum sector in a member country and the cooperation between employees, business organizations and petroleum industry relating to work environment, safety and health.

In 2011, eight Norwegian non-governmental organizations were granted a total of NOK 13.6 million for capacity building of civil society partner organizations in OfD's cooperation countries. Ranked according to the size of funds received, the partnering organizations were: World Wide Fund for Nature Norway (WWF Norway), Norwegian People's Aid, Publish What You Pay Norway (PWYP Norway), the Norwegian Confederation of Trade Unions (LO), the Norwegian Students' and Academics' International Assistance Fund (SAIH) and Norwegian Church Aid.

Organizations such as PWYP Norway, LO, Friends of the Earth Norway, WWF Norway and Norwegian People's Aid focus on capacity building of organizations and individual NGO-members from a range of the OfD partner countries, whereas SAIH and the Norwegian Church Aid targeted civil society in specific OfD partner countries such as Bolivia, Angola and Mauritania. In 2011, civil society projects focused mainly on enhanced transparency and accountability in petroleum governance and revenue management, in addition to environmental and social sustainability in petroleum activities.

In order to strengthen sustainability and predictability of management in the projects, most of the contracts span over a three-year period. Partner organizations are then able to develop a long-term and more comprehensive scope for their projects. In 2012, OfD will carry out an evaluation of the contributions so far.

The key contact person in the OfD Secretariat is Nina K. Sørheim.

For more information, please visit www.norad.no

CIVIL SOCIETY CAPACITY BUILDING THROUGH REVENUE WATCH INSTITUTE (RWI)

Revenue Watch Institute (RWI) and OfD entered in 2010 into a new agreement for core institutional support for the period 2010-2012. The purpose of the programme is “effective, transparent and accountable management of oil, gas and mineral resources for the public benefit in countries where these extractive industries constitute a significant part of economic activity and source of government revenue”.

In 2011, the programme focused on capacity building in local institutions, civil society, parliaments and media in a number of the cooperating countries under the OfD-programme. High emphasis is put on advancing the EITI agenda. RWI conducted an analysis of 50 EITI reports from 28 countries and established a web site with the findings. To support its work, RWI has expanded its hubs in different parts of the world. RWI sits on the Steering Committee of the Open Government Partnership (OGP).

RWI also focuses on enhancing parliamentary engagement in the reform of the legal framework for petroleum activities and the strengthening of civil society participation in a number of countries (such as Tanzania, Ghana, Uganda and Iraq). Journalists have been given courses in petroleum management and civil society assistance in monitoring revenue management.

In 2011, RWI continued, in collaboration with OfD and ACET, to take an active part in the joint cooper-

ation with Sierra Leone and Liberia. With their assistance, Sierra Leone’s new petroleum law entered into force in July 2011. A regional workshop was arranged in Accra, Ghana, in December addressing Good Governance and the Fight against Corruption.

Total expenditures in 2011 were NOK 6 million.

The key contact person in the OfD Secretariat is Halvor Musæus.

For more information, please visit www.revenue-watch.org

PETRAD’S EIGHT-WEEK PROGRAMMES

Established in 1991, the objective of Petrad’s two eight-week programmes is to strengthen the participants’ capabilities for contributing to the successful management of petroleum resources. Representatives of the various Norwegian OfD partner institutions contribute as lecturers. One programme focuses on Petroleum Policy and Resource Management and the other on Petroleum Development and Operations.

The programme “Petroleum Policy and Resource Management” concentrates on how a country can develop its petroleum resources in the best way to the benefit of all the people in the country. The programme is based on the premise that these resources can add substantially to a nation’s development and wealth, and should be managed by national authorities. It is also recognized that profit-seeking companies, often coming from outside the nation in question, can contribute with technical, organizational and financial capabilities which will be decisive for a successful development of petroleum resources. However, this requires a proper

legal framework and efficient monitoring by the authorities.

The programme “Petroleum Development and Operations” aims to increase the participants’ skills and give them tools to assist their country’s authorities with the management and monitoring of the development and operation phases. It is designed to introduce and communicate alternative options for how to manage offshore petroleum developments and operations.

