

2018



The Oil for Development Programme

ANNUAL REPORT 2018



CONTENTS

Introduction	2
The Oil for Development Programme.....	2
Our Unique Approach: Peer to Peer.....	2
The Key Institutions.....	3
2018 in Review.....	4
Fifteen Achievements in 2018.....	4
The Numbers.....	6
Strategic Cooperation with UN Environment.....	7
Oil for Development's Theory of Change.....	8
Programme countries in 2018	10
Angola.....	12
Colombia.....	14
Cuba.....	16
Ghana.....	18
Iraq.....	20
Kenya.....	22
Lebanon.....	24
Mozambique.....	26
Myanmar.....	28
Somalia.....	30
South Sudan.....	32
Sudan.....	34
Tanzania.....	36
Uganda.....	38
Annex	41

Introduction

THE OIL FOR DEVELOPMENT PROGRAMME

The Oil for Development (OfD) Programme, initiated in 2005, contributes to improved petroleum sector management through long-term institutional cooperation with partner countries. For the past 14 years, the Programme has assisted more than 30 countries in their efforts to secure long-term benefits for the population from their oil and gas resources.

The overall objective of the OfD Programme is to reduce poverty by promoting responsible management of petroleum resources. We base our efforts on the premise that responsible governance is an important prerequisite for sustainable economic growth and welfare for the citizens.

OUR UNIQUE APPROACH: PEER TO PEER

The main approach in the OfD Programme is long-term institutional cooperation where Norwegian civil servants provide direct support and advice for the benefit of host country counterparts. Programme activities include working together with colleagues in the partner institution to address tasks they are required to perform, discussing policy issues, offering training programmes, workshops and delegation visits, conducting realistic exercises, participating in field visits and providing capacity development related to drafting of legal documents. Our partners appreciate this form of support, because it allows them to engage on a peer-to-peer basis.

In addition to this, we support civil society organisations in their efforts to hold the authorities to account. We arrange dialogue meetings and training programmes, and provide financial support. We also arrange training and delegation visits to Norway for parliaments across our country portfolio.

To complement our own assistance, we have established global partnerships with other international development partners also engaged in petroleum governance support. They include the International Monetary Fund (IMF) Trust Fund for Managing Natural Resource Wealth, The World Bank and UN Environment (UNEP).

THE KEY INSTITUTIONS

The following Norwegian governmental institutions are involved in the OfD programme:

Five ministries form the Steering Committee:

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

In addition, implementing institutions include:

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



2018 in review

FIFTEEN ACHIEVEMENTS IN 2018

The country programmes constitute the core of the OfD programme. In 2018, the OfD country portfolio counted 14 countries. We carried out broad-based capacity-building programmes in Ghana, Lebanon, Mozambique and Myanmar, and provided targeted support to Angola, Kenya, Sudan, Tanzania and Uganda. We initiated a full-scale mapping of a country programme in Cuba and Iraq and continued our dialogue with Colombia and Somalia on the contents of an OfD programme. Through a multi-donor agreement with the IMF, we also provided support to revenue management in South Sudan.

2018 saw significant achievements in the country programmes. Below is a list of ten key achievements in 2018:

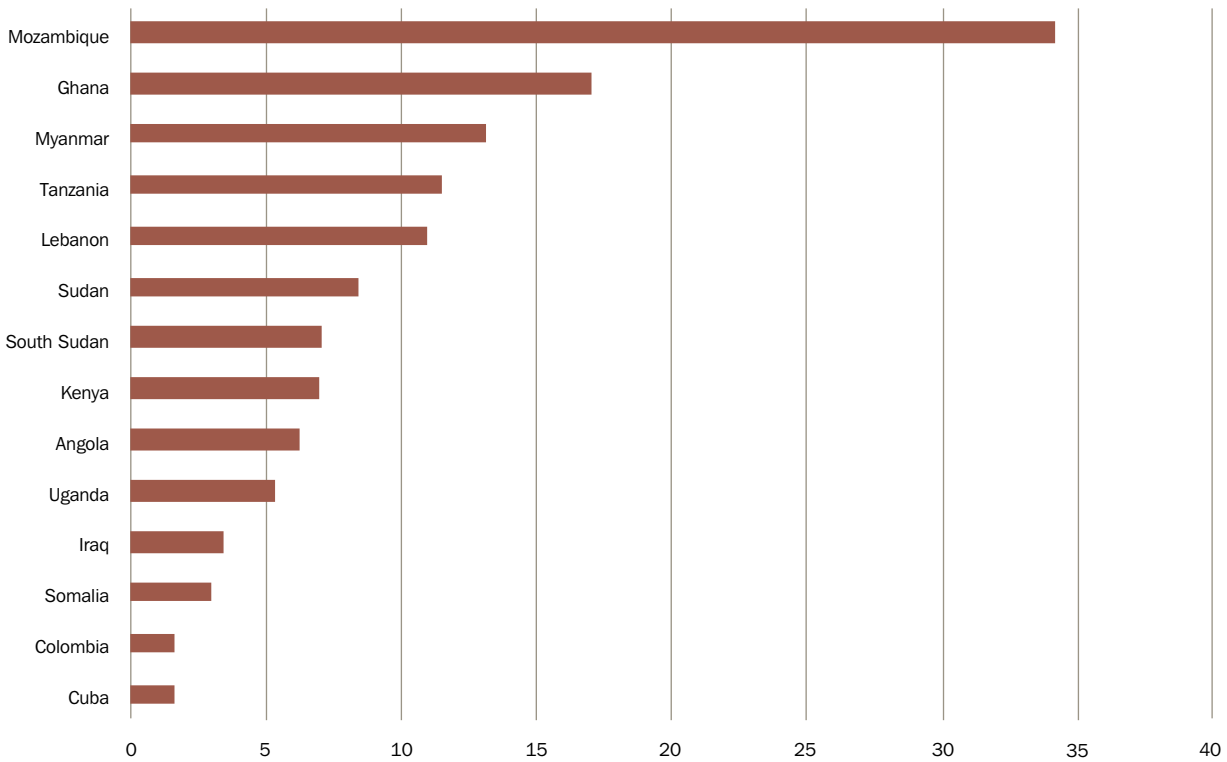
1. In **Angola**, more than 40 participants from the Ministry of Petroleum and Energy received tailor-made training on responsible petroleum management and enhanced their understanding of key aspects of the petroleum sector. The Programme arranged a dialogue meeting with civil society and journalists, and through financial support from the Programme, Norwegian Church Aid was able to support social monitoring activities in Cassonge municipality.
2. In **Ghana**, the parliament passed the General Petroleum Regulation, the Regulation for Health, Safety and Environment (HSE) and the Regulation on Data Management. The OfD Programme has over a long period provided extensive legal assistance to the Ministry of Energy.
3. In **Iraq**, the 'Flare Reduction in Iraq'-project was concluded. The project has assisted the Ministry of Oil and the Ministry of Health and Environment in building capacity to address the challenges of gas flaring.
4. In **Kenya**, a petroleum resource data project with the Norwegian Petroleum Directorate (NPD) has significantly enhanced capacity to systematically record and analyse data in the Ministry of Petroleum and Mining.
5. In **Lebanon**, in a milestone for transparency, the Lebanese Petroleum Administration (LPA) published the complete, signed Exploration and Production Agreements on the LPA website.
6. In **Mozambique**, the Petroleum Safety Authority has provided extensive assistance to the National Petroleum Institute to enhance their auditing capacity. The National Petroleum Institute (INP) carried out an audit on safety risks at Sasol facilities in Temane, and an operations and maintenance audit at Temane-Secunda Pipeline.

7. In **Myanmar**, with assistance from the OfD Programme, the Large Taxpayer's Office has conducted tax audits showing additional claims (and potential additional tax revenues for the government) in the order of USD 80 million. Further, as an achievement on transparency, the Government's budget document to parliament now contains more detailed information about the oil and gas sector, including disaggregated figures on types of revenues – from various gas fields, and from upstream and transportation.
8. In **Sudan**, the Ministry of Petroleum and Gas (now: the Ministry of Petroleum and Minerals) independently conducted a safety audit at the Khartoum Refinery, after having received training from the Petroleum Safety Authority.
9. In **Tanzania**, a regional training conducted by the Norwegian Coastal Administration in cooperation with UN Environment contributed to increasing capacity on oil spill preparedness and on how to organise and manage an effective shoreline clean-up response.
10. In **Uganda**, the government enacted the National Environment Bill into law. Under the new law, SEA is now a mandatory requirement.
11. The Programme disbursed NOK 42 million to the following NGOs: Norwegian People's Aid, Norwegian Church Aid, World Wildlife Fund Norway, Global Witness, Natural Resource Governance Institute (NRGI), Oxfam America, World Wildlife Fund Mozambique and Centro de Integridade Publica. These organisations have delivered key results on the ground, contributing to the objective of enhancing transparency and accountability.
12. We continued our cooperation with the IMF, with a view to broadening our assistance on revenue management. In Myanmar, OfD's work with the Ministry of Planning and Finance and the Ministry of Electricity related to fiscal regimes and revenue forecasting is closely coordinated with IMF's assistance to the same institutions.
13. We deepened our valuable cooperation with UNEP – and a mid-term review confirmed that this cooperation has been particularly important for the OfD Programme.
14. We arranged several regional courses. Together with NRGI and Chatham House, the Programme arranged a one-week training in Beirut, Lebanon, addressing Communications in Petroleum Sector Governance. We also invited 30 participants to a two-week training on Responsible Revenue Management in Oslo, Norway.
15. The Norwegian Petroleum Directorate continued to develop the African Data Management Forum, gathering members from a range of African countries, exchanging experience and building networks within the data management arena.

