



Norad

OIL FOR  
DEVELOPMENT  
INITIATIVE  
**ANNUAL REPORT  
2010**



# // OIL FOR DEVELOPMENT PARTNERS (AS OF MAY 2011)

The Oil for Development (OfD) programme was launched by the Norwegian Government in September 2005. OfD represents a thematic broadening of the petroleum sector development assistance that Norway has provided since the early 1980s through an increased focus on revenue management and environmental management. The operative goal of the programme is "economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations".



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# PREFACE

There is an urgent need for energy in the world today. In its World Energy Outlook 2010, the International Energy Agency estimated that today 2.7 billion people lack access to modern energy services. Yet, global energy resources are more than adequate to meet the world's energy demands. The energy deficit is unsustainable and unacceptable.

Energy decisively impacts most aspects of human welfare, including productivity, health, education and the environment. The goal of eradicating extreme poverty and hunger cannot be met without significantly improving poor peoples' access to energy.

Norway has extensive experience in the management of both fossil and renewable energy sources. It is in order to share this experience that we have made energy-related issues a priority of Norwegian development assistance. Through the Oil for Development programme and the Clean Energy for Development Initiative Norway provides assistance to developing countries on natural resource management. I believe our assistance contributes substantially to improving our partners' energy access and petroleum management.

This annual report presents some of the activities and key achievements of the Oil for Development Programme in 2010. The programme aims to assist developing countries, at their request, in their efforts to manage petroleum resources. The operative goal is *"economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations"*.

The programme takes a broad approach to petroleum sector management, covering the management of resources as well as of revenues and the environment. All our efforts are informed by principles of good governance such as transparency and accountability. In 2010, the programme provided customised assistance to more than 20 countries. We mainly seek to build capacity within government institutions. A competent public sector is essential for ensuring good governance of the petroleum sector. But we also support civil society organizations and media in their efforts to monitor government activities and push for transparency.

The Norwegian experience demonstrates that if managed well, oil can be a blessing and not a curse. The challenges of governance, corruption and environmental degradation must be overcome in order to avoid oil production leading to underdevelopment and conflict. Oil for Development is Norway's contribution to the difficult task of turning each drop of oil into welfare for every citizen of our partner countries.

**Erik Solheim**  
*Minister of the Environment  
and International Development*  
Oslo, May 2011

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# THE OIL FOR DEVELOPMENT PROGRAMME

The Oil for Development (OfD) programme was launched by the Norwegian Government in September 2005. OfD represents a thematic broadening of the petroleum sector development assistance that Norway has provided since the early 1980s through an increased focus on revenue management and environmental management.

Principles of good governance, such as anti-corruption, transparency and accountability, are cross-cutting in all assistance provided by the OfD programme.

Decades of experience in the oil and gas sector have given Norway valuable expertise in how to manage petroleum resources in a sustainable way. The OfD programme provides assistance to developing countries, upon their request, in their efforts to manage petroleum resources. The operative goal of the programme is *“economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations”*.

OfD is a unique programme where Norway can make a real difference based on our experiences.

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

# HIGHLIGHTS 2010

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In 2010, Oil for Development continued to develop its role as a key actor within the field of petroleum related development assistance. Five years after the programme started, we experience a steady demand for our product, which is to provide advice and competence building within petroleum sector management. Our cooperating partners are government agencies and to a lesser extent civil society organizations and parliamentary committees.

Main trends in 2010 include the following:

- >> OfD continued to be a **high priority programme** in Norwegian development cooperation. The budget spending was NOK 222 million, 15 million higher than in 2009.
- >> The programme provided **tailor-made assistance to more than 20 countries**, taking a holistic approach towards petroleum sector management. This implies that resource management, revenue management and environmental management are addressed in a coordinated manner, and that principles of good governance, such as anti-corruption, transparency and accountability, are cross-cutting.
- >> The funding for **regional initiatives and South-South cooperation** was doubled.

We are continuously improving our results based management systems in order to properly measure and communicate the results of our efforts. In this annual report, we present key achievements for

each of the OfD partner countries. Some of these results can be directly linked to OfD's programme activities, whereas OfD may have made only a relatively minor contribution towards others. While the impact of some achievements is relatively easy to observe or measure, others may only be observed as potential trends in a certain direction. Still, we believe that this report shows that the OfD programme is contributing to real and substantial impacts in some of our partner countries.

## **The majority of the funds were channelled towards OfD's eight core countries**

In 2010, we continued to concentrate our efforts on our core countries. The major part of OfD funding was thus provided to Angola, Bolivia, Ghana, Mozambique, Nigeria, Sudan, Timor-Leste and Uganda. Their share of the total budget increased from 46 percent in 2009 to 58 percent in 2010.

- >> **In Sudan, OfD played a central role in addressing post-separation issues.** Preparation of scenarios for the petroleum sector made important contributions to the understanding of potential consequences of the 2011 South Sudan Referendum, both in the North and in the South. Competence building on Increased Oil Recovery (IOR) – a project that involved both the North and the South – demonstrated a likely win-win approach for the parties.
- >> **OfD assistance was important for Ghana to improve the management of its petroleum resources and the environment.**

The technical assistance provided to the Ghana National Petroleum Cooperation and the Environmental Protection Agency improved the country's ability to benefit from their Jubilee field petroleum resources and to follow up environmental assessments.

- >> **OfD assisted Timor-Leste in the EITI process.** In July 2010, Timor-Leste was accepted as an EITI compliant country. The third country in the world.
- >> **The legislative framework in Mozambique was improved with contributions from OfD.** A final draft of the environmental regulations to the petroleum sector was completed and approved by the Government of Mozambique.
- >> **In Uganda, the work on the Strategic Environmental Impact Assessment (SEA) of the Albertine Graben moved forward.** With assistance from OfD, a Steering Committee for the SEA was established.
- >> **An evaluation of the OfD programme in Nigeria confirmed that OfD had provided valuable support to Nigeria**, especially within data management, gas management and bidding processes, and in general improved the petroleum authorities' ability to carry out their responsibilities.
- >> **Competence building has helped Bolivia improve its petroleum resource management.** Technical assistance within a range of resource related issues, such as data management and seismic interpretation,



has been provided through the OfD programme.

>> **In Angola, the organizational capacity of the Ministry of Petroleum was strengthened through an OfD programme.**

The capacity for organizational development, strategy planning, data management and inspection tasks was improved in close cooperation with OfD.

**Cooperation agreements were established and some programmes were completed**

In 2010, new cooperation and institutional agreements covering resource- and environmental management with Ghana, and agreements regarding resource-, revenue- and environmental management with Uganda were signed.

The cooperation within environmental management was strengthened with Iraq, Mozambique and Sudan. Areas of cooperation were defined, and workshops for Sudan were held in both Khartoum and Juba, as well as in Amman and Istanbul for Iraq.

A programme to assist Cuba with developing its upstream petroleum sector was initiated. The programme comprises capacity building within government agencies in the fields of resource management, environment and safety, and legal and technical issues related to offshore petroleum exploration and production with a focus on deep water drilling.

In Madagascar – no longer an OfD core country – the programme remained inactive. The cooperation with Cambodia, Kenya, South Africa and Zambia came to an end.

**The OfD programme benefited from international cooperation**

While Norwegian expertise and experience remain cornerstones in the OfD programme, we are also closely aligned with evolving international best practice standards for petroleum sector governance. In 2010, OfD continued to cooperate with a range of international institutions, including the Extractive Industries Transparency Initiative (EITI), the International Monetary Fund (IMF), the World Bank through the Petroleum Governance Initiative, the Global Gas Flaring Reduction Partnership (GGFR) and the African Centre for Economic Transformation (ACET). OfD also assisted in the development of the Natural Resource Charter, led by Professor Paul Collier. On the environmental side, the cooperation with the International Association for Impact Assessment (IAIA) continued, as did the working relationship with the Netherlands Commission for Environmental Assessment (NCEA).

In line with the priority given to women's rights and gender equality in Norwegian foreign policy, OfD and the Clean Energy Initiative in Norad entered into an agreement with Energia, a leading international network on gender and sustainable energy. The objective is to strengthen the work on rights and gender equality within the two programmes.

The assistance provided to government agencies was supplemented by support to local civil society organizations, primarily through Norwegian and international non-governmental organizations. In 2010, seven Norwegian organizations, in addition to the Revenue Watch Institute (RWI), were granted funds for this purpose.

**Enhanced focus on regional initiatives and South-South cooperation**

OfD arranged eight regional workshops in 2010, covering among other things anti-corruption, petroleum data management, legal framework for petroleum operations, and environmental management of petroleum activities in the Amazon. A workshop on oil, fish and environment gathered officials from nine African countries in Luanda, Angola. Good governance and corruption prevention was the focus of a workshop in Maputo, Mozambique, which gathered representatives from civil society, the private sector and authorities from Angola, Mozambique, São Tomé and Príncipe and Timor-Leste. These workshops provide important arenas for South-South cooperation and professional exchange between institutions and across borders.

OfD also contributed to the launching of the Extractive Resources Facility in ACET. The initiative will provide technical assistance to resource-rich African countries using experienced African experts. A specific aim of OfD's support to ACET is to promote the return of Africans with relevant skills and education from the diaspora.

# A PARTICIPANT'S PERSPECTIVE

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Since Petrad's eight-week programmes were initiated in 1991, there have been close to 900 participants from government agencies, the petroleum industry and civil society (for more information on Petrad and the eight-week programmes, see page 89 and 82). One of the participants in 2010 was Mr. Dozie Okpalaobieri from the African Centre for Economic Transformation (ACET), based in Accra, Ghana. Interested to hear more about his experiences from the programme, we met with Mr. Okpalaobieri.

Mr. Okpalaobieri joined ACET in April 2009 and is working as a Legal and policy advisor in the Extractive Resources Facility. ACET provides high-quality policy analysis and advisory services, assisting African governments in achieving long-term growth and transformation of African economies. ACET has an Extractive Resources Facility whose goal is to provide technical assistance to resource-rich African countries in developing and administering mineral and petroleum regimes that promote strong financial returns, stable investment, good governance, and ensuring environmental sustainability. OfD has cooperated with ACET since 2009, and together with the Revenue Watch Institute, we have initiated a pilot project in Sierra Leone and Liberia.

– Many African countries are rich in natural resources such as minerals and petroleum, and have been extracting these resources for several decades, Mr. Okpalaobieri begins.

However, we still have not seen the benefits that the exploitation of these resources can provide to our countries. ACET can play a vital role in changing this. We offer support in the development of resource strategies at a national level, building strong and competent institutions, improving capacity to negotiate with private companies as well as assisting governments with creating attractive business environments.

Mr. Okpalaobieri participated in Petrad's eight-week programme on Petroleum Policy and Resource Management in Stavanger in the fall of 2010. There were 47 participants in the course, of which 22 came from nine different African countries.

– It was a very rewarding and exciting experience, he says. The opportunity to meet others working on the same challenging issues within petroleum management in Africa as myself provided a great learning experience. The exchange of lessons and knowledge was very valuable to my everyday work. I am still in contact with several of the participants, and ask them for advice and support when I need it.

He commends the experienced and competent facilitators of the Petrad course, as well as the experts involved. The programme was interactive demanding active engagement of the participants. The course was based on lectures, discussions, casework, industry visits and team building.

– The course facilitators provided the guidelines, while the participants had to ensure progress and take responsibility for learning, he explains. The use of role play was very interesting as the exercises were very realistic and offered practical lessons.

When asked about the key skills learned at the course, Mr. Okpalaobieri emphasizes that he has learned the importance of truly understanding the petroleum resource and which benefits it can bring, as well as keeping a clear focus on Health, Safety and Environment (HSE) issues.

– In addition, he says, I learned that having a sound policy governing the sector is crucial, as it will help to structure and guide the way forward for the sector. Also, the fiscal regimes must remain flexible so that the government can maximize its revenues. Finally, he adds, I understood the importance of managing people's expectations through ensuring proper governance and transparency systems.

According to Mr. Okpalaobieri, the Petrad course offered the development of a personal skill set he makes good use of working for ACET in Ghana. He is certain that having petroleum resources will one day offer a great advantage to future development in developing countries, including African countries.





Dozie Okpalaobieri (number two from the left) together with a group of fellow participants  
Photo: Dozie Okpalaobieri, on selftimer

# FINANCIAL OVERVIEW OF 2010

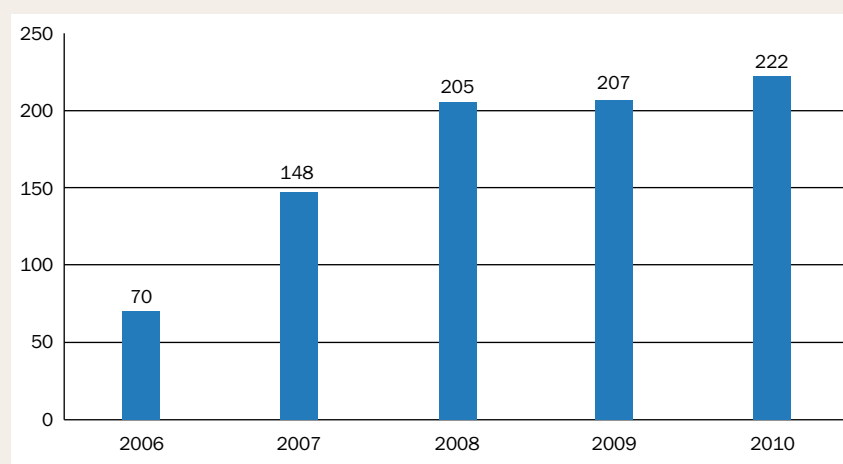
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## GENERAL OVERVIEW

The following is a financial overview of funds allocated to OfD activities by the Ministry of Foreign Affairs, the Embassies and Norad.