In 2011, there were a total of 31 participants from OfD countries: Angola, Ghana, Mozambique, Sudan, South-Sudan, Timor-Leste and Uganda, Cuba, Lebanon, São Tomé and Príncipe and Tanzania. In addition, 11 participants from Cambodia, Democratic Republic of Congo, Ecuador, Guinea, Mongolia, Sierra Leone, Papua New Guinea and Uruguay also took part in the training programmes. By 2011, a total of 920 participants from 78 countries have graduated from the two programmes.

Total expenditures in 2011 were NOK 5.9 million.

The key contact person in the OfD Secretariat is Nina K. Sørheim.

For more information, please visit www.petrad.no

NORAD’S MASTER PROGRAMME FOR ENERGY AND PETROLEUM (ENPE)

Norad’s Master Programme for Energy and Petroleum (EnPe) – a support programme for higher education within petroleum and renewable energy – was launched in 2009. The programme aims at contributing to the education of staff in the energy and petroleum sectors through building capacity at

the Master’s level in higher education institutions (HEI) in the South.

The programme is managed by the Norwegian University of Science and Technology (NTNU) and a separate Programme Board. HEI in the South and in Norway submit joint project proposals to the Programme Board, which decides on project funding.

The first allocations were made in December 2009, and there are currently 12 programmes running with support from EnPe. This includes programmes in Africa, Asia and South America and involves the major academic institutions within energy and petroleum in Norway.

In 2011, two new projects were granted support: A research and development-based education within Carbon Capture and Storage (CCS) at the University of Witswatersrand and the University of Cape Town in South Africa, as well as a new master programme in petroleum engineering at the University of Dar es Salaam in Tanzania.

Total expenditures in 2011 were NOK 12 million.

The key contact person in the OfD Secretariat is Ida Aronsen.

For more information, please visit www.ntnu.edu/international/enpe

INTERNATIONAL ASSOCIATION FOR IMPACT ASSESSMENT (IAIA)

The International Association for Impact Assessment is a global network on best practice in the use of impact assessment for informed decision making regarding policies, programmes, plans and projects. IAIA was organized in 1980 to bring

together researchers, practitioners, and users of various types of impact assessment from all parts of the world. IAIA has more than 1600 members representing more than 120 countries.

In 2011, the OfD programme provided stipends for 18 participants from 11 OfD partner countries to participate in the annual IAIA conference, which was held in Puebla, Mexico. The support was administered by the Norwegian Directorate for Nature Management. A separate programme for the OfD-funded participants was developed jointly by the Ministry of Environment and DN. This programme consisted of an introductory programme ahead of the conference itself, one thematic forum that dealt particularly with impact assessments in the oil and gas sector, one concurrent session which focused on specific OfD partner countries issues, one workshop session where the environmental and social responsibilities of the oil and gas industry were discussed, and finally a post-conference session on networking for impact assessment capacity building in the oil and gas sectors. As a follow-up, a network for previous attendants has also been established.

Total expenditures in 2011 were NOK 1.6 million.

The key contact person in the OfD Secretariat is Thomas Eid.

For more information, please visit www.iaia.org

GLOBAL GAS FLARING REDUCTION PARTNERSHIP (GGFR)

Launched at the World Summit on Sustainable Development in Johannesburg in 2002, the Global Gas Flaring Reduction Partnership (GGFR) is a World Bank-led initiative aimed at reducing gas flar-

ing by sharing global best practices and implementing country specific programmes. GGFR supports the efforts of oil producing countries and companies to increase the use of associated natural gas and thus reduce flaring and venting, which wastes valuable resources and damages the environment.

Through the GGFR, major oil companies and governments are working together to minimize this waste by raising awareness about the issue, jointly overcoming the barriers that inhibit better gas utilization, as well as sharing global best practices and implementing country specific programmes.