In 2018, we continued to build strong partnerships with other important actors and organisations:

11. The Programme disbursed NOK 42 million to the following NGOs: Norwegian People's Aid, Norwegian Church Aid, World Wildlife Fund Norway, Global Witness, Natural Resource Governance Institute (NRGI), Oxfam America, World Wildlife Fund Mozambique and Centro de Integridade Publica. These organisations have delivered key results on the ground, contributing to the objective of enhancing transparency and accountability.

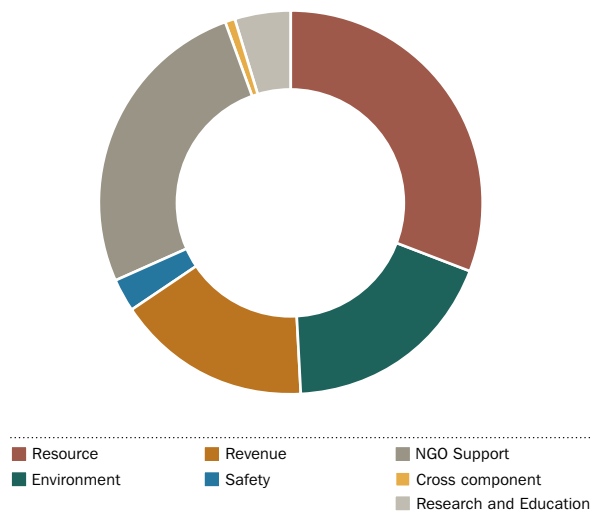
FIGURE 1: DISBURSEMENTS 2018, BY OFD PARTNER COUNTRY (MILLION NOK)



THE NUMBERS

✓ A total of NOK 163.4 million was disbursed through the OfD programme in 2018, compared to NOK 217.8 million in 2017. The reduction is primarily a consequence of a lower level of activity in Tanzania and Uganda, both of which were transitioning between two programme phases. The disbursement to research and education (the EnPe programme) was also significantly lower in 2018 than the previous year.

FIGURE 2: PROGRAMME DISBURSEMENT BY COMPONENT/AREA OF SUPPORT (TOTAL 163.4 MILLION NOK)



STRATEGIC COOPERATION WITH UN ENVIRONMENT – DELIVERING RESULTS

In August 2016, Norad entered into a cooperation agreement with UN Environment (UNEP). The cooperation complements the OfD programme's resources within the environmental component and has two main objectives:

1. Capacity and Needs Assessments, especially when planning new programmes or when entering into new programme phases.
2. Training and capacity-building activities.

On behalf of Norad, Scanteam recently carried out a mid-term review of the cooperation, and concluded that it is very successful and should be continued.

Results achieved and assessment of the cooperation

So far in the contract period, UNEP has developed background papers on environmental management in 12 OfD partner countries, carried out three complete Capacity Needs Assessments and delivered 14 courses of one week's duration, of which six were regional. The course compendiums were developed in collaboration with the Norwegian Environment Agency and the Norwegian Coastal Administration and cover several topics (basic courses in petroleum activities and environmental aspects; waste and chemicals management; emissions to air and climate aspects; petroleum activities in sensitive areas; clean-up of contaminated sites).

The mid-term review emphasises the added value to the OfD programme of having UNEP as a partner. This is attributed to the following:

- > UNEP relieves the scarce human resources of the Norwegian Environment Agency and the Norwegian Coastal Administration, allowing them to spend more time on their core commitments within the OfD programme.
- > UNEP has established a solid methodology for identifying capacity needs.
- > The value of UNEP's training methodology and educational approach, and their systematic approach to tracking progress and measuring results. The mid-term review indicates a high degree of participant satisfaction. OfD experts who contributed to the training programmes have been inspired to apply these methodologies in their own courses.
- > The political sustainability of OfD efforts is reinforced by the institutional relationship between the UN system and national authorities.
- > UNEP has a relationship with authorities and academic communities in countries where OfD is not present.
- > The value of UNEP's network of technical experts and international organisations. Networking has become a more important dimension than anticipated. The increasing focus on non-state actors in education helps to expand experience transfer and build stronger alliances around sound environmental management. The positive reputation of the courses creates an interest among a wider audience, both inside and outside OfD countries, and provides opportunities for wider outreach.

Oil for Development's Theory of Change

The term 'resource curse' refers to the paradox that resource-rich countries often exhibit poorer results across a range of development performance indicators compared to less resource-rich countries. Resource-rich countries are often characterised by corruption, lack of accountability and mismanagement, preventing the citizens from harnessing the benefits that natural resources can bring.

Responsible management of petroleum resources is key to ensuring that the resources bring benefit to the society as a whole. The OfD Programme assists countries by leveraging our expertise in working with governments and public institutions, as well as with civil society and other accountability institutions. We target four key components of petroleum sector management: resource, environment, safety and revenue management.

Working within and across these four components, we aim to: 1) establish a sound legal framework, 2) build state capacity, and 3) enhance transparency and accountability (ref. illustration). We refer to these as our three outcomes.

Our theory of change suggests that by achieving results across these outcomes, one might expect that the country will increase the benefits and minimise the risks of the petroleum sector, laying the basis for a responsible management which in turn leads to poverty reduction. The Programme does not provide advice on how petroleum revenues should be distributed and spent, yet encourages transparent processes involving oversight bodies such as the parliament and offices of the auditor general, civil society and the media.

We do not assume that our interventions alone are sufficient to achieve the overall objective. Rather, we view our assistance as a meaningful contribution to achieving this goal in partnership with and largely conditional upon the recipient government.

THE OFD PROGRAMME'S GOAL HIERARCHY





LEGAL AND REGULATORY FRAMEWORK

Sound policies and legislation must be in place, and responsibility should be divided in a manner that ensures oversight and minimizes conflict of interest and duplication of effort.

OUTCOME 1

The authorities establish a legal and regulatory framework for the petroleum sector.



INSTITUTIONAL CAPACITY

The authorities must have the capacity and resources to carry out their responsibilities as defined in the legal framework.

OUTCOME 2

The authorities manage the petroleum sector according to their mandate.



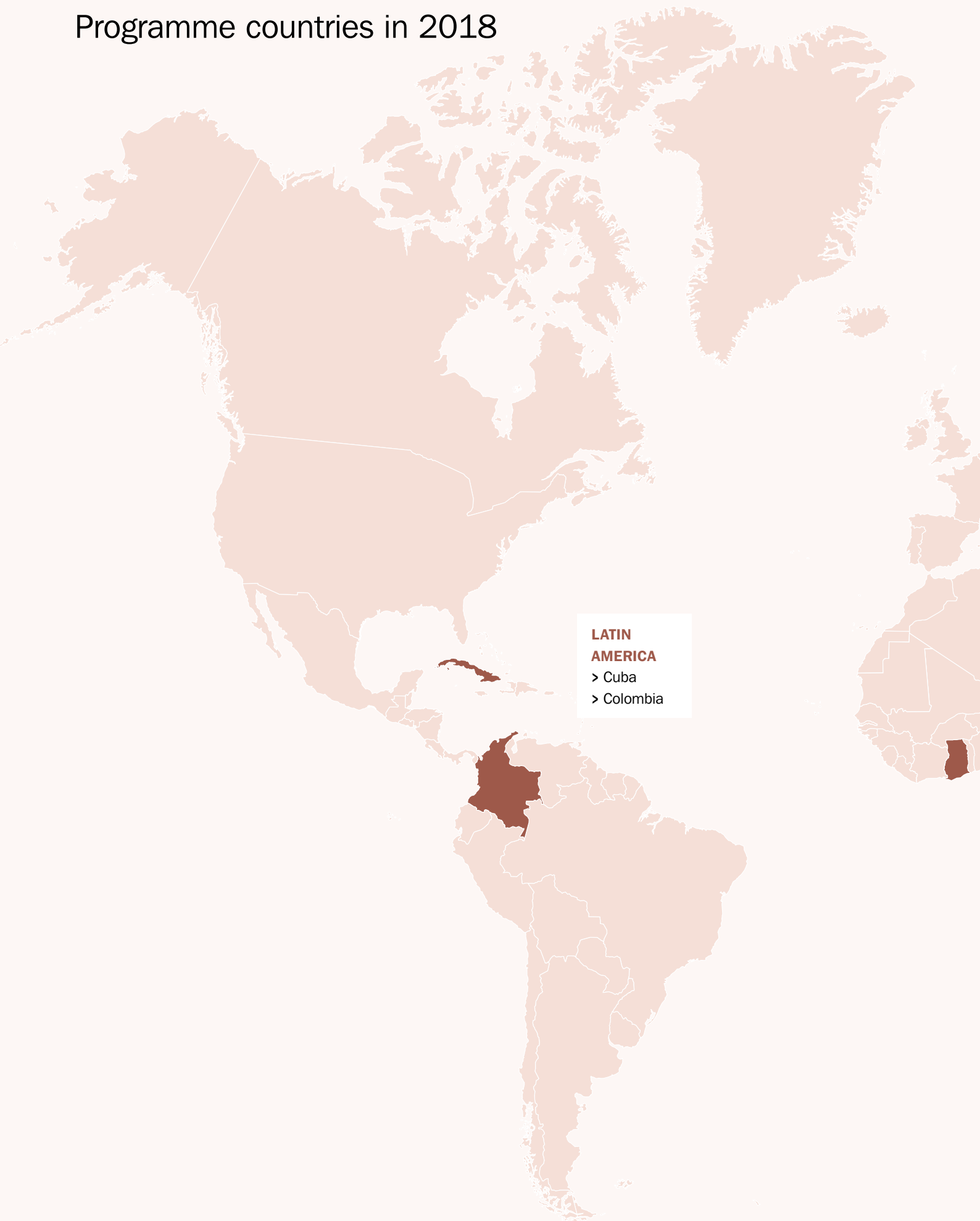
TRANSPARENCY AND ACCOUNTABILITY

Accountability is necessary both for preventing wrongdoing and for addressing offences should they occur. Parliamentary committees, civil society organizations, and media play a vital role in holding the executive body to account.