The funds allocated to OfD activities grew rapidly during the initial years of the programme. The last three years they have stabilized at above NOK 200 million per year (see Figure 1). From 2009 to 2010, funding for OfD activities increased by 7 percent to NOK 222 million.

**Figure 1: OfD activities, NOK million**



## REGIONS AND COUNTRIES

In 2010, the OfD funds were distributed among four main regions: Africa, Asia, Middle East and Latin America. Remaining disbursements are shown as “global”.

**Table 1:**

**Disbursements distributed by region in 2008, 2009 and 2010, NOK million<sup>1</sup>**

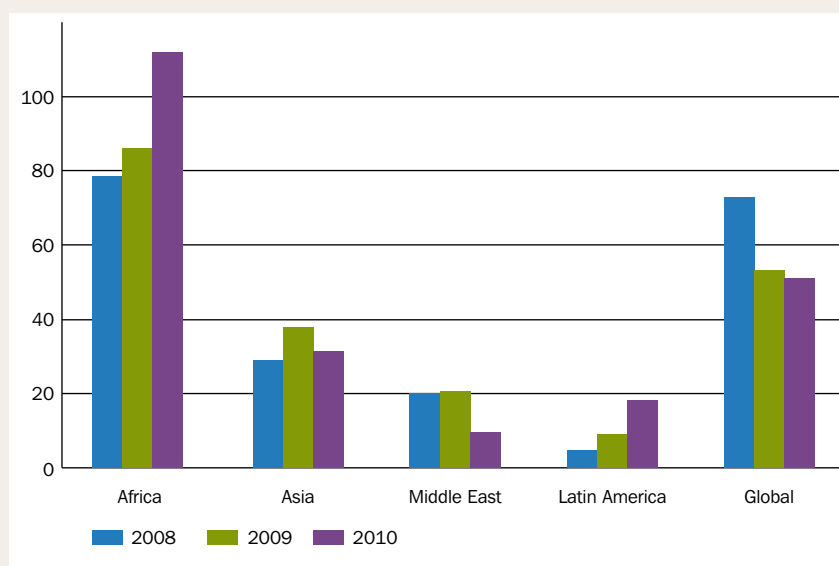
The disbursements in the last three years indicate a prioritization towards Africa and Latin America, as illustrated in Figure 2.

Region	2008	2009	2010
Africa	78	86	112
Asia	29	38	32
Middle East	20	21	9
Latin America	5	9	18
Global	73	53	51
<b>TOTAL</b>	<b>205</b>	<b>207</b>	<b>222</b>

<sup>1</sup> Table 1 and Table 2 include both OfD disbursements to specific countries, and disbursements which are not geographically allocated and thus referred to as “global”. The former include disbursements channelled via the Norwegian Petroleum Directorate (NPD), environmental institutions, Petrad, civil society, research institutions and consultants, as well as Embassy disbursements. The latter include allocations such as the World Bank Petroleum Governance Initiative (PGI) and Global Gas Flaring Reduction Partnership (GGFR), Petrad’s eight-week programmes and some of the allocations to NGOs.

**Figure 2:**

Disbursements distributed by region in 2008, 2009 and 2010, NOK million



The OfD programme allocates resources to three main groups: Core countries; Countries with limited cooperation; and Other OfD programmes. In accordance with OfD policy of prioritizing the cooperation with the Core countries, the largest portion of OfD funding was channelled towards these countries, accounting for 57.7 percent of available resources, see Table 2.

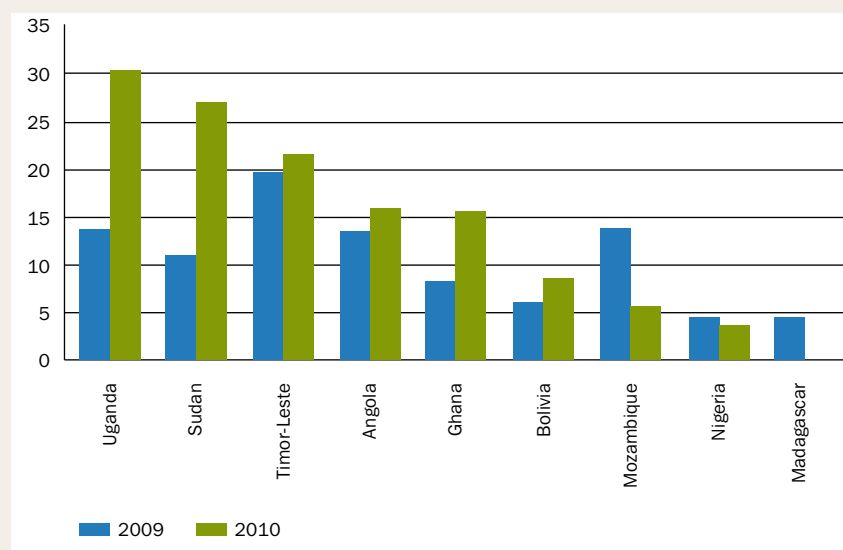
**Table 2: Disbursements in 2009 and 2010, NOK million**

	2009	2010
Core countries	95	128
Countries with limited cooperation	49	24
Other OfD programmes	63	70
<b>TOTAL</b>	<b>207</b>	<b>222</b>

The following three figures show the disbursements for 2009 and 2010 for the three groups. Each figure is accompanied by a data table, showing the exact disbursements for the two years per country.

In the group of Core countries, one can observe a significant increase in disbursements to Uganda, Sudan and Ghana (see Figure 3). Mozambique and Nigeria have been provided less assistance in 2010 compared to 2009, mainly due to the fact that the main agreements came to an end. Since 2010, Madagascar is no longer an OfD core country.

**Figure 3:**  
Disbursements to Core countries in 2009 and 2010, in NOK million

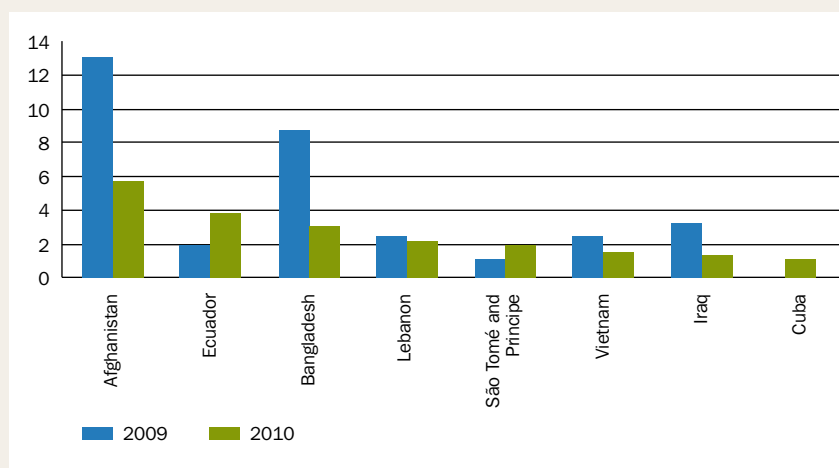


**Table 3: Disbursements to Core countries in 2009 and 2010, NOK million**

Country	2009	2010
Uganda	13.8	30.3
Sudan	11.0	27.0
Timor-Leste	19.7	21.6
Angola	13.5	15.6
Ghana	8.3	15.6
Bolivia	6.0	8.7
Mozambique	13.9	5.6
Nigeria	4.6	3.7
Madagascar	4.3	-
<b>SUBTOTAL CORE COUNTRIES</b>	<b>95.1</b>	<b>128.1</b>

For the 17 countries which received support for limited cooperation in 2009 and/or 2010, support was reduced from 2009 to 2010 in all but three countries – Ecuador, São Tomé and Príncipe and Cuba (a new partner country from 2010). Overall, the total disbursements to this group have been halved, which again is in line with the OfD programme's intention of concentrating its efforts on fewer countries. Some countries which were included in 2009 are no longer part of the OfD programme, such as South-Africa and Zambia. Figure 4 below shows country disbursements amounting to more than NOK 1 million in 2010. Details for the remaining countries can be found in Table 4.

**Figure 4: Disbursements to Countries with limited cooperation in 2009 and 2010, in NOK million**

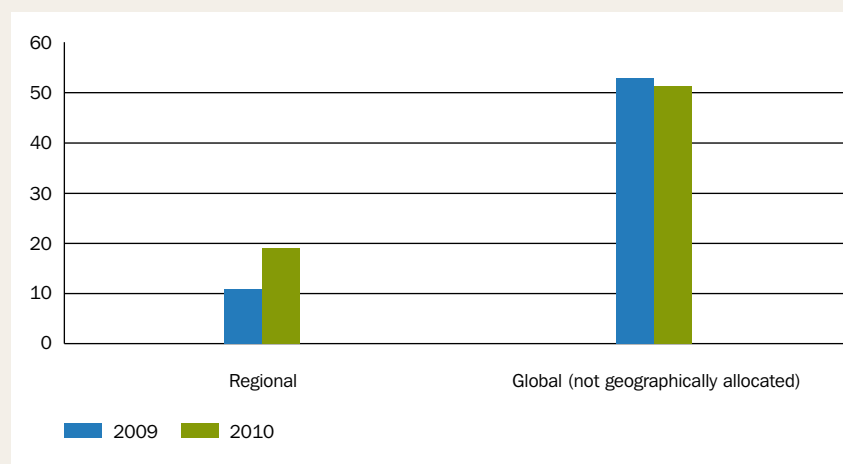


**Table 4: Disbursements to Countries with limited cooperation in 2009 and 2010, NOK million**

Country	2009	2010
Afghanistan	13.0	5.7
Ecuador	2.0	3.8
Bangladesh	8.8	3.0
Lebanon	2.4	2.1
São Tomé and Príncipe	1.1	1.9
Vietnam	2.5	1.5
Iraq	3.3	1.4
Cuba	0.0	1.1
Nicaragua	1.2	0.9
Cambodia	3.9	0.9
Mauritania	0.8	0.9
Kenya	1.2	0.7
Tanzania	1.5	0.6
Ivory Coast	3.5	0.1
Palestinian Territory	0.0	0.0
South-Africa	1.1	-
Zambia	2.0	-
<b>SUBTOTAL COUNTRIES WITH LIMITED COOPERATION</b>	<b>48.3</b>	<b>24.6</b>

For the group Other OfD programmes, total disbursements have increased slightly from 2009 to 2010, mainly due to the near doubling of funds to regional initiatives.

**Figure 5:**  
**Disbursements to Other OfD programmes in 2009 and 2010, in NOK million**



**Table 5:**  
**Disbursements to Other OfD programmes in 2009 and 2010, NOK million**

	2009	2010
Regional	11	19
Global (not geographically allocated)	53	51
<b>SUBTOTAL OTHER OFD PROGRAMMES</b>	<b>64</b>	<b>70</b>

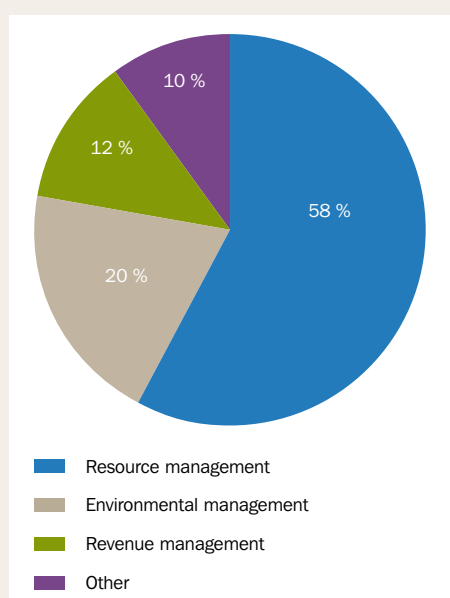
### THE THREE MAIN THEMATIC AREAS

OfD activities in 2010 focused on resource management, environmental management, revenue management or “other”. The fourth category (“other”) includes activities related to local industry development, support to NGOs, etc. “Good governance” is not singled out specifically, given that this is a cross-cutting issue within all of OfD’s activities. Figure 6 gives an indication of the relative distribution between these four categories. Given that the three thematic areas are integrated, Figure 6 should be understood as an approximate illustration and not an exact distribution. With about 58 percent of total activities resource management still constitutes the largest component.<sup>2</sup>

<sup>2</sup> In 2009 the distribution was as follows: Resource management 58%; Environmental management 20%; Revenue management 11%; and Other 11%.



**Figure 6:**  
Disbursements distributed according to thematic area, in percent (2010)



## INSTITUTIONS

OfD funds are distributed through partner institutions. The Norwegian Petroleum Directorate (NPD) and Petrad receive the largest share of funding for OfD activities (see Table 6).

**Table 6:**  
Disbursements made through major funding channels, in NOK million<sup>3</sup>

	2009	2010
Norwegian Petroleum Directorate (NPD)	38	54
Petrad	50	53
Norwegian/international civil society <sup>4</sup>	22	21
World Bank	5	10
IMF	10	3
Norwegian environmental government institutions <sup>5</sup>	4	4

<sup>3</sup> The table refers to firsthand recipients.

<sup>4</sup> Includes Revenue Watch Institute, WWF Norway, Publish What You Pay, Norwegian Church Aid, Norwegian People's Aid, LO, SAIH and Friends of the Earth Norway.

<sup>5</sup> In addition, approximately NOK 16 million was allocated to environmental activities in the OfD country programmes.