The Oil for Development programme aims at combining the bilateral cooperation programmes with the multilateral initiatives of GGFR. In 2011, OfD together with the Norwegian Ministry of Foreign Affairs took active part in the governing process of the initiative, through participation in the Steering Committee of GGFR.

Total expenditures in 2011 were NOK 750 000.

The key contact person in the OfD Secretariat is Thomas Eid.

For more information, please visit www.worldbank.org



GENDER AND ANTI-CORRUPTION – CROSS-CUTTING EFFORTS

80

GENDER ISSUES AND EQUAL OPPORTUNITIES

Norad gives priority to Gender Mainstreaming (GM) in its two energy sector programmes – Oil for Development (OfD) and Clean Energy (CE). In 2010, Norad entered into a framework agreement with ENERGIA, a leading international network on gender and sustainable energy, to assist in this work.

The Norwegian Embassy in Maputo, Mozambique, is a pilot embassy for gender equality. In 2010 the embassy initiated the development of a GM programme that will strengthen how the OfD programme and CE deal with gender issues, and that will guide the embassy in implementing Norway's 2007 Action Plan for Women's Rights and Gender Equality. The embassy is taking leadership of the process and close collaboration between the gender, petroleum and energy advisors is critical for the development of the ambitious programme.

In 2011, a first mission to identify possibilities for integrating gender in the OfD programme and CE programmes in Timor-Leste was undertaken. Recommendations and possibilities for integrating gender issues in the two programmes are currently being discussed with the partners. The analysis documents that OfD is proactive in recruiting female participants in Petrad's eight-week programmes. Furthermore, Petrad and ENERGIA entered into an agreement and Petrad reviewed ENERGIA's work in the petroleum sector.

It is a challenge to find the right entry points for integrating gender in the OfD country programmes, in particular related to the management of upstream resource exploration and extraction. More direct gender linkages can be made in downstream regulation, especially with regard to local impacts on communities, product availability, distribution, access and use.

The key contact person in the OfD Secretariat is Petter Stigset. For more information, please visit www.norad.no and www.energia.org



ANTI-CORRUPTION AND GOOD GOVERNANCE

In addition to gender issues and equal opportunities, promoting good governance is another of the main cross-cutting objectives in the OfD programme. An important means to achieve that objective is the fight against corruption.

OfD's main contribution to the fight against corruption is tied to the assistance provided in the establishment of policy guidelines, legislation and standard contracts in the OfD country programmes. First, this includes an emphasis on ensuring provisions which require openness in resource management, such as open bidding rounds, block allocations and procurement procedures. Second, the assistance provided concerning the establishment of the organizational structure in the petroleum sector, and subsequently the division of responsibilities in the supervision of the activities. Finally, the established procedures for public hearings of draft laws and impact assessments are important elements.

In addition to the policy work conducted in the country programmes, the OfD programme organizes regional activities. In 2010, a workshop for OfD's Portuguese speaking cooperating countries was conducted in Maputo, Mozambique, with assistance from Petrad. In 2011, a similar workshop was facilitated by Petrad in Accra, Ghana, for West African cooperating countries. The key focus of the workshop was how to improve the interrelation between governments and civil society in the respective countries. Approximately 50 persons from five countries (Sierra Leone, Liberia, Ivory Coast, Ghana and Nigeria) participated. The distribution between representatives from governments and civil society was close to 50-50. Both the governmental representatives and those from the civil society took active part in the debates and the group work.

The key contact person in the OfD Secretariat is Ida Aronsen. For more information, please visit www.norad.no



April 2012

Design: Siste Skrik Kommunikasjon

Print: Møklegaards Trykkeri

Cover photo: Ken Opprann

No. of copies: 2 500

ISBN 978-82-7548-652-1



Norad

Norwegian Agency for Development Cooperation

Postal address

P.O. Box 8034 Dep. NO-0030 OSLO

Visiting address

Ruseløkkveien 26, Oslo, Norway

Tel: +47 23 98 00 00

Fax: +47 23 98 00 99

postmottak@norad.no

www.norad.no