OUTCOME 3

The authorities are transparent in their management of the petroleum sector, and the public holds the authorities accountable.

Programme countries in 2018



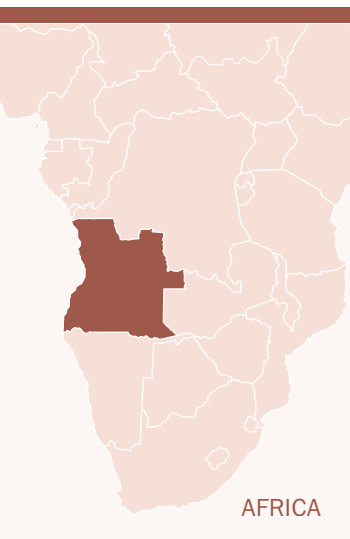


MIDDLE EAST
> Iraq
> Lebanon

ASIA
> Myanmar

AFRICA
> Angola
> Ghana
> Kenya
> Mozambique
> Somalia
> South Sudan
> Sudan
> Tanzania
> Uganda

Angola



KEY PROGRAMME FACTS

Disbursed 2018: 6.2 million NOK

Angolan implementing institutions: Ministry of Mineral Resources and Petroleum

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

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

In 2014, the governments of Angola and Norway signed a five-year programme agreement. In 2018, activities focused on general management of petroleum resources, improved English skills, archive systems, as well as safety and emergency preparedness issues.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- > The sector is undergoing a major reorganisation and it is unclear which responsibilities will remain within the Ministry of Mineral Resources and Petroleum (MIREMPET). Legal assistance has not been requested.

🏛️ Increased institutional capacity

- > Around 40 participants from MIREMPET have enhanced their knowledge of the petroleum sector through a four-day workshop on good resource management offered by the Ministry of Petroleum and Energy (MPE) and the Norwegian Petroleum Directorate (NPD).
- > Around 30 employees in MIREMPET have improved their English language skills. This year's training was based on previous courses, and the goal is for the most motivated students to pass the Cambridge Certificate of English.
- > Finance skills within the Statistics, Planning and Monitoring Department (GEPE) in MIREMPET have been assessed. Based on this, an education package combining e-learning and traditional classroom training has been developed. Training will also be proposed to other departments.
- > Participants with archive responsibilities in various departments have increased their skills in 'archiving and record-keeping' through a workshop conducted by NPD. Awareness within this field has been championed by the new management in the document centre.
- > MIREMPET has enhanced its competence in well control through a course held jointly with the Lebanese Petroleum Administration.

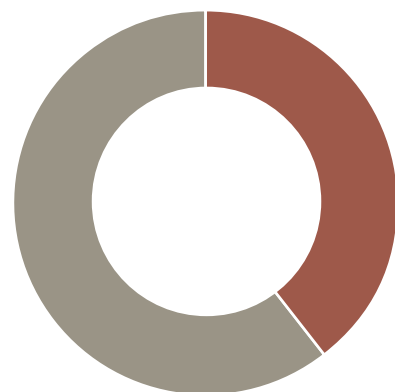
Increased transparency and accountability

- > The archive workshop focused on transparency in government (“Offentleglova”) and best practices to guarantee information to the public.
- > The Norwegian Embassy hosted a dialogue meeting with civil society and journalists. A presentation was given by the MPE on responsible petroleum resource management.
- > Norwegian Church Aid (NCA) supported social monitoring activities with funds from Oil for Development in Cassongue municipality. Water-related disease was directly responsible for more than 80% of the estimated cases at the local health centre. NCA partner the Council of Christian Churches engaged in advocacy activities directed towards the local administration in order to utilise funds from the municipal budget to construct water systems and promote sanitation activities. The municipality funded the construction of water systems which improved access to clean water and supported activities to train the population in hygiene and sanitation practice.

PROGRAMME CHALLENGES

The new management in MIREMPET is increasing its focus on the programme. However, there are still some challenges related to communication and programme execution, some due to language barriers. Insufficient administrative support in MIREMPET as well as lack of Norwegian resident personnel affect the programme progress.

**TOTAL DISBURSEMENT TO ANGOLA IN 2018,
BY OFD COMPONENT (6.2 MILLION NOK)**



.....
■ Resource
■ NGO Support
.....

Colombia



KEY PROGRAMME FACTS

Disbursed 2018: 1.6 million NOK

Colombian implementing institutions: N/A

Norwegian implementing institutions: N/A

International organisations supported: N/A

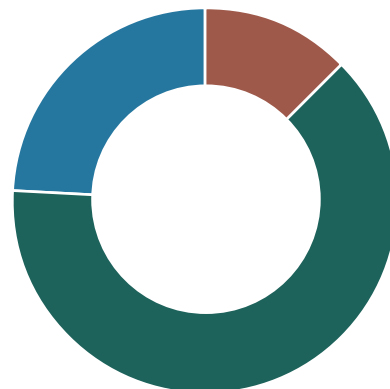
Civil society organisations supported: N/A

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

Geological and seismic data indicate promising potential off Colombia's Caribbean coast, where several international oil companies are currently conducting exploration activities. The comprehensive petroleum legal framework was developed for onshore activities, and Colombian authorities have asked for assistance to make necessary adjustments and build capacity to manage the offshore sector.

In 2017, the planning of a limited and focused OfD programme in Colombia was formally approved, and in March 2018 the first joint planning workshop was held with all relevant government institutions in Bogotá. In September 2018, a Colombian delegation visited Norway and in November 2018, Norwegian and Colombian institutions met again in Bogotá to continue the development of a programme document. A cross-cutting workshop highlighting the environmental aspects of enhanced oil recovery (EOR) was also conducted. In addition, one Colombian specialist participated in the annual conference of the International Association of Impact Assessment 2018.

**TOTAL DISBURSEMENT TO COLOMBIA IN 2018,
BY OFD COMPONENT (1.6 MILLION NOK)**



.....
■ Resource ■ Safety
.....
■ Environment



Cuba



KEY PROGRAMME FACTS

Disbursed 2018: 1.6 million NOK

Cuban implementing institutions: Ministry of Energy and Mines

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

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

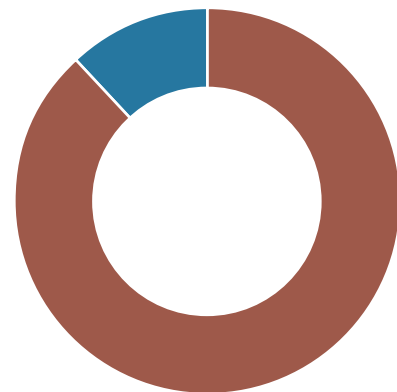
Norway's engagement was initiated in the wake of the Deepwater Horizon oil spill in the Gulf of Mexico in 2010. The main component of the programme phase 2014–2018 has been an annual four-week training course in basic petroleum management and administration, covering all four OfD components: Resource, safety, environment and revenue management.

In addition, 2–3 in-depth courses on specific topics were conducted each year. More than 300 petroleum specialists received training during the programme period. Activities concluded in June 2018, with a Cuban delegation visiting Norwegian institutions in Stavanger and Oslo. Cuban authorities have applied for a new programme, and in September 2018 the OfD Steering Committee decided to carry out a full-scale mapping for this.

KEY DELIVERABLES OF THE PROGRAMME (PERIOD 2014–2017)

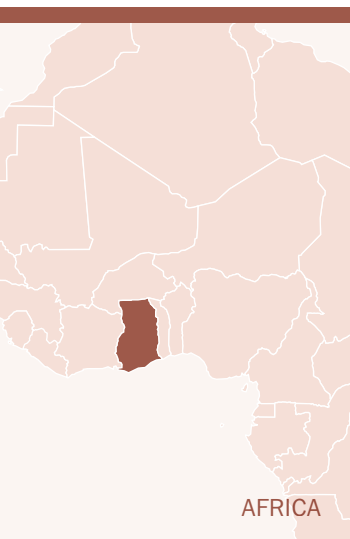
- > Three 4-week foundation courses in petroleum sector management
- > Six thematic in-depth workshops:
 - > Exploration drilling, technical and environmental issues and HSE management
 - > Secondary recovery of oil and gas (IOR)
 - > Environmental impact assessment
 - > International petroleum contracts
 - > Resource classification (held twice)
- > Six Cuban specialists participated in three annual conferences of the International Association of Impact Assessment (IAIA)

**TOTAL DISBURSEMENT TO CUBA IN 2018,
BY OFD COMPONENT (1.6 MILLION NOK)**



Resource
Safety

Ghana



KEY PROGRAMME FACTS

Disbursed 2018: 1.7 million NOK

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

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

Civil society organisations supported: Natural Resource Governance Institute, Africa Centre for Energy Policy (through Oxfam America)

International institutions supported: International Monetary Fund, UN Environment

With the discovery of the Jubilee field in 2007, Ghana became a significant oil producer. Production from Jubilee commenced in 2010. More recently two additional offshore fields have come on stream.