# OFD PROJECTS

## CORE COUNTRIES

Angola

Bolivia

Ghana

Mozambique

Nigeria

Sudan

Timor-Leste

Uganda

In 2010, OfD had long-term cooperation programmes with eight core countries: Angola, Bolivia, Ghana, Mozambique, Nigeria, Sudan, Timor-Leste and Uganda.

In Madagascar the programme remained inactive all throughout 2010 due to the political situation, and on the basis of this Madagascar is no longer considered an OfD core partner country. A future decision to resume cooperation will be based on a thorough evaluation of the cooperation thus far.

Assistance to core partner countries involves long-term capacity building and institutional cooperation with relevant government agencies, normally within some or all of the areas of resource management, revenue management and environmental management.

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### **The formal criteria for OfD assistance:**

- >> Cooperation must be demand-driven.
  - >> The country must be eligible for aid assistance under the OECD Development Assistance Committee (DAC), or other financing must be supplied.
  - >> Significant petroleum production or potential must be present.
  - >> Norwegian experience and expertise must be relevant.
  - >> There must be an identified need for capacity and competence building in public petroleum sector institutions.
  - >> The country must be committed to implementing programme activities aimed at improving governance of the petroleum sector.
- 

Due to overall capacity constraints, few new countries are likely to qualify as core partner countries in the OfD programme. In addition to the formal criteria for OfD cooperation, as outlined above, it must be considered likely that civil society (including media) can play a role in holding the government accountable for its petroleum sector management. Plans for implementing the EITI-criteria will be seen as an advantage.

## BRIEF HISTORY OF THE PROJECT

Norwegian assistance to the petroleum sector in Angola started in 1987. The objective was to assist Angola with institutional competence building in order to improve the government's capabilities to develop, direct and control petroleum activities. A new country agreement between Norway and Angola regarding technical assistance to the petroleum sector was signed in October 2006 and a new cooperation programme was agreed upon by MINPET and the NPD in May 2008. The programme defined 12 main activity areas (outputs) to be completed by 2010 with a total budget of NOK 27 million. Due to delays it was decided to continue with some of the activities into 2011 along with the planning of a new three-year programme.

A review of the cooperation programme was conducted in 2010. The review concluded that the programme has provided valuable support to Angola. It was noted that progress in the processes of building capacity and competence is relatively slow.

## ACTIVITIES IN 2010

### // Fast-Track projects

Based on a gap-analysis of MINPET conducted in 2008, the cooperation programme initiated nine so-called "Fast-Track" (FT) projects, which continued in 2010:

- >> Leadership development and training
- >> Development of long-term plans
- >> Capacity and competence development
- >> Identification of alternative remuneration system
- >> Language training
- >> Develop a plan for future regulation needs
- >> Inspection strategy together with the PSA
- >> IT and administration development
- >> Petroleum data management

Other activities carried out in accordance with the programme plan were:

### // Multi-sector institutional support to oil, fish and environment

A regional seminar to follow up the discussions on the multi-sector institutional support to oil, fish and environment was arranged. Nine African countries participated with officials from their respective ministries of Petroleum and/or Energy, Environment and Fisheries. Issues covered included operational discharge, contingency aspects and legal aspects.

In addition, an initial meeting was held between OfD, the Norwegian Embassy and the Ministry of Environment discussing a potential future cooperation programme on environmental management in the petroleum sector.

## // INSTITUTIONAL COOPERATION PROGRAMME ON PETROLEUM SECTOR DEVELOPMENT MINPET – NPD, PHASE II

### COOPERATING INSTITUTION

Ministry of Petroleum (MINPET)

### GOALS AND OBJECTIVES

Promote improved management of national petroleum resources as one of the tools for sustainable economic and social development in Angola. This includes improving the capability to exercise regulatory control and to develop policies and strategies for ensuring better administration of the Angolan petroleum resources.

### PROJECT PERIOD

2008–2010

### EXPENDITURES 2010

NOK 15.6 million

### PROGRAMME

The project 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, fish and environment 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)

#### **// 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 initiated by the International Research Institute of Stavanger (IRIS) and the University of Stavanger (UiS). Technical support from the Norwegian Oil Museum regarding the possible establishment of a national petroleum museum/scientific knowledge centre in Angola was provided.

#### **// Research and academic training in Angolan institutions**

An evaluation study on the potential implementation of polytechnical training at the National Petroleum Institute (INP) in Sumbe was undertaken by Rogaland Kurs- og Kompetansesenter (RKK). Such training is currently not offered in Angola and the industry has signalled that they are interested in this type of personnel. RKK presented a proposal for further work to implement the polytechnical training. INP has indicated that they plan to commence this training in 2011.

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

Through the NOMA programme (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), NTNU in Norway provided ANU with technical assistance and scientific knowledge. This enables ANU to run petroleum-oriented academic courses and research projects. The MINPET-NPD programme has close contact with the NOMA-programme.

#### **// Legal framework**

Assistance was provided on revising the petroleum law and regulations.

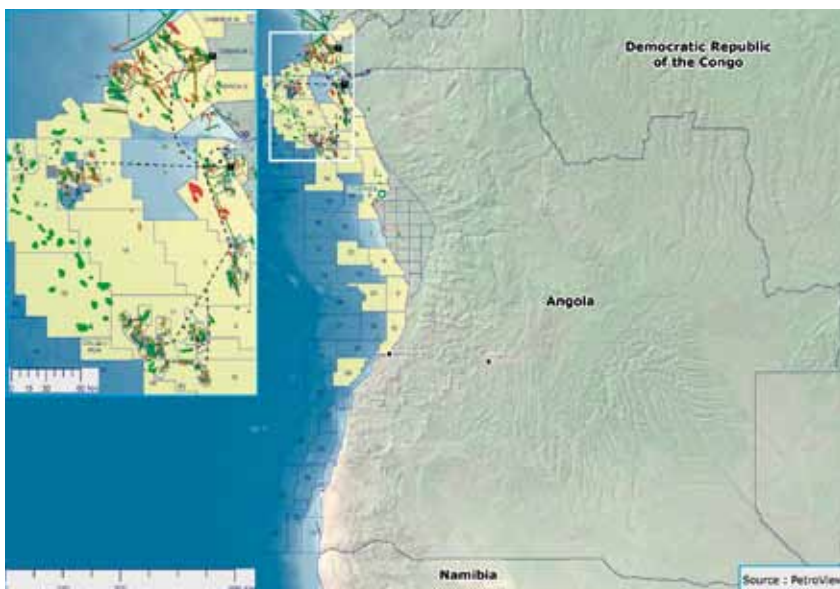
#### **KEY ACHIEVEMENTS IN 2010**

19 seminars and workshops were organized under the nine FT projects. The activities have strengthened MINPET's ability to build competence and capacity for organizational development, leadership training, strategy planning, data management, and implementation of inspection tasks.

The petroleum law and all existing regulations have been examined, and necessary improvements have been identified and proposed for implementation.

The regional seminar on oil, fish and environment is likely to have raised awareness among the participants on the advantages of close regional cooperation on these issues. The participants forwarded good and realistic ideas about future cooperation both within the ministries and between the countries.





## 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 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES\*

Average oil production:

1.95 mill bbl/day (2009)

Gas Production:

24 bill m<sup>3</sup> (2008)

### 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

\* The various countries' petroleum sector key figures may be difficult to compare as data are collected from different sources, including local petroleum authorities, BP Statistical Review, CIA World Factbook and International Energy Agency (IEA).

## // CAPACITY BUILDING FOR THE BOLIVIAN MINISTRY OF HYDROCARBONS AND ENERGY

### COOPERATING INSTITUTIONS

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

### GOALS AND OBJECTIVES

Capacity building for the MHE and other parts of the Bolivian petroleum sector.

### PROJECT PERIOD

2008–2012

### EXPENDITURES 2010

NOK 8.7 million

### PROGRAMME

The project consists of the following main components:

- >> Environmental management
- >> Resource management
- >> Capacity building
- >> Legal framework
- >> Monitoring and control
- >> Support to civil society

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

Norwegian Petroleum Directorate (NPD)  
Petrad

## BRIEF HISTORY OF THE PROJECT

Following a request from the Bolivian government, petroleum related development cooperation between Norway and Bolivia was initiated in 2006. A Memorandum of Understanding (MoU) was signed in 2007. The cooperation is coordinated with other donor countries supporting the petroleum sector, notably Canada and to a lesser extent the Netherlands. A draft country agreement, reflecting discussions between Bolivia and Norway, was presented to the MHE in late 2010.

## ACTIVITIES IN 2010

Technical assistance was provided to the MHE on various issues:

- >> Development of the petroleum law, fiscal reforms and education of technical staff
- >> Update of the Economic model for the gas sector
- >> Technical courses for the YPFB's professionals in basin modelling, seismic interpretation and other subsurface related issues
- >> Assistance to the National Data Repository on establishing a digital database for all subsurface data in Bolivia

Several seminars and workshops were held on organization and corporate governance, exploration and production, and data management.

A long-term training programme for Bolivian professionals in MHE, UMSA (University) and YPFB was prepared with the aim of improving the competence and general understanding of the petroleum industry.

Technical assistance was provided to the YPFB management on the issue of reorganizing the company.

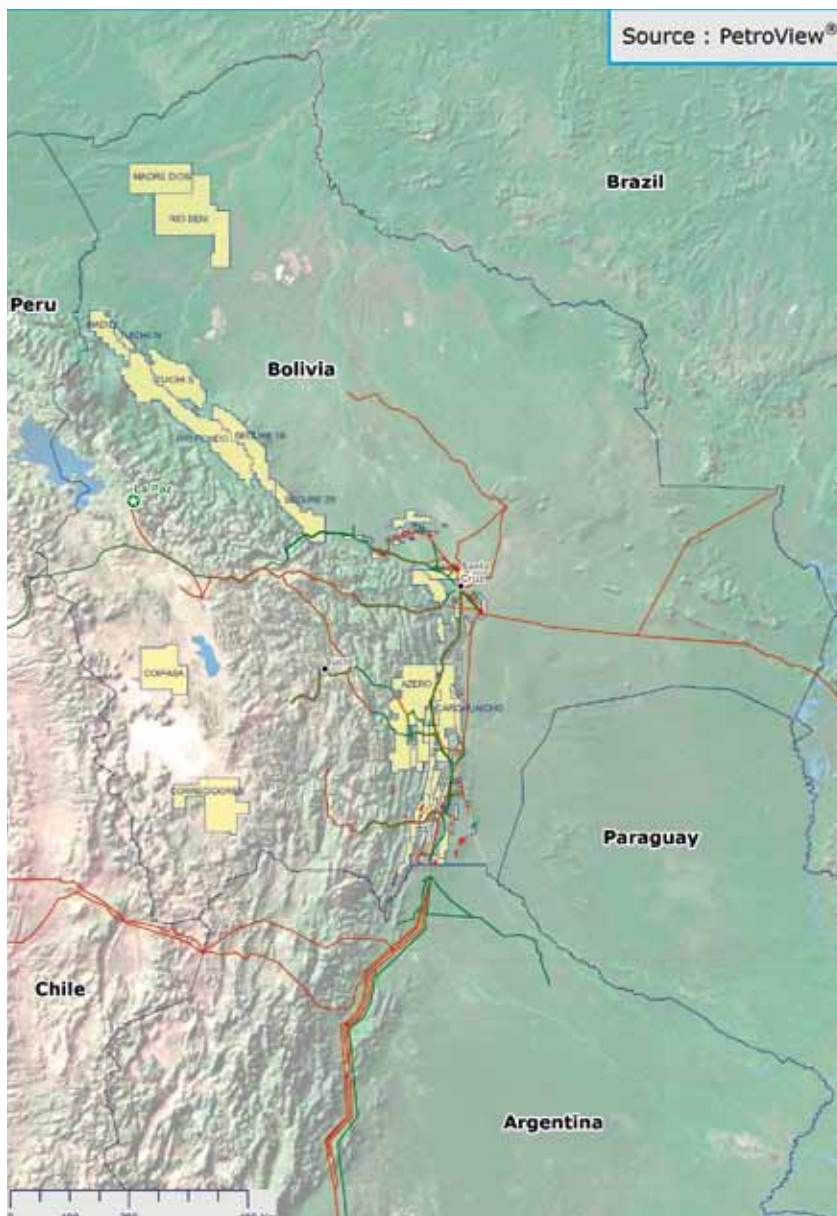
A local NGO project aimed at raising civil society engagement in the petroleum sector was supported. The NGO support was provided through SAIH (Norwegian Students' and Academics' International Assistance Fund).

Technical assistance to the Ministry of Finance on tax policy and revenue management was provided by the International Monetary Fund (IMF), financed through a bilateral agreement between OfD and the IMF.

## KEY ACHIEVEMENTS IN 2010

Substantial preparations for a long-term training programme for Bolivian professionals in MHE, UMSA and YPFB were completed.

Important input regarding restructuring of the state oil company was provided to the management of YPFB.



## 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:

47 000 bbl/day (2010)

Annual gas production:

15.3 bill m<sup>3</sup> (2010)

### ORGANIZATION OF THE SECTOR

Ministerio de Hidrocarburos y Energía (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 2010

## // SHORT- AND LONG-TERM INSTITUTIONAL COOPERATION

### COOPERATING INSTITUTIONS

Ministry of Energy (MoE)  
Ministry of Environment, Science and Technology (MEST)  
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.

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

### PROJECT PERIOD

2010–2014

### EXPENDITURES 2010

NOK 15.6 million

### PROGRAMME

The programme consists of the following main components:

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

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

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

### BRIEF HISTORY OF THE PROJECT

In October 2007, Ghana, through GNPC, applied for assistance from the OfD programme. Based on the subsequent dialogue and a thorough assessment of the scope for cooperation, a decision was made to make Ghana a core country in the OfD programme.