Ghana's current crude oil production is approximately 200 000 barrels per day. With new discoveries and a fresh licensing round ongoing, the activity is expected to pick up significantly in the years to come. Ghana has been a partner to the OfD programme since 2007. The current agreements on resource and environmental management were signed in 2015 and will continue through 2019. A three-year agreement on petroleum revenue management was signed in March 2018.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- › Over a long period, the OfD programme has assisted the Ministry of Energy to develop the upstream petroleum sector legislation. The year 2018 marked a milestone in this respect, with the parliament passing the General Petroleum Regulation, the Regulation for Health, Safety and Environment (HSE) and the Regulation on Data Management.

- › Ghanaian and Norwegian experts continued the collaboration to develop the 'Environmental policy for the oil and gas sector' and the 'Regulation for pollution control from petroleum exploration and exploitation'.

🏛️ Increased institutional capacity

- › The Norwegian Petroleum Directorate (NPD) supported the Ministry of Energy in designing the framework for the first competitive licensing round launched in October. A total of 16 international oil companies applied to become prequalified, among them several of the largest oil companies in the world.
- › The macroeconomic model used by the Ministry of Finance has been developed into an operational tool that gives insight into the Ghanaian economy. A draft user's guide and a document describing the model has been produced. The model group in the Ministry of Finance was trained on how to update the model when new information becomes available. The group has also been trained on how the model can be used to create a baseline scenario for the Ghanaian economy and for policy analysis.
- › Statistics Norway assisted the Ghana Statistical Service to update the national accounts. Capacity building on the revision of the vital statistical business register and the compilation of oil investment statistics was also provided. Customised questionnaires for collecting oil

investment statistics (projected and actual) and accompanying manuals were finalised and formally approved by the Government Statistician. Subsequently, the questionnaires were submitted to the oil companies for input.

- > The Petroleum Fund Secretariat at Bank of Ghana enhanced their competence on topics such as investment strategy, risk tolerance and investment portfolio analysis, enabling them to better fulfil their task of managing the Ghana Petroleum Funds.
- > The Petroleum Commission conducted two technical audits on metering and HSE with assistance from senior experts from the Petroleum Safety Authority.
- > Norwegian petroleum lawyers assisted the newly inaugurated Ghana Licensing Committee in drafting the new Petroleum Agreement (PA) and the Joint Operating Agreement (JOA) so that the agreements are in alignment with the present legal framework.
- > The Norwegian Environment Agency supported Environmental Protection Agency Ghana (EPA) to prepare and conduct an environmental audit of an oil and gas installation. Furthermore, in 2018 the partners initiated the development of an environmental impact assessment (EIA) database, continued the work on a sensitivity atlas for onshore and offshore areas and worked to implement environmental standards under the Abidjan Convention.
- > Work continued on the Strategic Environmental Assessment (SEA) for the onshore Voltaian basin. The SEA will be finalised in 2019. Both the resource and environmental authorities on the Ghanaian and Norwegian side are involved.

Increased transparency and accountability

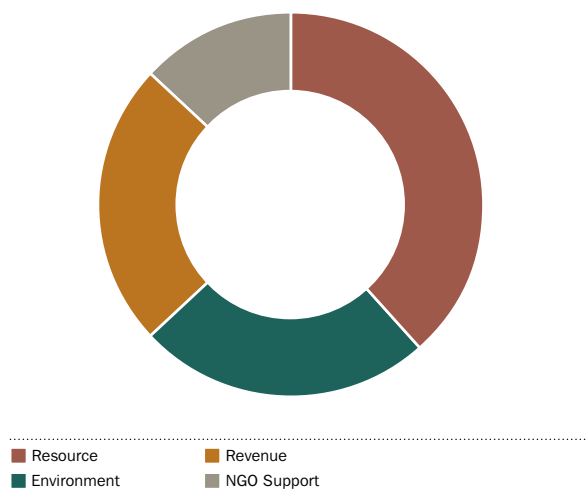
- > The capacity and dialogue with local authorities and Civil Society Organisations (CSOs) was strengthened, notably through a workshop in the Keta region with the objective of sensitising the CSO community and local authorities on the planned petroleum activity in the region and the environmental consequences thereof. Previously, the OfD experts had assisted the EPA to carry out a standard EIA procedure, including with numerous stakeholder meetings in the region.

- > The Natural Resource Governance Institute (NRGI) partnered with selected media houses to offer mentoring and training towards increased qualitative reporting on the extractive sector to bolster public pressure on a series of specific reform targets. In several instances, news coverage resulting from NRGI's media development work helped boost ongoing civil society advocacy on extractive issues.
- > Since 2014, Oxfam and partner Africa Centre for Energy Policy (ACEP) have advocated for transparency provisions in upstream petroleum sector laws – including the establishment of a public register of petroleum agreements. Following consistent dialogue and consultative meetings with government, in 2018 Ghana's Petroleum Commission launched an online, public petroleum register, which includes signed petroleum agreements, licences and permits.

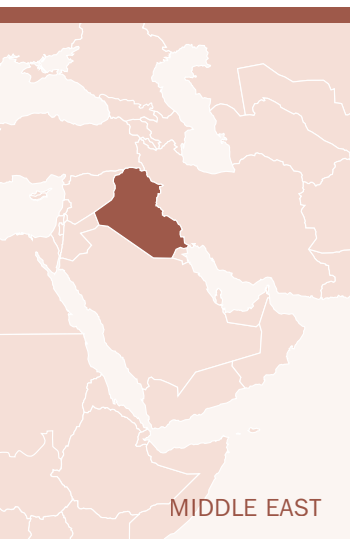
PROGRAMME CHALLENGES

The OfD collaboration with Ghana is well established. There are no significant challenges threatening the execution of the programme. There have been some delays due to slow distribution of local funds under the environment component. The cooperation on revenue administration has also progressed more slowly than anticipated.

TOTAL DISBURSEMENT TO GHANA IN 2018, BY OFD COMPONENT (17 MILLION NOK)



Iraq



KEY PROGRAMME FACTS

Disbursed 2018: 3.4 million NOK

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

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

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

The first five-year cooperation programme between Iraq and Norway ended in 2009. The cooperation resumed in 2013 and expired in the first quarter of 2018. A new programme is currently being planned. Several activities have been carried out in parallel with the programme planning.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES



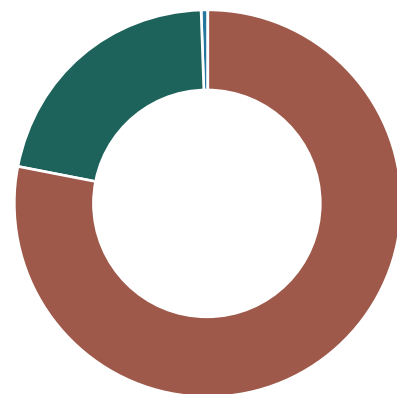
- Increased institutional capacity**
 - > Iraq's capacity to assess and clean up oil-contaminated sites from the ISIL conflict was strengthened through an Oil Contaminated Site Assessment training workshop. The workshop was delivered by UN Environment and trained participants from the Ministry of Oil (MoO) and the Ministry of Health and Environment (MOHE). The core sessions of the workshop focused on preliminary site assessments and detailed sampling strategies and techniques.
 - > Staff members from the MOHE and MoO enhanced their capacity on the review and approval of environmental impact assessment (EIA) for oil and gas projects through training supported by the Norwegian Environment Agency (NEA). MOHE and MoO also received training in how to carry out environmental audits and a mock audit was carried out on a Norwegian installation.

- > The 'Flare Reduction in Iraq' project was concluded. The purpose of the project has been to assist the Ministry of Oil in Iraq in building capacity and capability to address the challenges of associated gas flaring. The project consisted of three main tasks: i) a review of the flare situation (specifically estimates of flare levels) and barriers to flare reduction investments, ii) analysis of gas utilisation options and specific investment cases, and iii) a review of potential sources of financing for flare reduction projects with the emphasis on opportunities that are likely to emerge as part of international climate policy and action to meet the objectives of the Paris Agreement.

PROGRAMME CHALLENGES

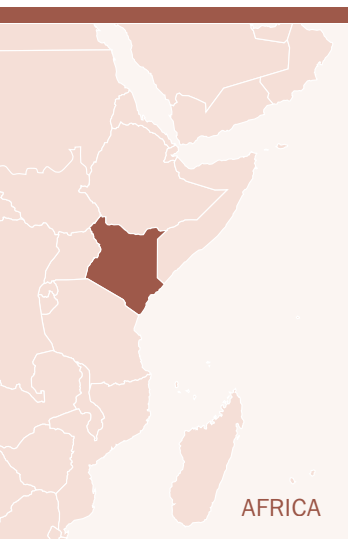
Due to security considerations, all OfD activities have been conducted outside of Iraq. Financial and political challenges lead to uncertainty regarding the OfD programme and its partners.

**TOTAL DISBURSEMENT TO IRAQ IN 2018,
BY OFD COMPONENT (3.4 MILLION NOK)**



.....
■ Resource ■ Safety
■ Environment

Kenya



KEY PROGRAMME FACTS

Disbursed 2018: 6.9 million NOK

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

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

Multilateral institutions supported: International Monetary Fund and UN Environment

Civil society organisations supported: World Wildlife Fund

The petroleum sector is in an early phase of development in Kenya. Since the decision to establish an OfD cooperation with Kenya in 2015, a comprehensive programme of cooperation has been developed.