In February 2008, a Memorandum of Understanding (MoU) was signed by Ghana and Norway for long-term cooperation within the OfD programme. Norway has assisted Ghana in the development of its petroleum policy and the master plan in 2008, followed by technical assistance in the evaluation of the development plan for the Jubilee Field. The Jubilee Unitization Agreement was concluded with Norwegian support. In addition, assistance was provided on reviewing the Jubilee Environmental and Social Impact Assessment. Marine environmental surveys of offshore sea bottom sediments and water columns were carried out by the research vessel Dr. Fridtjof Nansen in 2009. Assistance was given for the application to the UN on extension of the continental shelf beyond 200 nautical miles.

### ACTIVITIES IN 2010

Cooperation agreements and institutional agreements for five year programmes within resource management and environmental management were signed in December.

#### // Environmental management

Assistance was provided to the EPA concerning the review of the Environmental and Social Impact Assessment of the Jubilee field.

A second marine environmental survey of bottom sediments, the water column and shoreline was carried out by the research vessel Dr. Fridtjof Nansen.

Training of several Ghanaian scientists, both in Ghana and Norway, was undertaken.

Professional support related to EPA's work with a social and environmental strategic assessment of future oil and gas activities was given.

#### // Resource management

Assistance was provided to MoE on drafting the new Petroleum (Exploration and Production) Bill and the Petroleum Commission Bill.

Advice was given to the GNPC and MoE on data management. Assistance was provided in the process of establishing a National Data Bank, including defining relevant specifications needed, as well as procedures for purchase of equipment and training. The World Bank is a cooperation partner.

Advice was given to the MoE and GNPC on resource assessment, subsurface/development issues and on fiscal metering for the Jubilee field.

Two year development programmes within petroleum management and technical training were initiated by Petrad comprising resource and environment, as well as other sectors and government institutions.

The Parliament's Energy, Financial and Environmental Committees visited Norway as part of the preparation for approval of a new petroleum law in Ghana.

The Minister of Energy and the Chairman of GNPC headed a Ghanaian delegation visiting Norway during the Offshore Northern Seas conference in Stavanger. The Minister of Energy was given an audience by HM King Harald. Meetings were held with the Norwegian Minister of Petroleum and Energy, Mr. Terje Riis-Johansen, and the Norwegian Minister of the Environment and International Development, Mr. Erik Solheim. Conferences were held with OfD and Petrad.

Personnel from the GNPC participated in Petrad's eight-week programmes on Petroleum Development and Operations and Petroleum Policy and Resource Management in Stavanger.

#### // Other

There was cooperation with the Extractive Resources Facility in the African Centre for Economic Transformation (ACET), Accra, for the return of Ghanaian petroleum experts to the country. Needs assessment workshops were organized to identify future fields of cooperation and institutions for environmental and resource management.

Funded by Norad, the Norwegian research institution SINTEF has together with several Ghanaian institutions designed a programme for the development of governmental framework and training of up to ten Ghanaian companies for delivery of goods and services to the petroleum industry. A three year implementation programme is anticipated to be signed early 2011.

A regional workshop on petroleum data management was held in Ghana in November. The workshop gathered officials from nine West African countries.



Needs assessment workshop for long-term cooperation agreement within resource management  
Photo: Bengt Hope

#### KEY ACHIEVEMENTS IN 2010

The comprehensive technical assistance provided to the Ghana National Petroleum Cooperation and the Environmental Protection Agency improved the country's ability to benefit from their Jubilee field petroleum resources and to follow up environmental assessments.

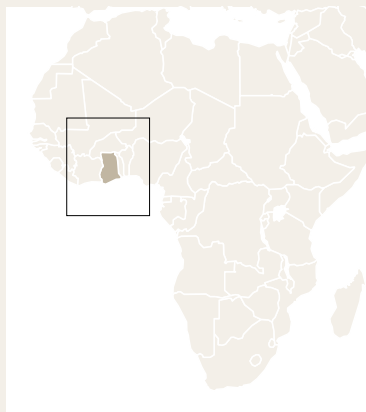
Extensive assistance to MoE on drafting new Petroleum Laws contributed to improving the legislative framework of the petroleum sector in Ghana.

Cooperation agreements and institutional agreements for five year programmes within resource management and environmental management were signed in December.





## 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 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

Average oil production:

7 400 bbl/day (2009 est.)

Annual gas production:

No gas production (2010)

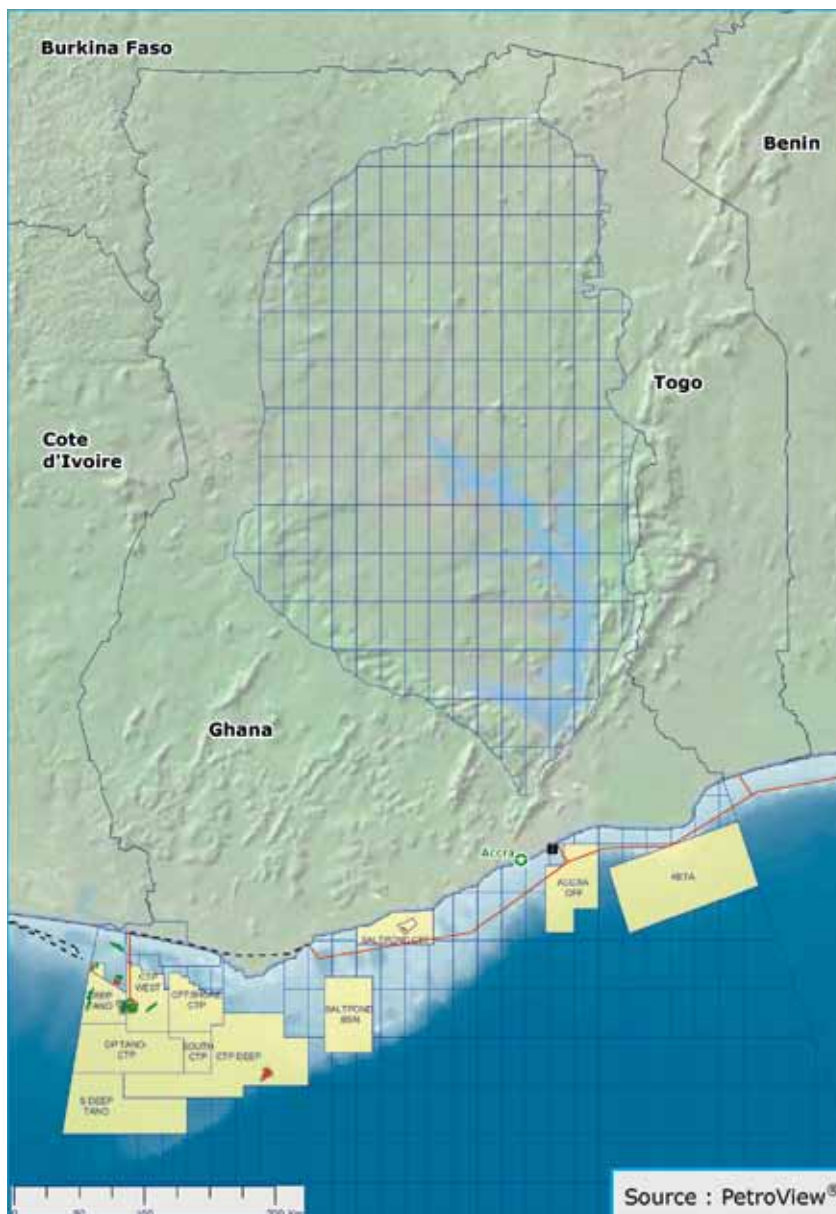
### ORGANIZATION OF THE SECTOR

Ministry of Energy (MoE)

Ministry of Environment, Science and Technology (MEST)

Ghana National Petroleum Corporation (GNPC) – state-owned oil and gas company

Environmental Protection Agency (EPA) – advisory and coordinating body





## BRIEF HISTORY OF THE PROJECT

The petroleum related development cooperation between Norway and Mozambique started in 1983 after a request forwarded by the State Secretariat for Coal and Hydrocarbons (SECH) in 1980. 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 Norwegian cooperation. The cooperation involves personnel from the NPD and other Norwegian institutions, as well as international and local consultants. In 2009, the Norwegian Ministry of Foreign Affairs and the Ministry for Coordination of Environmental Affairs (MICOA) entered into an agreement concerning capacity building in MICOA.

## ACTIVITIES IN 2010

### // Legal and regulatory framework

Proposals for minor improvements to the Petroleum Law and the Petroleum Regulation were drafted, assisted by Simonsen law firm. A legal workshop was organized in Maputo in December. Issues concerning shale gas and coal bed methane are now included in the law. The proposal is planned to be presented to the Parliament in November 2011.

A final draft of the environmental regulations to the petroleum sector was completed and approved by the Government of Mozambique. A workshop on this issue was organized in Oslo. Cooperation issues between MICOA and the INP were discussed. The internal procedures for efficient and timely regulatory work by the INP were updated.

### // Policy and strategy development

The commission on the Continental Shelf Extension led by the Institute of Maritime and Border Affairs submitted the final claim to United Nations Convention on the Law of the Sea (UNCLOS) in May. The INP has been instrumental in doing the technical work and in financing data collection under this programme. Support has been provided by the NPD, partly financed by the Commonwealth Secretariat.

A scenario planning workshop was organized in Maputo with assistance from Gas Oracle. A report on scenario planning was developed.

### // Monitoring and Supervision

In December, a metering audit was conducted by the INP with assistance from the NPD both in the field and in Secunda, South Africa.

The INP also conducted a safety audit on the Anadarko offshore drilling operations in August assisted by the PSA. The results from the audit were positive. Anadarko presented a comprehensive safety management system, whereby only minor findings were reported. To prepare for the audit, a drilling workshop was organized in Maputo in June.

The NPD provided support to ongoing drilling supervision and development planning.

## // INSTITUTIONAL COOPERATION

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### COOPERATING INSTITUTIONS

National Petroleum Institute (INP)  
Ministry of Coordinating of Environmental Affairs (MICOA)

### GOALS AND OBJECTIVES

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

### PROJECT PERIOD

2006–2010

### EXPENDITURES 2010

NOK 5.6 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: Mrs. Heidi Sandvand Hegertun, hehe@norad.no

### COOPERATING INSTITUTIONS IN NORWAY

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



## 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 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

Annual oil production:

No oil production (2009)

Annual gas production:

3.3 bill m<sup>3</sup> (2008)

### ORGANIZATION OF THE SECTOR

Ministry of Mineral Resources (MIREM)

National Petroleum Institute (INP) – promotion, licensing and supervision of upstream petroleum operations

Empresa Nacional de Hidrocarbonetos de Moçambique (ENH) – state-owned oil company

### // Promotion of exploration acreage

The INP, in cooperation with Petroleum Geo Services (PGS), concluded the promotion of the 4th licensing round.

### // Negotiation and licensing

The negotiations for the 4th licensing round were assisted by Simonsen law firm in 2010. The NPD and PSA supported the INP in assessing the applications.

### // Assessment of petroleum resource and data management

Contract strategy for collection of seismic data for sale to the industry was discussed by the INP and the NPD. The INP participated in a resource classification workshop in Geneva and was briefed for the meeting during their visit to the NPD. Further resource classification work will be prioritized in 2011 after the completion of the last licensing round. The NPD is assisting.

### // Petroleum data management

The INP and NPD continued the work on data modelling. A workshop on production data was organized. INP personnel also participated in Magma/Minima training in the UK.

### // Institutional strengthening and administration

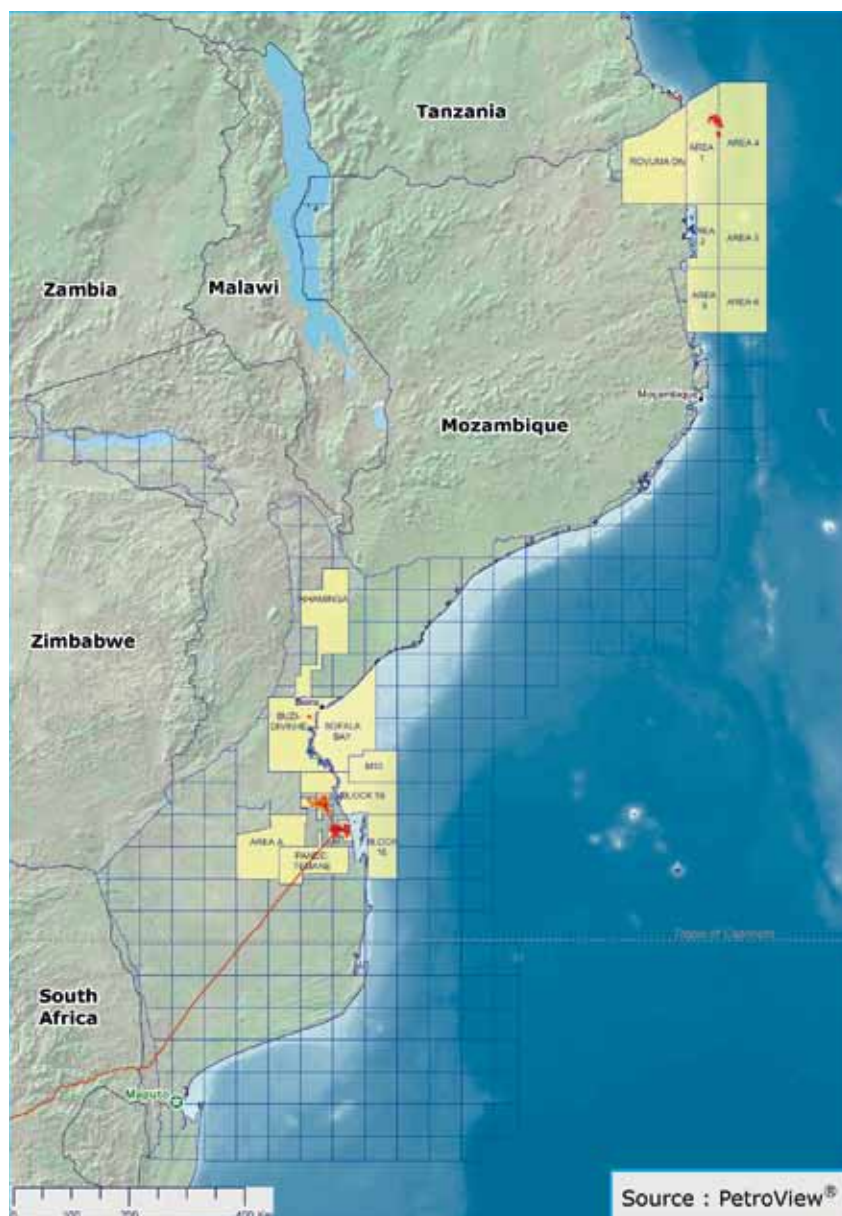
Two Master programmes were completed by INP staff (in Norway and the Netherlands) and significant technical training was also conducted in Brazil. As part of the two-year capacity building and institutional support programme with the ENH, technical advisory and management support in addition to legal and financial consultancy was provided. In 2010, a five-year strategic plan for the ENH was finalized, an enterprise resource planning system was implemented and a balanced scorecard system to measure performance was established.

### // Environmental management

Based on the agreement between the Ministry of Foreign Affairs and MICOA concerning capacity building needs, the Norwegian Ministry of Environment, the Climate and Pollution Agency and the Norwegian Directorate for Nature Management and MICOA agreed on the thematic content of future collaboration efforts within environmental management.

### // Other

A workshop on good governance and corruption prevention in the petroleum sector was organized in Maputo, Mozambique, for the Portuguese speaking OfD partner countries. The workshop gathered 51 representatives from civil society, the private sector and public authorities. 29 percent were women.



### KEY ACHIEVEMENTS IN 2010

A final draft of the environmental regulations for the petroleum sector was completed and approved by the Government of Mozambique.

The technical assistance provided to the INP enhanced their ability to monitor the petroleum operations. INP conducted a metering audit both in the field and in Secunda, South Africa, as well as a safety audit on the Anadarko offshore drilling operations with assistance from the NPD and PSA.

Support provided to the ENH led to improved management systems and routines.

## // INSTITUTIONAL COOPERATION

### COOPERATING INSTITUTION

Department of Petroleum Resources (DPR)

### GOALS AND OBJECTIVES

The objective of the institutional cooperation was to establish a base for transfer of knowledge and experience between Norwegian petroleum authorities and the petroleum authorities of Nigeria. The programme 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. Efforts have been made to ensure that the skills transferred both at the organizational and individual levels have been put to use.

### PROJECT PERIOD

2003–2007, extended to December 2009

### EXPENDITURES 2010

NOK 3.7 million

### PROGRAMME

The programme consisted of the following main components:

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

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

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



Photo: Fredrik Naumann

### BRIEF HISTORY OF THE PROJECT

Energy sector cooperation between Nigeria and Norway started to evolve in 1999. In February 2000, a Memorandum of Understanding (MoU) for cooperation in the petroleum sector and associated environmental activities was signed. In February 2001, it was decided to continue the cooperation along two main lines: one related to local content and industrial cooperation, and one related to institutional cooperation. On the Norwegian side, the NPD was asked to be responsible for institutional cooperation. In October 2003, Norad decided to support the cooperation.

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

The 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.

### ACTIVITIES IN 2010

After the MoU between Norway and Nigeria expired in February 2010, a review of the first phase of cooperation was carried out. The report concluded that OfD had provided valuable support to Nigeria and recommended further cooperation between the NPD and the DPR. Several Nigerian requests for a possible continuation of the cooperation into a second phase were identified, among others related to the environmental agenda of the petroleum sector.

Given that the agreement had ended late 2009, no institutional cooperation activities were carried out in 2010.

Activities carried out in 2010 were thus limited to the support of two NGOs working in the Niger Delta on environmental issues, and capacity building at the civil society level linked to petroleum activities in the Niger Delta. In addition, OfD supported a training centre with the aim of promoting the local content agenda in Lagos.



### NIGERIA



#### OFFICIAL NAME

Federal Republic of Nigeria

#### CAPITAL

Abuja

#### CHIEF OF STATE

President Goodluck Ebele Jonathan

#### HEAD OF GOVERNMENT

President Goodluck Ebele Jonathan

#### POPULATION

155 215 573 (2010 est.)

#### PETROLEUM SECTOR, KEY FIGURES

Average oil production:

2.1 mill bbl/day (2009)

Annual gas production:

24.9 bill m<sup>3</sup> (2009)

#### ORGANIZATION OF THE PETROLEUM SECTOR

Ministry of Petroleum Resources

Department of Petroleum Resources (DPR)

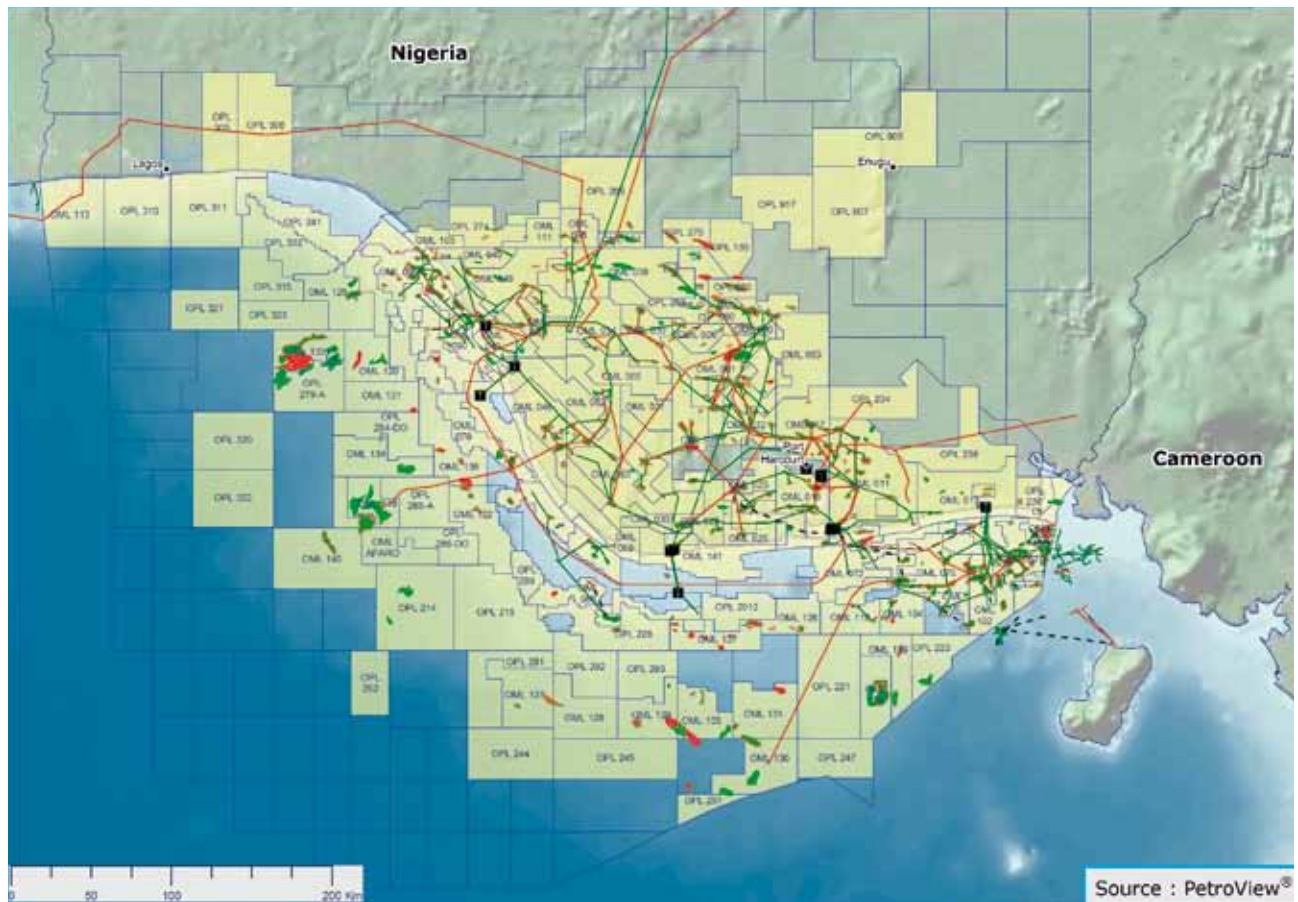
– licensing, supervision and control of the petroleum sector

Nigerian National Petroleum Company – state-owned oil company

### KEY ACHIEVEMENTS IN 2010

The OfD involvement in Nigeria was in a transition stage. The main focus was on evaluation of work completed and on identifying opportunities for a possible continuation of the cooperation.









Simulating exploration and licensing processes in Juba, South Sudan  
Photo: Sjur Aasheim

## BRIEF HISTORY OF THE PROJECT

As one of the witnesses to the Comprehensive Peace Agreement (CPA) signed in January 2005, Norway is committed to supporting the implementation of the CPA. This commitment influences all work Norway is undertaking in Sudan, including activities within the petroleum sector. It entails a commitment to work with both the Government of National Unity (GoNU) and the Government of Southern Sudan (GoSS) as well as with the National Congress Party (NCP) and the Sudan People's Liberation Movement (SPLM).

In October 2008, the MFA and the Sudanese Ministry of Energy and Mining (MEM) signed a Memorandum of Understanding (MoU) regarding cooperation within the petroleum sector. Based on the MoU, OfD has been conducting discussions with MOP in Khartoum and MEM in Juba with the aim of signing cooperation agreements (3–5 years) in the areas of resource management, environmental management, revenue management and capacity building.

In addition to the capacity building programmes for the North and South, Norway has been asked to facilitate the Post 2011 negotiations related to the petroleum sector between the two parties. Norway has also taken on the task to assist the National Petroleum Commission (NPC) in performing an audit of the petroleum chain. Norway today has four advisers working both in Khartoum and Juba, in addition to a secretariat of legal and economic staff.

## ACTIVITIES IN 2010

### // Support to the implementation of the CPA

Throughout 2010, Norway assisted both parties in addressing Post 2011 issues related to the petroleum sector. The issues of greatest importance have been the split of the oil reserves, a transition period for the transfer of oil revenue and ownership of the infrastructure. Based on the technical information available, Norway presented different solutions to solve these issues.

## // OIL FOR DEVELOPMENT – SUDAN

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### COOPERATING INSTITUTIONS

Government of National Unity (GoNU)  
Government of Southern Sudan (GoSS)

### 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 have been planned and partly initiated with GoNU and GoSS, respectively.

### PROJECT PERIOD

2010–2013

### EXPENDITURES 2010

NOK 27 million

### PROGRAMME

The two programmes have three main focus areas:

- >> Support to the implementation of the Comprehensive Peace Agreement (CPA)
- >> Technical support
- >> Capacity building

### CONTACT

Oil for Development: Mr. Ivar Aarseth,  
iaa@norad.no; Mr. Petter Stigset,  
pest@norad.no

### COOPERATING INSTITUTIONS IN NORWAY

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

Norway made preparations to assist the NPC in performing an audit of the petroleum chain, i.e. to evaluate the production, transportation and marketing of oil, as well as the revenue split between GoNU and GoSS. A ToR was approved by the Presidency and a list of potential consultants was presented to the NCP.

Norway started the work to locate a group of advisers to MEM and MoFEP. The advisers will work in the ministries until human resources from South Sudan can take over.

#### **// Technical support**

One activity in the OfD programme that involved both the North and the South is an evaluation of the Increased Oil Recovery (IOR) potential for three fields, namely Heglig, Unity and Niim. Phase 1 of the IOR project found very encouraging results, and it has been recommended to continue with Phase 2. The study indicated that the recovery factor for the fields could be increased from 23 percent (average) to more than 30 percent, which would correspond to more than USD 5 billion in increased revenue. The study included advice on handling of produced water which is a big challenge.

The programme also included a functional analysis of MOP in Khartoum and recommendations on how to organize the ministry.