In parallel, numerous technical capacity-building activities have taken place. A five-year cooperation is set to formally commence in 2019.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- › The Kenyan government is currently reviewing its legal framework concerning the petroleum sector. A new Petroleum Law was approved in March 2019. The government is also involved in negotiations of various agreements necessary for the development of the sector, including Production Sharing Contract supplements. To support the government in this endeavour, a group of legal experts were trained on legal issues pertinent to the petroleum sector.

🏛️ Increased institutional capacity

- › The Kenyan Ministry of Petroleum and Mining has enhanced its competence on how to systematically record and analyse petroleum resource data through capacity building provided by the Norwegian Petroleum Directorate.
- › Training courses provided by the Norwegian Environment Agency and the Petroleum Safety Authority Norway have increased awareness and competence among Kenyan counterparts about the environmental and safety concerns related to oil and gas operations including the oil pipeline that will transport crude oil from Turkana to the Indian Ocean coastline. Hands-on training courses provided by the Norwegian Coastal Administration have improved the oil spill preparedness within the Kenya Maritime Authority and relevant local authorities.
- › Statistics Norway has provided key methodological input to the Kenya Institute for Public Policy Research and Analysis' (KIPPRA) work on macroeconomic modelling and together with Statistics Sweden has installed a preliminary version of a new business register in the Kenya National Bureau of Statistics (KNBS).

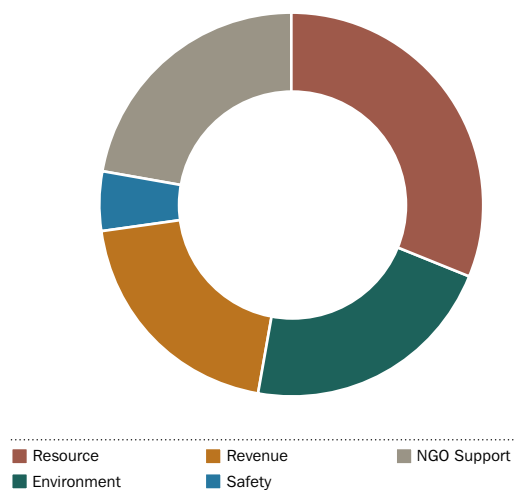
Increased transparency and accountability

- > Efforts were undertaken in 2018 to analyse the enabling environment for transparency and accountability as it relates to the Kenyan petroleum sector, with a view to strengthening support to accountability institutions, as well as to selected local authorities in Kenya.
- > World Wildlife Fund (WWF) has worked closely with local civil society to increase awareness about environmental hazards related to petroleum sector developments. Concerned about pollution of water sources used by their livestock, local civil society organisations (CSOs) with assistance from WWF formulated a claim submitted to the environmental authorities for social and environmental safeguards regulated by law to be applied. The National Environment Authority (NEMA) acted on the complaint.
- > Three national media houses have hosted members of the Kenya Oil and Gas Working Group in panel discussions on the early oil pilot scheme as well as use of oil revenues. WWF has provided technical and financial support to the members. The debates have created more public awareness on new developments in the sector and have leveraged CSOs as a voice to reckon with in the development of the national transparency framework.

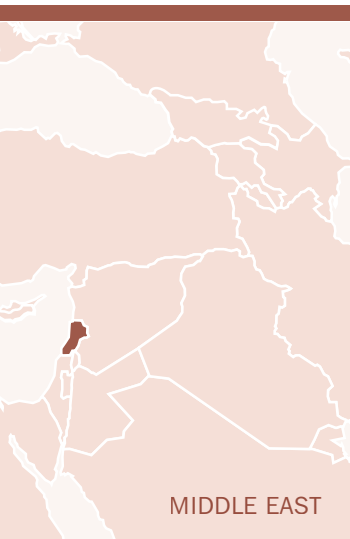
PROGRAMME CHALLENGES

While the formal commencement of the programme has been delayed due to administrative issues, many activities have taken place in 2018. The cooperating institutions have established good working relationships. A potential challenge for effective programme implementation going forward is that the legal and institutional framework has taken longer to establish than envisaged.

**TOTAL DISBURSEMENT TO KENYA IN 2018,
BY OFD COMPONENT (6.9 MILLION NOK)**



Lebanon



KEY PROGRAMME FACTS

Disbursed 2018: 10.9 million NOK

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

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

International organisations supported: UN Environment

Civil society organisations supported: Norwegian People's Aid

In December 2017, Lebanon approved the awarding of two exclusive petroleum licences for exploration and production in blocks 4 and 9. On 17 May 2018, the Council of Ministers approved the recommendation of the LPA to prepare for Lebanon's Second Offshore Licensing Round.

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

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- > The Lebanese Petroleum Administration (LPA) drafted drilling guidelines with the support of the OfD programme through the Petroleum Safety Authority Norway (PSA). These technical guidelines are instrumental to this phase of development of the sector in Lebanon as they define the approach that the LPA will adopt in enforcing the regulatory provisions.
- > The Ministry of Environment (MoE) with the participation of the LPA benefited from the support of the Norwegian Environmental Agency (NEA) in the preparation of draft versions of the EIA guidelines for the reconnaissance and exploration phase. These guidelines are critical for the sound environmental management of the sector.

§ Increased institutional capacity

- > With the support of the Norwegian Petroleum Directorate (NPD) and the Ministry of Petroleum and Energy (MPE), the LPA produced a comprehensive study about the various state equity participation options to consider for the second licensing round in Lebanon.
- > The LPA enhanced their competence in issues such as well control, drilling and well integrity. This resulted in success for all the LPA participants that undertook International Well Control Forum (IWCF) courses levels.

- > MOE and LPA staff enhanced their competence in reviewing Environmental Impact Assessments (EIAs) through a training programme in Beirut.

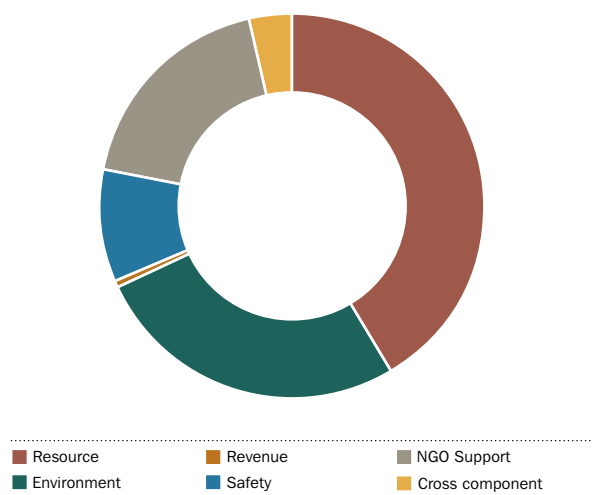
 **Increased transparency and accountability**

- > In an important milestone for transparency, the LPA posted the signed EPAs on their website.
- > After more than a year of networking and coordination facilitated by Norwegian People's Aid (NPA) the Lebanese Coalition for Good Governance in Extractive Industries (LOGI), which is the first network to influence petroleum policies, was launched in March 2018. The Coalition and its members have been active in communicating with the LPA and decision makers regarding the various legal frameworks being discussed, as well as the involvement of civil society in the Extractive Industries Transparency Initiative (EITI) multi-stakeholder group.
- > More work is needed to find a good model for broad mobilisation and civil society involvement in oil and gas issues, in particular regarding cooperation and participation with responsible authorities around a joint framework.

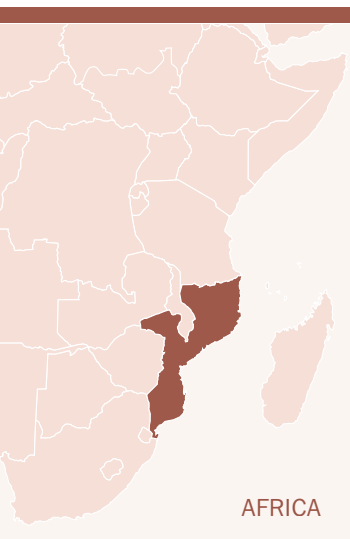
PROGRAMME CHALLENGES

There is a need for rational planning to ensure that activities serve the direct needs of the Lebanese institutions at the current stage of the sector. This requires fewer general training activities and more on-the-job initiatives and activities that are linked to concrete outputs. While some improvements to the planning process have been introduced, there is room for further work in this regard.

TOTAL DISBURSEMENT TO LEBANON IN 2018, BY OFD COMPONENT (10.9 MILLION NOK)



Mozambique



KEY PROGRAMME FACTS

Disbursed 2018: 34.1 million NOK

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

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

International organisations supported: International Monetary Fund, UN Environment

Civil society organisations supported: Oxfam America, Norwegian People's Aid, World Wildlife Fund Mozambique

Mozambique is the third-largest natural gas reserve holder in Africa. Operators are currently planning both onshore and floating liquefied natural gas installations in northern Mozambique. Production is expected to commence in 2021.

Norway has provided petroleum-related support to Mozambique for more than thirty years. Since 2005 there has been an OfD programme in the country, and in 2014, Mozambique and Norway signed a four-year programme agreement for the resource and safety components. The programme has been extended while a new, holistic programme is being planned, comprising resource, safety, environmental and revenue components.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- > The Petroleum Safety Authority Norway (PSA) assisted the National Petroleum Institute (INP) in following up the regulations associated with allocation of licences.
- > Contractual issues between the new fifth round concessionaires and the Government of Mozambique were addressed and aligned and five Exploration and Production Concession Contracts (EPCCs) were signed. Legal advisors financed through the OfD programme assisted INP in revising the old EPCC contract. The new exploration and production concession contract will serve as a model for future licensing.
- > The National Petroleum Institute (INP) completed standard contracts for multi-client seismic data collections with support from the Norwegian Petroleum Directorate's consultants.

🏛 Increased institutional capacity

- > INP improved its capacity to perform audits in the process safety areas through a two-step training programme provided by PSA.
- > INP conducted a supervisory activity (audit) of management of safety risks in the operation of Sasol Central Process Facilities (CPF) in Temane, supported by PSA.

Core audit issues were process hazard analyses, change management, maintenance of safety-critical equipment and compliance audits.

- > PSA assisted INP in its supervisory activity (audit) of Sasol Satellite Operations – operations and maintenance of the Mozambique-Secunda Pipeline (MSP) in Maputo and Germiston. The activity was based on previous audits of the pipeline operations at the CPF in Temane, at the Sasol offices in Maputo and in Germiston.
- > The OfD programme supported development of INP’s capacity to exercise its regulatory mandate, through shoulder-to-shoulder training and through formal training courses.
- > The National Maritime Authority (INAMAR) developed its capacity on oil spill response through a training programme provided by the NCA, observing a full-scale oil spill exercise in Norway. NCA also provided training material to INAMAR for local exercises.
- > A comprehensive needs assessment of key ministries and government agencies with respect to environmental management in the oil and gas sector was carried out through UNEP.
- > Authorities in Mozambique have increased their understanding of environmental challenges in the oil and gas sector through training courses carried out by UNEP.

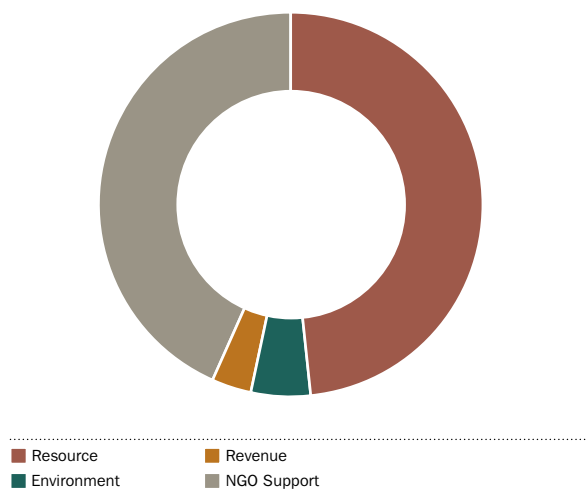
Increased transparency and accountability

- > Norwegian People’s Aid’s partner the Panos Institute supported the local community of Maimelane in petitioning for the gas company Sasol and the local government to expand the gas supply for domestic use in the community. Both the company and local government have pledged to increase gas distribution with new gas connections to households. This possibility has been embraced by local communities as a substantial contribution to improving living conditions.
- > The OfD programme supported the Civic Coalition for Extractive Industry in their dialogue with the operators concerning compensation arrangements for communities affected by relocation due to onshore petroleum installations.

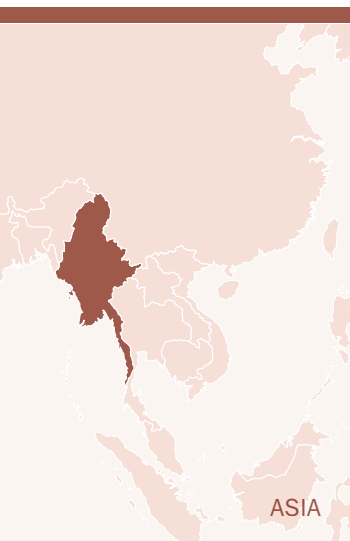
PROGRAMME CHALLENGES

In the period 2010 to 2014, ten significant gas discoveries were made in the Rovuma basin. The in-place resources are currently estimated to be 160 TCF. The giant scale of the resources represents an immense challenge to the Mozambican government institutions’ capacity to regulate the petroleum sector. Under the current country programme, key staff in the INP have faced a very heavy workload. The institution is still awaiting the final approval of its new organisational structure and a corresponding staff expansion. The new country programme will be expanded in scope and institutional partners, comprising also environment and revenue components.

TOTAL DISBURSEMENT TO MOZAMBIQUE IN 2018, BY OFD COMPONENT (34.1 MILLION NOK)



Myanmar



KEY PROGRAMME FACTS

Disbursed 2018: 13.1 million NOK

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

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

International organisations supported: International Monetary Fund

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

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

The OfD Steering Committee agreed that the planning of an OfD programme could commence in 2016, and a five-year programme document was finalised in 2017. An Oil for Development Memorandum of Understanding (MoU) between Norway and Myanmar (2017–2022), was signed by the Norwegian embassy in Yangon and MOPF in May 2017, after which institutional cooperation agreements have been signed between the relevant institutions in Norway and Myanmar.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- › The Department of Marine Administration (DMA) has finalised a national contingency plan against acute pollution with assistance from the Norwegian Coastal Administration (NCA).
- › The Ministry of Electricity and Energy (MOEE) has received comments and input to the new upstream petroleum law from the Norwegian Ministry of Petroleum and Energy.
- › The Ministry of Planning and Finance (MOPF) has received comments to the new tax administration law from the petroleum revenue consultants engaged by Norad.
- › With assistance from Norwegian Petroleum Directorate (NPD), MOEE has initiated a project to map the needs and procuring ICT infrastructure network.
- › MOEE has started work on pipeline guidelines in cooperation with the Petroleum Safety Authority Norway (PSAN).
- › The Ministry of Natural Resources and Environmental Conservation has, together with the Norwegian Environment Agency (NEA), assessed the environmental legal framework, identifying inconsistencies and gaps.

- > The Environmental Conservation Department (ECD) has established a technical platform for environmental data and geo-information with assistance from NEA.



Increased institutional capacity

- > MOEE and MOPF have increased their understanding of the fiscal regime.
- > MOEE has increased its capacity to conduct resource assessments and manage field development plans.
- > The Large Taxpayers Office has conducted tax audits showing additional claims (and potential additional tax revenues for the government) in the order of USD 80 million.
- > DMA has an enhanced capacity to handle oil spills through a table-top exercise.
- > MOEE has increased understanding of how to conduct audits and inspections of pipelines through training, fieldtrips in Myanmar and a visit to Norway.
- > ECD has assessed Environmental Impact Assessment's (EIAs) and issued environmental compliance certificates (the EIA backlog has been cleared).
- > ECD has increased capacity to conduct audits through a trial audit.



Increased transparency and accountability

- > The Government's budget documents to parliament now contain more detailed information than before about the oil and gas sector, including disaggregated figures on type of revenues, revenues from various fields and revenues from upstream and transportation respectively. These changes are a direct result of Norad's consultants sharing international best practice with MOPF.
- > Civil society (Myanmar Alliance for Transparency and Accountability (MATA) and China Pipeline Watch) have an increased understanding of the petroleum sector (including roles and responsibilities, content of contracts, the fiscal regime, revenue flows, pipeline safety, environmental concerns) through a series of training programmes provided by advisors from key Norwegian institutions and revenue consultants engaged by Norad.

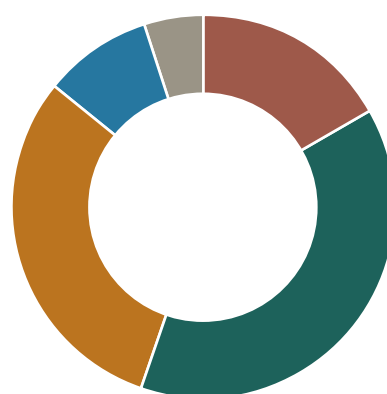
- > Parliamentarians have a better understanding of environmental challenges related to petroleum activities through a seminar for members of relevant committees, organised by MONREC/ECD and NEA.

- > Global Witness supported Myanmar civil society in Extractive Industries Transparency Initiative (EITI) engagement through the leading Civil Society Organisation (CSO) coalition MATA, including technical training on beneficial ownership disclosure.

PROGRAMME CHALLENGES

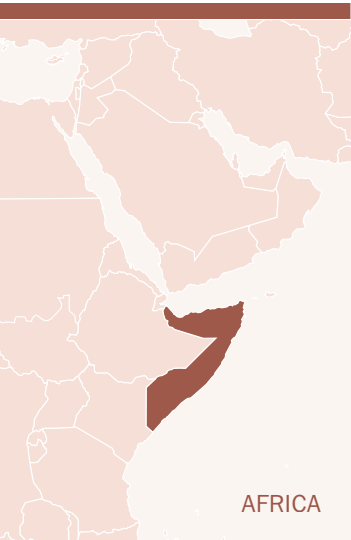
Due to political and administrative processes in both Norway and Myanmar, signing of the Memorandum of Understanding and the institutional agreements took longer than expected, delaying some of the planned activities. There is a potential to improve the communication between the Myanmar and Norwegian institutions when planning activities. Continuity regarding persons involved in the programme (from both countries) is essential.