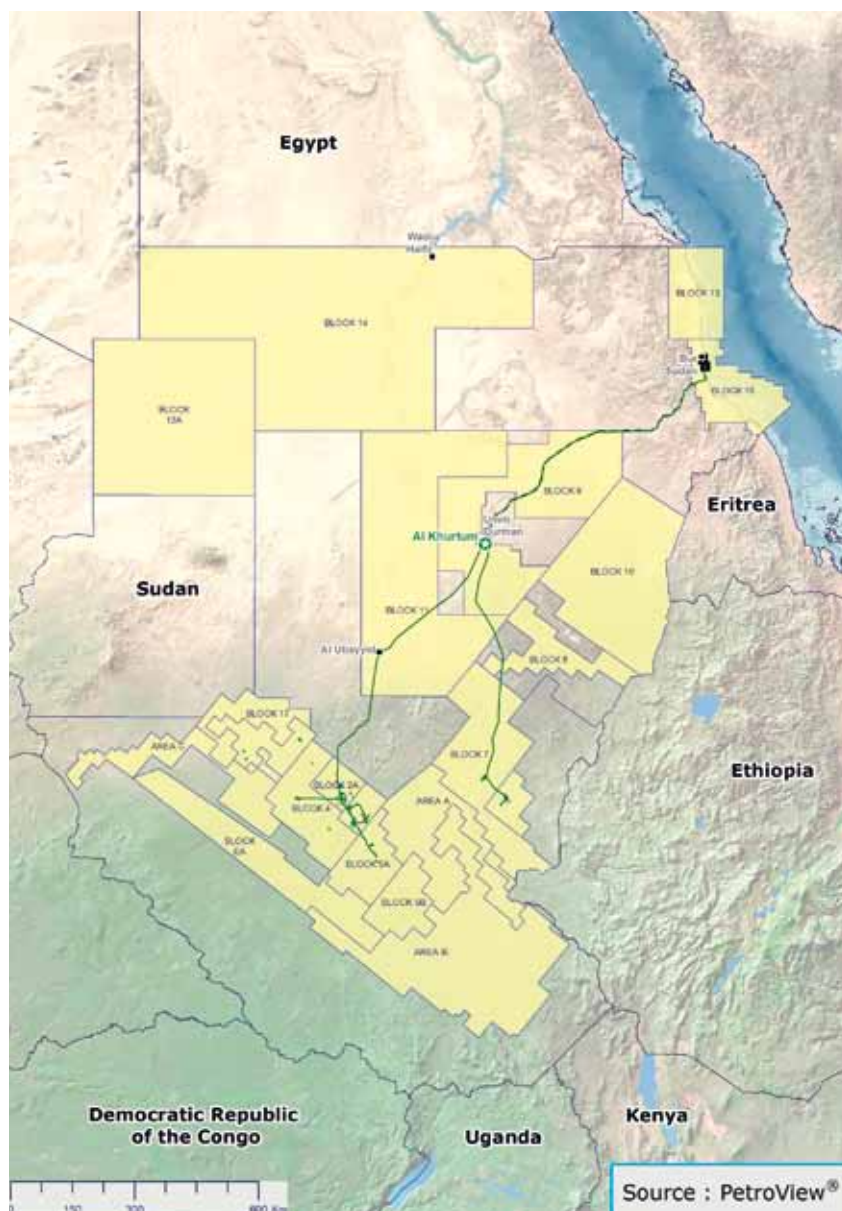
#### **// Capacity building**

A capacity building programme for MEM and NilePet was prepared in cooperation with the Ministry. The programme will run for 3–5 years and will focus on resource management and environmental management. Workshops on environmental management issues were held both in Khartoum and Juba.

#### **KEY ACHIEVEMENTS IN 2010**

The preparation of Post 2011 scenarios for the petroleum sector increased the level of understanding among the parties concerning potential consequences of the 2011 referendum. The work has been well received by the parties.

The Improved Oil Recovery (IOR) study demonstrated a possible win-win situation for the North and the South.



**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 (July 2010 est.)

**PETROLEUM SECTOR, KEY FIGURES**

Average oil production:  
0.49 mill bbl/day (2009)  
No gas production (2009)

**ORGANIZATION OF THE SECTOR**

Ministry of Petroleum (MOP)\*, Khartoum  
Ministry of Energy and Mining (MEM), Juba  
Ministry of Finance and Economic Planning (MoFEP)  
Nilepet – state-owned oil company

\* was titled Ministry of Energy and Mines until May 2010

## // ASSISTANCE IN DEVELOPING THE MANAGEMENT OF THE PETROLEUM SECTOR IN TIMOR-LESTE

### COOPERATING INSTITUTIONS

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

### GOALS AND OBJECTIVES

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

The purpose is to increase competence and capacity of the authorities of Timor-Leste 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 2010

NOK 21.6 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: Mr. Trond Hjørungdal,  
trhj@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)

## BRIEF HISTORY OF THE PROJECT

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

A new cooperation programme was discussed and prepared during 2007 and 2008, and a programme agreement for a new phase of cooperation between Norway and Timor-Leste was signed in May 2008. The phase II programme includes support within resource, environment and revenue management.

A Programme Coordinator was hired to coordinate the total activities of the programme both on the Timor-Leste and the Norwegian sides. The programme has made extensive use of resident advisors.

## ACTIVITIES IN 2010

### // Human resources

One student completed a Master's degree in Petroleum Engineering at the University of Stavanger in March 2010 and was appointed Acreage Release & Promotion Director at ANP (The National Petroleum Authority) in May. Five Timorese Master students on Norwegian scholarships are currently in Norway (Bodø, Trondheim, Stavanger). In addition, three students have been selected for Master's studies in Norway starting in August 2011, if qualified.

Furthermore, Timorese students are also undertaking studies in Australia, Indonesia and Thailand. One student has been accepted for Master studies in Malaysia with start-up in 2011.

Finally, three Timorese – one from SERN and two from ANP – participated in Petrad's eight-week programme on Petroleum Policy and Resource Management in Stavanger.

### // Resource management

The Programme organized a visit to Norway in August for a delegation headed by the State Secretary of Natural Resources, Alfredo Pires. The aim of the visit was to build capacity within petroleum resource management on issues including good governance, national oil companies, local content, gas markets and gas transportation.

ANP was provided support in areas such as resource assessment and geological advice, data management/archive system, a variety of legal issues, fiscal metering and assessment of the Concept Studies for the Greater Sunrise Field.

Seminars and workshops were arranged in Dili on data management and fiscal measurement of oil and gas. Several lectures on legal issues were held in Dili on petroleum resource management and public international law in a petroleum perspective. In September an intense ten-day training session on acreage release was held at the NPD offices in Norway for the Acreage Release & Promotion Director at the ANP. Finally, three ANP lawyers had a two week internship period at Simonsen law firm in September.

#### **// Financial management**

The long-standing challenge in conducting field audits of oil companies was resolved in August by the new Petroleum Tax Adviser, who found that Timor-Leste can compel the taxpayers to maintain copies of their books and records in Timor-Leste. A comprehensive audit of taxpayers was initiated in November and is ongoing. A record amount of USD 36.7 million was collected in audit revenue in 2010.

Timor-Leste was accepted as the third EITI compliant country in the world on July 1st. Support has been provided through the Programme also in 2010 to ensure that Timor-Leste continues to meet the criteria to be an EITI compliant country.

Progress has been made in terms of diversifying the Petroleum Fund portfolio, including hiring the Fund's first equity manager. Trading in stocks started in early October 2010. Preparations to further diversify the portfolio were initiated. Considerable work has also been done on amending the Petroleum Fund Law, which is expected to be submitted to Parliament in the 2nd of 2011. Several workshops have been held, including a two-day international seminar in May 2010.

#### **// Environment**

The first Environment Adviser started her work in the Directorate for Environment (DNMA) in the State Secretariat for Environment (SEMA) in September 2010. During the autumn of 2010, an Environmental Impact Assessment (EIA) was carried out for the first two drilling activities in Timor-Leste Exclusive Area. Advice was provided concerning the legal framework, use of EIA guidelines and on clarifying the roles and responsibilities for Health, Safety and Environment (HSE). A Memorandum of Understanding (MoU) between SEMA/DNMA and SERN/ANP was signed in December 2010 for cooperation in HSE matters.





## 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 (2010)

### PETROLEUM SECTOR, KEY FIGURES

Timor-Leste Exclusive Area (TLEA):

Ongoing exploration activities;  
no oil or gas production (2010)

Timor Sea Joint Petroleum Development  
Area (JPDA):

Average oil production:  
96 400 bbl/d (2010)

Natural Gas Liquid and light oil  
(condensate)

Average gas production:  
15.4 mill m<sup>3</sup> per day (2010)

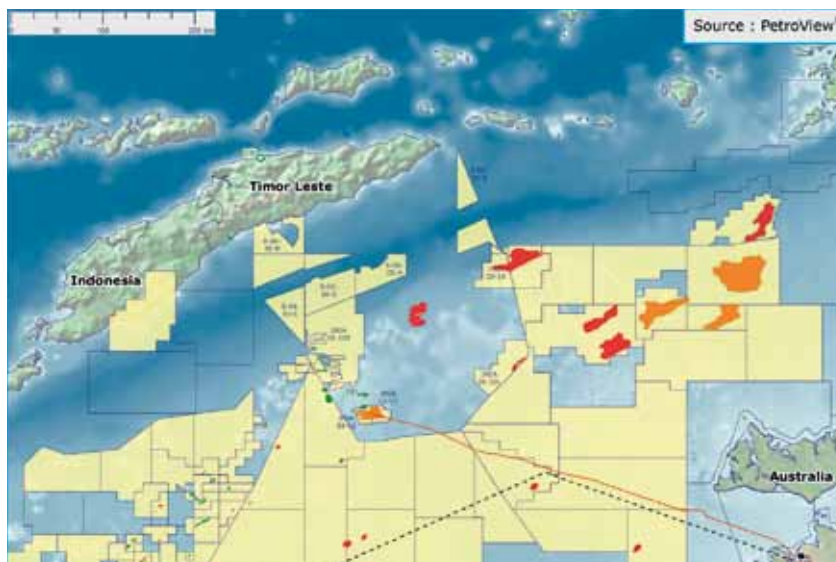
### ORGANIZATION OF THE SECTOR:

State Secretariat of Natural Resources – responsible for petroleum policy, execution and follow-up. HSE issues within sovereign TLEA are divided according to a MoU of December 2010 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.

### PETROLEUM FUND

The size of the Petroleum Fund was USD 6.9 billion at the end of 2010.



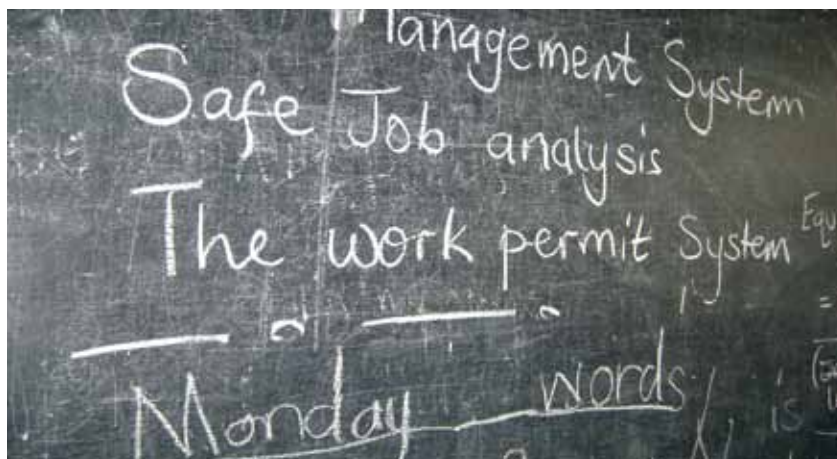
### KEY ACHIEVEMENTS IN 2010

Timor-Leste achieved the status of an EITI compliant country in July 2010.

The long-standing legal challenge of compelling taxpayers to maintain copies of their books and records in Timor-Leste to facilitate audit of oil companies, was resolved in 2010. A comprehensive audit of selected taxpayers started in November 2010. A record amount of USD 36.7 million was collected in audit revenue in 2010.

An Environmental Impact Assessment (EIA) was carried out for the first two drilling activities in Timor-Leste Exclusive Area. A Memorandum of Understanding (MoU) between SEMA/DNMA and SERN/ANP was signed in December 2010 for cooperation in HSE matters.

A Timorese Master student on Norwegian scholarship graduated from the University of Stavanger and was appointed Acreage Release & Promotion Director at ANP in May 2010.



Teaching at Kigumba Training Institute  
Photo: Turid Øygard

## BRIEF HISTORY OF THE PROJECT

The three-year cooperation programme “Strengthening the State Petroleum Administration of the upstream sector in Uganda” was completed in 2009. A new five-year programme “Strengthening the management of the oil and gas sector in Uganda” was signed in July 2009. Institutional agreements covering resource-, revenue- and environmental management respectively were signed in 2010.

## ACTIVITIES IN 2010

### // Programme Management

The Programme Secretariat staff was recruited and office premises for the Secretariat acquired and furnished. A stop gap measure to bridge the communication gap in the oil and gas sector was initiated through monthly radio talk shows in the Albertine Graben and participation in civil society dialogues, workshops and public debates. Dialogue with civil society and communities commenced. Development of a communication strategy was initiated and a first draft of the strategy has been presented and is currently under review. Preparations for monitoring and evaluation of the implementation of the National Oil and Gas Policy commenced.

### // Resource Management

The draft petroleum law was sent out for comments. The new law is anticipated to be submitted for approval by the new Parliament in late 2011.

The resource pillar focused particularly on future developments in the oil sector in 2010, and three Field Development Plans were evaluated and field development guidelines studied. Support to curriculum design and training of trainers within the vocational training area was initiated. A study on the challenges and opportunities for implementing local content in the oil and gas sector commenced.

## // STRENGTHENING THE MANAGEMENT OF THE OIL AND GAS SECTOR IN UGANDA

### COOPERATING INSTITUTIONS

Ministry of Energy and Mineral Development (MEMD)  
Ministry of Finance, Planning and Economic Development (MFPED)  
Ministry of Water and Environment (MWE)

### GOALS AND OBJECTIVES

To 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.

The purpose of the programme is to 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 new programme is comprised of three pillars:

- >> Resource management
- >> Revenue management
- >> Environmental management

In addition, the programme will assist in developing a communication strategy.