TOTAL DISBURSEMENT TO MYANMAR IN 2018, BY OFD COMPONENT (13.1 MILLION NOK)



Resource Revenue NGO Support
Environment Safety

Somalia



KEY PROGRAMME FACTS

Disbursed 2018: 2.9 million NOK

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

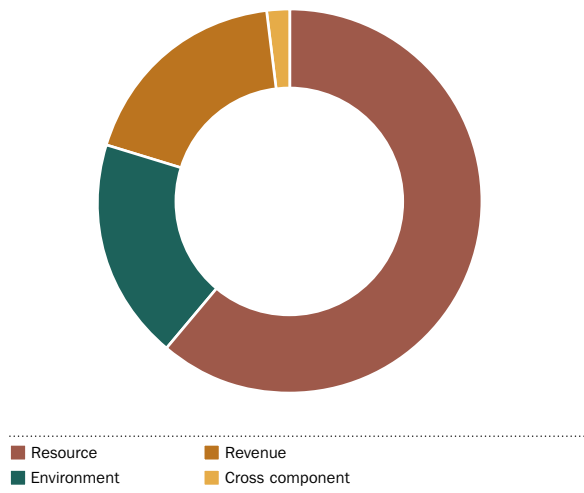
Norwegian implementing institutions: Not applicable, as no agreement signed yet

The petroleum sector in Somalia is at an early stage, with currently no exploration or production activities. Seismic data that has been acquired in recent years indicates promising potential for petroleum resources.

The petroleum legal framework is not yet complete, and the revised Petroleum Law is awaiting parliamentary approval. In June 2018, the planning of an OfD programme in Somalia was formally approved and in October 2018, the first joint planning workshop was held with all relevant government institutions in Somalia, including representatives from the Federal Member States. In 2019, Somalia and Norway will continue to discuss and prioritise the needs of the Somali petroleum sector, and jointly plan an OfD programme.

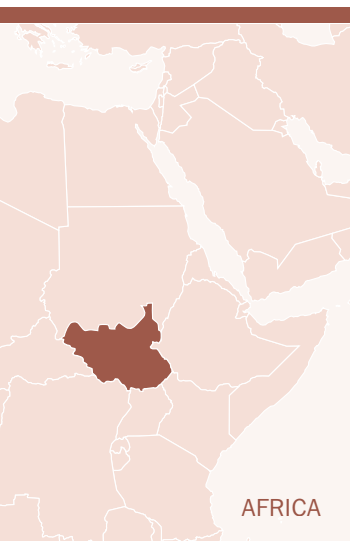
The Ministry of Petroleum and Mining in Somalia is assigned the responsibility for coordinating the planning of an OfD programme.

TOTAL DISBURSEMENT TO SOMALIA IN 2018, BY OFD COMPONENT (2.9 MILLION NOK)





South Sudan



KEY PROGRAMME FACTS

Disbursed 2018: 7.1 million NOK

South Sudanese implementing institutions: Not applicable

Norwegian implementing institutions: Not applicable

International organisations supported: International Monetary Fund

Civil society organisations supported: Global Witness, Norwegian People's Aid

South Sudan gained its independence as a sovereign state in 2011. The country's petroleum resources account for more than 90% of the total state revenues.

In July 2016, when conflict once again erupted in Juba, the institutional cooperation was put on hold. During 2019, the support through IMF's fund for capacity building on macroeconomic policies and statistics will also come to an end. Further OfD support to South Sudanese authorities is contingent on political commitment to implementing the peace agreement, and the extent to which the OfD programme possesses the tools needed to support the same peace agreement.

The destruction of oil facilities in conflict has caused reduced oil production for both Sudan and South Sudan since 2012. Since 2018, oil facilities and production have been restarted in several fields through cooperative efforts. The reopening of the Thar Jat oilfield led to an increase of production in South Sudan from 130 000 to 150 000 barrels of oil per day, and increased income to Sudan through added tariffs. Further production is expected from other fields to be reopened in 2019, among them the Amanga, Naar and Alhar oilfields.

OfD support to South Sudan in 2018 was mainly channelled through the International Monetary Fund (IMF) and civil society organisations.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

Increased transparency and accountability

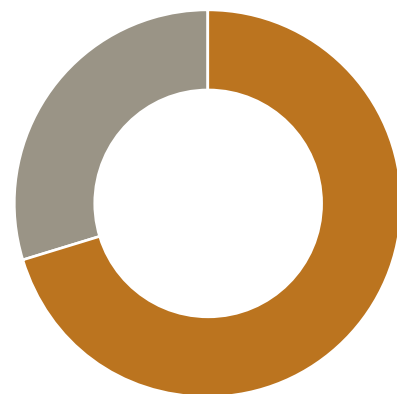
- > Despite challenging circumstances, IMF conducted several off-site capacity development activities focused on areas of monetary policy, the functioning of the Bank of South Sudan, public finance management, revenue administration and tax policy, and statistical capacity.
- > Upper Nile Youth Development Association (UNYDA), a local Norwegian People's Aid (NPA) partner under the OfD project, raised awareness of the local communities in the oil-producing state of Northern Upper Nile on the provisions of South Sudan's Petroleum Revenue Management Act and the Petroleum Act. As a result, the community members in Northern Upper Nile are demanding a dialogue between them and the Ministry of Petroleum as well as the members of the State Legislative Assembly. The demands are important steps in the right direction of holding the authorities and oil companies accountable.

- > The NPA's project enabled civil society organisations to organise into a coalition called 'South Sudan Civil Society Coalition on Natural Resources' in 2018. This coalition is advocating for example through print and broadcast media outlets for transparent and accountable management of the petroleum revenues, and for sustainable environmental management. This is an important result as there are no other networks in the country that work on these issues.

PROGRAMME CHALLENGES

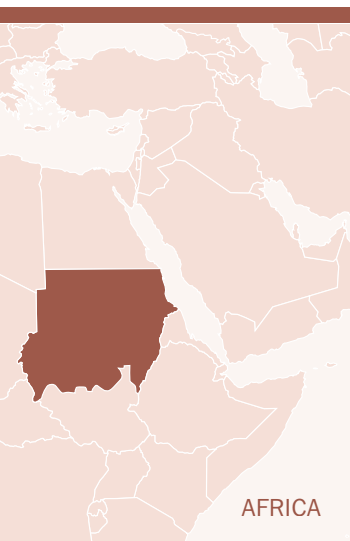
The security situation in South Sudan remains a challenge and has strongly impacted the programme's achievements.

**TOTAL DISBURSEMENT TO SOUTH SUDAN IN 2018,
BY OFD COMPONENT (7.1 MILLION NOK)**



■ Revenue
■ NGO Support

Sudan



KEY PROGRAMME FACTS

Disbursed 2018: 8.4 million NOK

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

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

The secession of South Sudan in 2011 has had dramatic consequences for Sudan's income from oil production, as almost 80% of the oil came from the southern part of the country. Since 2005, Norway has assisted both South Sudan and Sudan in the implementation of the Comprehensive Peace Agreement and later agreements.

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

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

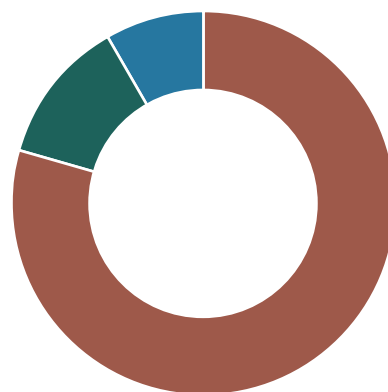


- Increased institutional capacity**
- > The Ministry of Petroleum and Mining has improved its capacity to apply Geographic Information System (GIS) software and to utilise the Sudan Petroleum Interactive Base Map through training and cooperation with the Norwegian Mapping Authority.
 - > Continued training modules as part of the cooperation between the Ministry of Petroleum and Gas (MOPG) and Norwegian Petroleum Directorate (NPD) in Khartoum and Stavanger have covered topics such as geology, enhanced oil recovery, information technology and petroleum economics.
 - > The General Directorate for Environment, Safety and Health (GDESH) has enhanced its capacity regarding waste management through a project supported by the Norwegian Environment Agency.
 - > GDESH has further increased its knowledge related to produced water and its effect on the environment, and methods to mitigate such effects.
 - > MOPG safety inspectors performed audits independently, after having received training by the Petroleum Safety Authority.

PROGRAMME CHALLENGES

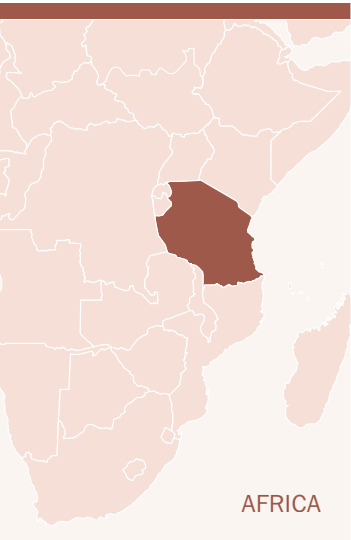
Ensuring ownership and implementation of the policy and legal framework is a challenge. The Sudan context is challenging, and transparency and accountability are not easily addressed.

**TOTAL DISBURSEMENT TO SUDAN IN 2018,
BY OFD COMPONENT (8.4 MILLION NOK)**



■ Resource ■ Safety
■ Environment

Tanzania



KEY PROGRAMME FACTS

Disbursed 2018: 11.5 million NOK

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

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

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

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

Massive discoveries in recent years have raised the estimated gas resources in Tanzania to more than 55 trillion cubic feet. Two minor fields are producing gas for the domestic market.