### PROJECT PERIOD

2009–2014

### EXPENDITURES 2010

NOK 30.3 million

### CONTACT

Oil for Development: Mr. Ivar Aarseth,  
iaa@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)  
Directorate for Nature Management (DN)  
Climate and Pollution Agency (Klif)  
Petroleum Safety Authority Norway (PSA)





Photo: Turid Øygard

Also, the MEMD started the process of establishing a National Oil Company (NOC). Workshops and meetings were organized to discuss HSE regulations and to define a new interface between the PEPD and Occupational Health (the authority on working environment in Uganda).

Within data and records management different software training activities were undertaken including a start of modelling the Kasamene field.

NPD and PEPD arranged a joint workshop on field development guidelines. Also, PEPD hired consultants in Uganda and NPD hired consultants in Norway that jointly commenced a local content study for Uganda.

At Kigumba Training Institute the first vocational students started a petroleum diploma course. A curriculum was developed and the teachers were trained.

#### // Environmental Management

The work on the Strategic Environmental Impact Assessment (SEA) moved forward. A Steering Committee was established, a ToR was developed and a consultant was chosen to carry out a capacity needs assessment for the involved institutions. Development of a Management Plan for the Queen Elizabeth Protected Area was initiated. A stakeholder workshop on the development of indicators for an environmental monitoring system for the Albertine Graben was held in November 2010, and a stakeholder workshop to review the concept paper and ToR for a study of a management system for hazardous waste in the oil and gas sector was conducted. Finally, a workshop on the development of a national oil spill contingency plan was held in November.

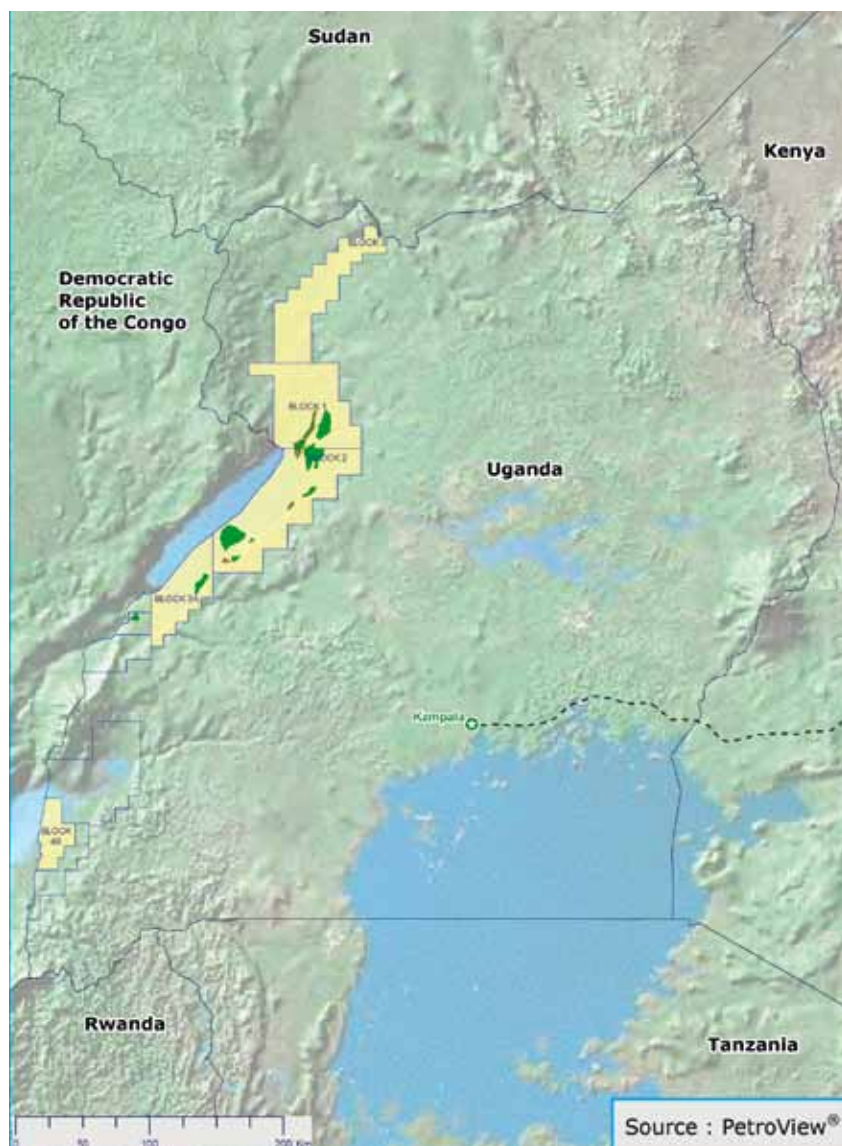
#### // Revenue Management

A Revenue Management Policy Paper was drafted and submitted to the top management of the Ministry of Finance Planning and Economic Development. Furthermore, income tax legislation was reviewed and updated. A National Task Force to review the Public Finance and Accountability Act (PFAA) was formed with technical assistance from the Fiscal Affairs Department (FAD). Also, a draft concept paper on fiscal and monetary policy framework was reviewed by counterparts in the Norwegian MoF. A seminar to concretize the conceptual framework of the fiscal and monetary policy framework was held and a concept paper was prepared.

In terms of capacity building, training was provided on oil accounting and auditing, and on the drafting of legislation for the oil and gas sector.

#### // Other activities: Feasibility Study Refinery

Foster Wheeler together with Gaffney Cline undertook a feasibility study for a refinery in Uganda based on the currently proven reserves in the Lake Albert area. Based on a market study and technical solutions, it was documented that a refinery would be much more profitable compared to exporting the crude oil through a pipeline to the Indian Ocean.



## 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 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

No oil or gas production (2010)

### 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

### KEY ACHIEVEMENTS IN 2010

A Steering Committee was established for the SEA.

The Feasibility Study for a refinery in Uganda provided the Government with a basis to plan the exploitation of the oil resources in the Albertine Graben.

At Kigumba Training Institute the first vocational students started a petroleum diploma course. The diploma course will contribute to empowerment of the local workforce in Uganda.





# OFD PROJECTS

## COUNTRIES WITH LIMITED COOPERATION

Afghanistan

Bangladesh

Cambodia

Cuba

Ecuador

Iraq

Ivory Coast

Kenya

Lebanon

Mauritania

Nicaragua

The Palestinian Territory

São Tomé and Príncipe

Tanzania

Vietnam

In 2010, OfD cooperated in a more limited way with Afghanistan, Bangladesh, Cambodia, Cuba, Ecuador, Iraq, Ivory Coast, Kenya, Lebanon, Mauritania, Nicaragua, the Palestinian Territory, São Tomé and Príncipe, Tanzania and Vietnam.

Cooperation with a limited scope may include seminars, exchange of delegations and limited packages of capacity building and advice. This offer can in theory be made available to a range of countries meeting the formal criteria listed in the previous chapter, but in practice, capacity constraints limit the number of new countries receiving support. Overall feasibility, quality and timing of proposals, as well as availability of relevant Norwegian or international competence are important factors in the consideration.

## // INSTITUTIONAL CAPACITY BUILDING PROGRAMME AND EXPERT ASSISTANCE ON LEGAL FRAMEWORK, FISCAL TERMS, ENVIRONMENTAL MANAGEMENT, AND SUPPORT TO THE MINISTRY OF MINES FOR INTERNATIONAL TENDERING OF OIL AND GAS LICENSES

**COOPERATING INSTITUTION**  
Ministry of Mines (MoM)

### GOALS AND OBJECTIVES

The overall goal is to improve Afghanistan's capability to exercise regulatory control and to develop policies and strategies for an improved administration of the country's petroleum resources.

### PROGRAMME

The programme is comprised of four distinct components:

- >> Expert team supporting the Ministry of Mines (MoM) to develop the legal framework for petroleum activities and to execute the first international bidding round for oil and gas reserves
- >> Organizational capacity building
- >> Secondment of energy consultants to the United Nations Assistance Mission in Afghanistan (UNAMA)
- >> Assessing the risks associated with Norwegian involvement in the development of the Afghan oil and gas sector

**PROJECT PERIOD**  
2007–2010

**EXPENDITURES 2010**  
NOK 5.7 million

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

**COOPERATING INSTITUTION IN NORWAY**  
Petrad

### BRIEF HISTORY OF THE PROJECT

In 2006, the Islamic Republic of Afghanistan requested assistance from Norway for the development of a national petroleum regulatory authority. A Memorandum of Understanding (MoU) to this end was signed in October 2007.

The assistance programme had two main pillars: development of a legal framework and provision of consultancy for a tendering process, and organizational capacity building. The two pillars were executed in parallel, in close cooperation with the Ministry of Mines. The worsening security situation, the 2009 election and subsequent political challenges affected the progress and the performance of the activities to a considerable degree. Both projects were completed in spring 2010, their most important objectives having been achieved.

As a separate activity, OfD provided and funded two energy consultants to the United Nations Assistance Mission in Afghanistan (UNAMA), from mid 2009 to mid 2010. Also this project was severely constrained by the deteriorating security situation.

In July 2010, the Afghan Minister of Mines submitted a request to the Norwegian Embassy in Kabul for further assistance within the energy sector. Several clarification meetings with the Ministry have been held, and the request is currently under review. A new programme is anticipated to commence in the first quarter of 2011.

### ACTIVITIES IN 2010

The first international tender round for three Sheberghan oil and gas blocks was concluded with a single bid received for one of the blocks. The bid was rejected in March 2010 by the Contracts Evaluation Team. This concluded the main part of the OfD programme. The capacity building programme was completed with a language training programme for Ministry of Mines (MoM) staff in May 2010.

As basis for possible further activities in Afghanistan and to improve the contextual understanding of on-going activities OfD commissioned a study from the Chr. Michelsen Institute (CMI) in Bergen, Norway: "Afghan Hydrocarbons: A Source for Development or for Conflict?" The risk assessment study report was issued in June 2010.

The energy consultants seconded to UNAMA finished their assignment in June. Following the change in top leadership and the worsening security situation, UNAMA decided to reduce its in-country expatriate staff.

### KEY ACHIEVEMENTS IN 2010

All remaining tail-end programme activities were completed. The commissioned report "Afghan Hydrocarbons: A Source for Development or for Conflict?" was published.



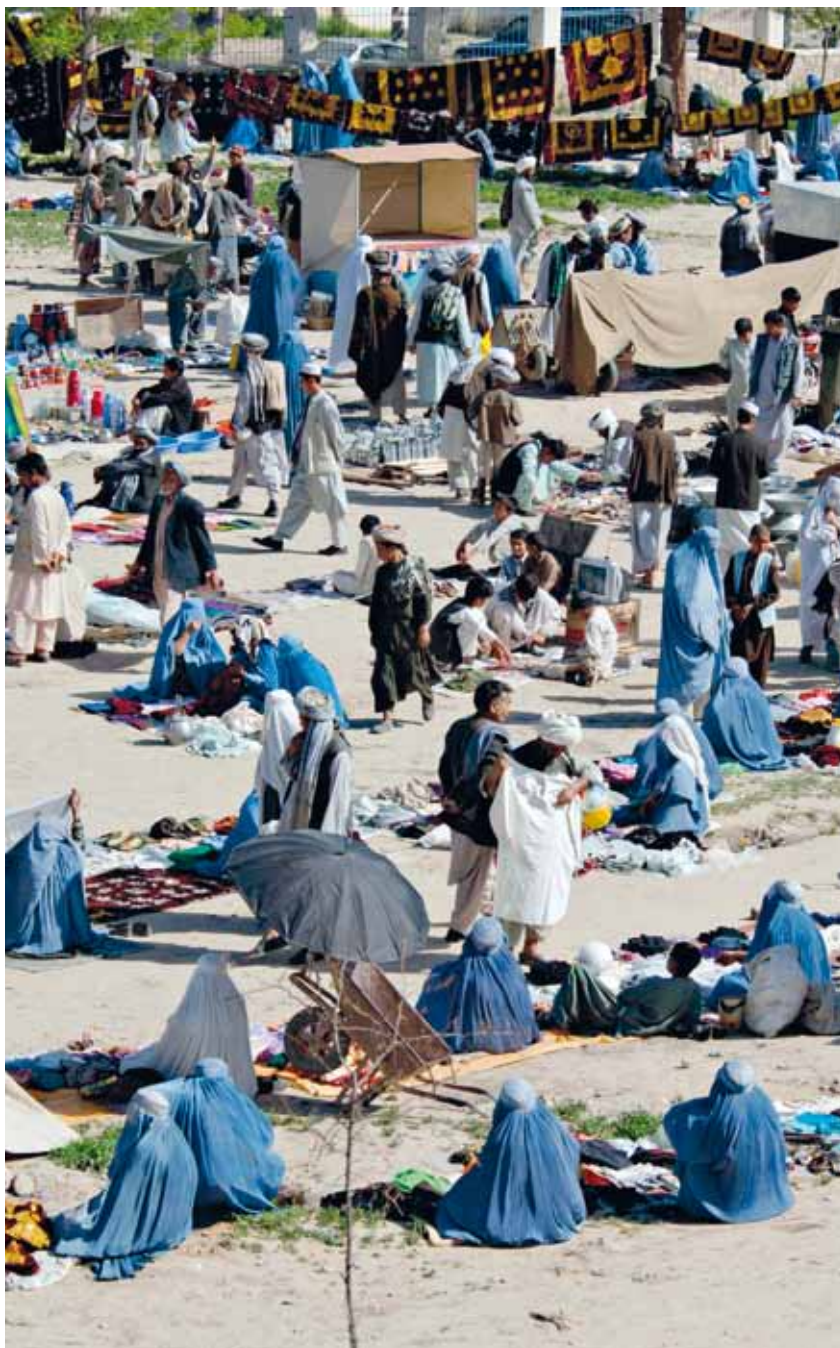


Photo: Ken Opprann



## 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 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

Insignificant production  
Significant proven reserves, mainly gas

### ORGANIZATION OF THE SECTOR

Ministry of Mines (MoM)

## // ASIAN DEVELOPMENT BANK BANGLADESH GAS TRANSMISSION DEVELOPMENT PROJECT, INSTITUTIONAL STRENGTHENING OF HYDRO-CARBON UNIT

### 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 HCU to become a full-fledged functioning, permanent body in the Ministry, authorized to implement government policies and regulations for upstream activities in the petroleum sector and to promote and supervise private sector activities in the petroleum sector.