Oil for Development has been engaged in Tanzania since 2013 and is currently in its second phase. The programme agreement for phase II (2017–2020) was signed in July 2018. The delayed signing of the agreement has affected programme implementation.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES



- Increased institutional capacity**
- > The Norwegian Environmental Agency assisted the Government of Zanzibar in conducting a Strategic Environmental Assessment (SEA) of the Pemba-Zanzibar block.
 - > A regional training conducted by the Norwegian Coastal Administration in cooperation with UN Environment contributed to increasing capacity on oil spill preparedness and on how to organise and manage an effective shoreline clean-up response. In Zanzibar there have been activities to start work on a contingency plan for Zanzibar-specific issues.
 - > Staff from Tanzania mainland and Zanzibar institutions benefited from training courses on petroleum resource management organised by the Norwegian Petroleum Directorate.

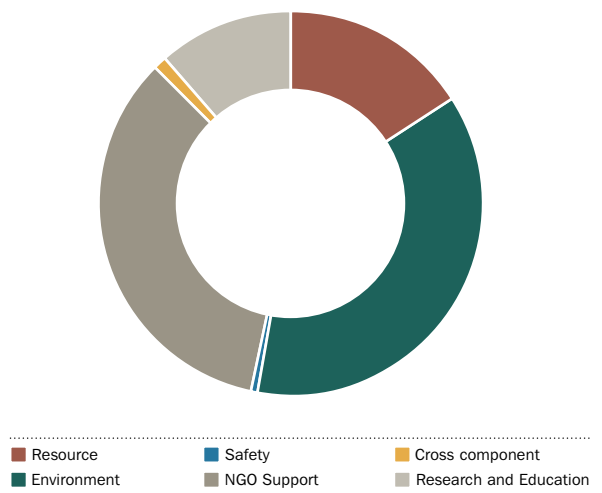
Increased transparency and accountability

- > The newly enacted guidelines for Strategic Environmental Assessments (SEA) recognise civil society organisations (CSOs) as key stakeholders that the Government must consult when an SEA of oil and gas development is under planning. World Wildlife Fund (WWF) and partners played a key role in advocating for this mandate.
- > Capacity building provided by the Natural Resource Governance Institute (NRGI) to selected media houses in Tanzania has increased the frequency and quality of reporting on extractives governance in the country. Despite growing constraints on freedom of expression in Tanzania, this momentum encouraged public interrogation of the state's involvement in the sector.

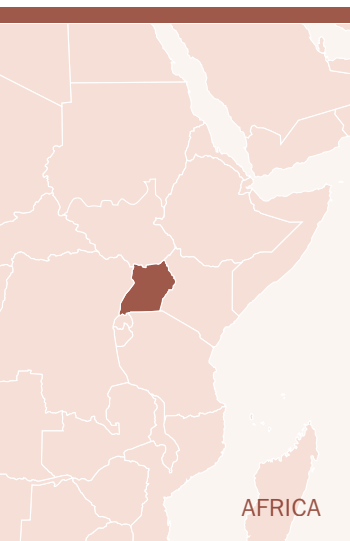
PROGRAMME CHALLENGES

Programme implementation has been negatively impacted by administrative challenges and the delayed signing of the programme agreement. Changes introduced to the legal framework and a shrinking civic space are a cause of concern.

**TOTAL DISBURSEMENT TO TANZANIA IN 2018,
BY OFD COMPONENT (11.5 MILLION NOK)**



Uganda



KEY PROGRAMME FACTS

Disbursed 2018: 5.3 million NOK

Ugandan implementing institutions: Ministry of Energy and Mineral Development, Petroleum Authority Uganda, Ministry of Finance, Planning and Economic Development, Ministry of Gender, Labour and Social Development, Ministry of Water and Environment, Ministry of Lands, Housing and Urban Development, Ministry of Agriculture, Animal Industry and Fishing, Office of the Prime Minister, National Environmental Management Authority, Uganda Wildlife Authority, Uganda Revenue Authority, Uganda Bureau of Statistics

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

Civil society organisations supported: Global Witness, World Wildlife Fund, Natural Resource Governance Institute

Norway has assisted Uganda in developing the country's petroleum sector since the 1980s. The 2015–2018 institutional cooperation programme covered the resource, environment and revenue components and ended in July 2018. A new comprehensive programme for another four years was established and agreed in December 2018.

The new 2018–2022 programme was developed during 2018 through a comprehensive process that involved all implementing institutions, both in Uganda and Norway. The new programme comprises four components: resource, safety, environment and revenue, each with the objective to develop the legal and regulatory framework, build technical capacity and enhance transparency and accountability.

Since the parties in 2018 focused on planning the new phase of the programme, the activity level and budget were significantly lower than in previous years.

KEY ACHIEVEMENTS OF PROGRAMME ACTIVITIES

§ Enhanced legal and regulatory framework

- › In 2018, the Ugandan Parliament enacted the National Environment Bill into law, and by December 2018 it was still awaiting Presidential assent. Under the new law, Strategic Environmental Assessment (SEA) graduates from being a mere environmental tool to a mandatory requirement for petroleum policies, programmes and plans for the identification and management of environmental risks and impacts of the petroleum development programme of Uganda. A high-level consultative meeting with parliamentary committees on the National Environment Bill was held early in 2018 with support from the OfD programme.
- › The OfD programme supported the authorities in Uganda in developing regulations for the planned East African Crude Oil Pipeline (EACOP) that will be the key export route for the oil from Uganda. EACOP is planned to be a 1445 km long, 24" diameter pipeline from Hoima in Uganda to Tanga on the coast of Tanzania.

🏛️ Increased institutional capacity

- › World Wildlife Fund (WWF) and civil society organisation (CSO) partners routinely monitor the activities of oil companies. In 2018, improvements in waste storage, treatment and disposal were documented. This includes more attention to waste separation,

protection during transportation, monitoring treatment and careful disposal of treated waste water and mud cuttings.

- > With support from the OfD programme, a consultation process for the Environmental Impact Assessment (EIA) of the upstream projects has been initiated.

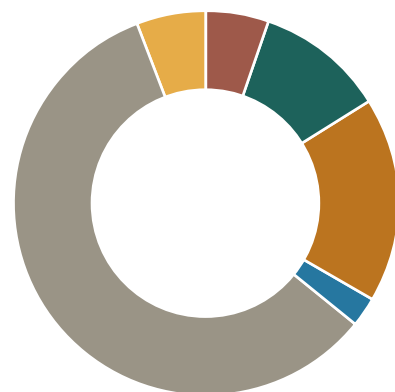
Increased transparency and accountability

- > As a contribution resulting from WWF and CSO partners' advocacy for good governance of the oil and gas sector, the Government of Uganda has consented to join the Extractive Industries Transparency Initiative (EITI), the global standard for the good governance of oil, gas and mineral resources. This will increase the Government's obligation to share information and be accountable to citizens while developing petroleum resources.
- > The Natural Resource Governance Institute's (NRGI's) capacity development support for vanguard journalists in Uganda has helped journalists in producing more data-driven investigative stories. This has revealed licence owners and flagged issues of beneficial ownership and conflict of interest. The data journalism project has also helped produce up to nine publicly available datasets (via data.ug).

PROGRAMME CHALLENGES

The petroleum sector in Uganda is relatively new and there is a need for significant infrastructure investments to develop the resources. The development of the sector has taken longer than anticipated and plans are often changed. This is a challenge for the OfD programme since optimal scheduling of programme activities becomes difficult and activities are often reprioritised.

TOTAL DISBURSEMENT TO UGANDA IN 2018, BY OFD COMPONENT (5.3 MILLION NOK)



Resource Revenue NGO Support Environment Safety Cross component



Annex

TABLE 1: ANNUAL OFD DISBURSEMENTS, BY REGION AND YEAR (1000 NOK)

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

TABLE 2: DISBURSEMENTS TO OFD COUNTRY PROGRAMMES IN 2018, BY COMPONENT/AREA OF SUPPORT (1000 NOK)

Country	Resource	Environment	Revenue	Safety	NGO Support	Cross Component	Research and Education	TOTAL
Angola	2 485	0	0	0	3 776	0	0	6 261
Colombia	210	1 036	0	394	0	0	0	1 639
Cuba	1 425	0	0	189	0	0	0	1 614
Ghana	6 567	4 186	4 104	0	2 196	0	0	17 054
Iraq	2 681	739	0	2	0	0	0	3 422
Kenya	2 171	1 503	1 393	358	1 533	0	0	6 958
Lebanon	4 552	2 938	27	1 046	2 000	380	0	10 942
Mozambique	16 527	1 736	1 163	0	14 750	0	0	34 176
Myanmar	2 232	5 066	4 055	1 192	643	0	0	13 187
Somalia	1 833	561	552	0	0	53	0	2 999
South Sudan	0	0	5 000	0	2 102	0	0	7 102
Sudan	6 744	1 036	0	688	0	0	0	8 468
Tanzania	1 825	4 288	0	38	3 916	134	1 300	11 501
Uganda	296	572	933	134	3 136	313	0	5 383
Sub-total	49 548	23 662	17 227	4 039	34 052	880	1 300	130 707
Global Unspecified	971	6 255	9 649	655	6 975	846	6 000	31 351
Africa Regional	0	0	0	0	1 391	3	0	1 394
Sub-total	971	6 255	9 649	655	8 366	848	6 000	32 745
Total	50 519	29 917	26 877	4 694	42 418	1 728	7 300	163 452

TABLE 3: ANNUAL DISBURSEMENTS TO OFD COUNTRY PROGRAMMES IN THE PERIOD 2006–2018 (1000 NOK)

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



Norwegian Ministry
of Foreign Affairs



Norwegian Ministry
of Finance



Norwegian Ministry
of Transport and Communications



Norwegian Ministry
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