### PROJECT PERIOD

2006–2011

### EXPENDITURES 2010

NOK 3 million

### 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: Mr. Trond Hjørungdal,  
trhj@norad.no



Photo: G.M.B. Akash

### BRIEF HISTORY OF THE PROJECT

The Norwegian development cooperation with Bangladesh goes back to the 1980s. In the period from 1997–2005, Norway contributed to strengthening the energy management within the government. During this period, the NPD provided technical assistance in establishing and strengthening HCU. The current Norwegian financed project “Institutional Strengthening of Hydrocarbon Unit – Phase II” carries on important aspects of the previous project.

In 2006, the Asian Development Bank (ADB) and the Government of Bangladesh signed the agreement “Bangladesh Gas Transmission and Development Project” with a total financial frame of USD 413 million. The Norwegian supported project “Institutional Strengthening of Hydrocarbon Unit – Phase II” is a component of this agreement, which focuses on building capacity in the MOEMR for the management of mineral resources through HCU. The project is implemented in the form of ten consulting missions covering among other things exploration and extraction of oil and gas resources, refining and marketing, and monitoring and supervision.





Photo: G.M.B. Akash

#### ACTIVITIES IN 2010

As of December 2010 two consultancy missions had been completed and five were appointed and under progress. The three remaining missions were in the final stage before appointment of a consultant or in a phase where modalities for implementation were still under discussion.

#### KEY ACHIEVEMENTS IN 2010

The different consultancy missions are in various stages of completion. At this stage it is therefore not yet possible to assess project achievements related to key objectives.



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 (2010 est.)

#### PETROLEUM SECTOR, KEY FIGURES

Average oil production:

6 426 bbl/day (est. 2008)

Annual gas production:

19.9 bill m<sup>3</sup> (2010)

#### 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

## // DEVELOPMENT OF CAMBODIA'S OIL AND GAS SECTOR

### COOPERATING INSTITUTIONS

Cambodian National Petroleum Authority (CNPA)  
United Nations Development Programme (UNDP)  
The World Bank

### GOALS AND OBJECTIVES

Strengthen Cambodia's ability to manage the exploration and production of petroleum resources by supporting the CNPA in developing a legal framework for its petroleum sector, and to promote Cambodia's petroleum resources through a competitive licensing system and a model contract.

More specific objectives include improving the petroleum laws of Cambodia; enhancing the licensing procedures and the model petroleum contract; developing the human resources and organizational structure of the CNPA; and increasing awareness of good governance and anti-corruption measures.

### PROJECT PERIOD

2006–2011

### EXPENDITURES 2010

NOK 0.9 million

### PROGRAMME

The programme consists of the following main components:

- >> Legal framework, licensing and model petroleum contract
- >> Competence building
- >> OfD – UNDP partnership project: “Fuelling Poverty Reduction with Oil and Gas Revenues”
- >> Norway funded, World Bank executed project: “Strengthening Royal Government of Cambodia (RGC) regulatory Management of the Operational & Financial Activities of the Petroleum Sector”

### CONTACT

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

### COOPERATING INSTITUTION IN NORWAY

Norwegian Petroleum Directorate (NPD)

### BRIEF HISTORY OF THE PROJECT

Cambodia has received petroleum related assistance from Norway since 1995, initially via the Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP). The Cambodian National Petroleum Authority (CNPA) has been the prime cooperating institution after its establishment in 1998. In February 2004, the CNPA submitted a formal request for assistance to Cambodia's petroleum sector.

An agreement between Norad and the CNPA was signed in December 2005. The contract between the CNPA and the NPD for technical cooperation was signed in June 2006, and the contract for the legal work was established with the Norwegian law firm Wikborg Rein. A resident project coordinator was appointed in December 2006.

In December 2010, OfD made the decision to refrain from starting new programmes in Cambodia for the time being. The target date for production start in 2012 necessitates focused attention on short-term activities rather than long-term capacity building within the CNPA. To this end, hands-on practical training for CNPA staff and representatives from the Ministry of Finance will be provided through on-going UNDP and World Bank programmes, partly funded by OfD.

### ACTIVITIES IN 2010

The improved framework developed in 2009 for cooperation between the main development partners (The World Bank, UNDP and the Asian Development Bank) was implemented with quarterly meetings with and without the participation of CNPA throughout the year. As part of the joint assessment, a set of progress indicators was developed.

Actual assistance to CNPA continued on a very limited and ad-hoc basis during 2010.

Direct support to the UNDP for the project “Fuelling Poverty Reduction with Oil and Gas Revenues” continued through 2010, and will be further extended through 2011. Beneficial on-going consultations have been maintained, strengthening the partnership. Two policy briefs were issued, examining Corporate Social Responsibility and Gender Mainstreaming in the extractive industries, respectively.

Financial support to the World Bank Project “Strengthening Sector Operational Financial Management” was formalized through the Norway – World Bank “Petroleum Governance Initiative”. The project was successfully completed in July, and consultations about continued support are on-going.

The agreed programme was completed early in 2010. It was followed by short-term support activities and considerations for a future role for OfD in Cambodia. The latter entailed regular meetings with CNPA management and with representatives from civil society throughout the year, as well as close coordination with Norad’s development partners in the Cambodian extractive industries sector, the World Bank, UNDP and the Asian Development Bank. Institutional progress in the CNPA and in Cambodia at large was monitored, and the impact of donor support reviewed. To this end, OfD maintained a small team of legal and technical experts with solid experience from Cambodia throughout 2010. No new activities are planned for 2011.



## CAMBODIA



### OFFICIAL NAME

Kingdom of Cambodia

### CAPITAL

Phnom Penh

### CHIEF OF STATE

King Norodom Sihamoni

### HEAD OF GOVERNMENT

Prime Minister Hun Sen

### POPULATION

14 701 717 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

No oil or gas production (2009)

### ORGANIZATION OF THE SECTOR

The Cambodian National Petroleum Authority (CNPA) reports directly to the Prime Minister through CNPA Chairman and Deputy Prime Minister HE Sok An

### KEY ACHIEVEMENTS IN 2010

The OfD programme in Cambodia was completed in 2010.

## // INSTITUTIONAL CAPACITY BUILDING AND TECHNICAL SUPPORT TO THE RELEVANT INSTITUTIONS

### COOPERATING INSTITUTIONS

Ministry of Basic Industry (MINBAS)

Cuba Petr lio (Cupet)

National Office of Mineral Resources (ONRM)

### GOALS AND OBJECTIVES

The overall goal is to improve Cuba's capabilities to manage and supervise offshore petroleum activities, among other things to ensure that the activities are carried out with due regard to international best practices for safety management and environmental protection. This capacity building will mainly be implemented through workshops and training programmes.

### PROJECT PERIOD

2010–2013

### EXPENDITURES 2010

NOK 1.1 million

### CONTACT

Oil for Development: Halvor Mus us,  
halm@norad.no

### COOPERATING INSTITUTIONS IN NORWAY

Petrad

Petroleum Safety Authority Norway (PSA)

Climate and Pollution Agency (Klif)

## BRIEF HISTORY OF THE PROJECT

During the visit of the Norwegian Minister of the Environment and International Development, Mr. Erik Solheim, to Cuba in April 2010, a bilateral cooperation agreement was signed with the Cuban authorities. This led to Cuba requesting cooperation with the OfD programme. A cooperation programme was subsequently discussed between OfD, Petrad and the Ministry of Basic Industry in Havana in July 2010.

A three year programme was then agreed upon. Three workshops or alternative activities will be carried out each year coordinated by Petrad. In addition, the cooperation will include an annual meeting between the parties to the cooperation agreement. Collaboration in the Cuban capacity building efforts will be sought from other experienced South-American countries.

## ACTIVITIES IN 2010

The cooperation was initiated with a workshop in December 2010 that addressed the challenges the authorities are facing in the management of safety and environment issues in connection with deep-water petroleum activities. The choice of subject was tied to the deep-water exploration drilling planned to take place during spring and the blowout offshore Louisiana. Petrad organized the workshop, supported by representatives from the PSA, Klif, the University of Stavanger and OfD.

In connection with the workshop, a draft cooperation agreement and the follow up cooperation programme were discussed.

Three representatives from Cuba participated in Petrad's eight-week course in Stavanger.



CUBA



**OFFICIAL NAME**

Republic of Cuba

**CAPITAL**

Havana

**CHIEF OF STATE**

Raul Castro Ruz

**HEAD OF GOVERNMENT**

Raul Castro Ruz

**POPULATION**

11 087 330 (July 2010 est.)

**PETROLEUM SECTOR, KEY FIGURES**

Average oil production:

70 000 bbl/day (2010 est.)

Annual gas production:

400 million m<sup>3</sup> (2009 est.)

**ORGANIZATION OF THE SECTOR**

Ministry of Basic Industry (MINBAS)

National Office of Mineral Resources

(ONRM) – mining and petroleum authority

Cuba Petrólio (Cupet) – state-owned oil company

**KEY ACHIEVEMENTS IN 2010**

The first workshop was conducted with participants from the Cuban administration, represented mainly by the Ministry of Basic Industry, Cupet and safety and environmental institutions. The workshop is likely to have raised awareness on key issues related to safety and environment issues in connection with deep-water petroleum activities.

## // PETROLEUM ASSISTANCE TO ECUADOR

### COOPERATING INSTITUTIONS

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

### GOALS AND OBJECTIVES

Assist the relevant institutions in their man-  
agement of the petroleum sector

### PROJECT PERIOD

2007–2010

### EXPENDITURES 2010

NOK 3.8 million

### PROGRAMME

The project is concentrated around the follow-  
ing distinct components:

- >> Resource management and Improved Oil  
Recovery (IOR) (also including gas)
- >> Environmental management
- >> Data management

### CONTACT

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

### BRIEF HISTORY OF THE PROJECT

Ecuador is the fifth largest petroleum producing country in Latin America and has a long history of exploration and production. Petroleum-related cooperation with Norway started in November 2007 based on a formal request from Ecuador. The Norwegian Minister of The Environment and International Development, Mr. Erik Solheim, visited Ecuador in November 2007.

Ecuador has developed a concept for an international fund created to keep the Yasuni area closed for oil exploration activities. Norway's position on that proposal is dealt with outside of the OfD framework.

### ACTIVITIES IN 2010

A seminar on resource management and environmental issues related to the petroleum sector was organized in February.

A regional workshop on environmental management of petroleum activities in the Amazon was organized in Quito, Ecuador. In addition to Ecuador, Bolivia and Peru attended.

Workshops were held for PetroEcuador and the ministries on the subjects of waste management, data management, resource management, Improved Oil Recovery (IOR) and gas management.



## 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 (July 2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

Average oil production:

0.48 mill bbl/day (2010)

Annual gas production:

0.22 bill m<sup>3</sup> (2010 est.)

### ORGANIZATION OF THE SECTOR

Ministry of Non-renewable Natural Resources (Ministerio de Recursos Naturales No Renovables – MRNR)

PetroEcuador – state-owned oil company

### KEY ACHIEVEMENTS IN 2010

The petroleum sector in Ecuador was dominated by significant change of key personnel in 2010 (as in 2009), with several re-organizations, all affecting stability in the sector in a negative way. Towards the end of 2010, networks in the petroleum sector were re-established and dialogue with the ministry resumed.



## // INSTITUTIONAL AND TECHNICAL ASSISTANCE

### COOPERATING INSTITUTIONS

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

### GOALS AND OBJECTIVES

Oil and gas resources to be used in an economically, socially and environmentally sustainable manner to meet the needs of present and future generations in Iraq.

### PROJECT PERIOD

2011–2014\*

### EXPENDITURES 2010

NOK 1.4 million

### PROGRAMME

The programme consists of the following main components:

- >> Policy development
- >> Data management
- >> Petroleum Resource Management including Improved Oil Recovery (IOR)
- >> Training by Petrad
- >> Environmental Management
- >> Health, Safety and Working Environment
- >> Technical cooperation

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

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



Sundus Jameel, Ministry of Oil, Iraq on a negotiation workshop in Norway  
Photo: Fouzia O. Ali

### BRIEF HISTORY OF THE PROJECT

Norway has cooperated with the petroleum sector in Iraq since 2005, and a five year programme was completed in 2009. Norway has decided to continue the cooperation in a new programme. A Memorandum of Understanding (MoU) between Iraq and Norway was signed in June 2010, and an agreement between the Ministry of Oil and Norad was being processed as of December 2010.

The first programme was directed mainly towards providing training and technical support. The new programme will, in addition to management of the oil and gas resources, also include a focus on environmental and possibly also revenue management. The new programme will begin with activities within resource management and environmental management. It has also been agreed that both countries should contribute financially.

\* The content of the programme was agreed upon in 2010.



Photo: Sinan Mahmoud

### ACTIVITIES IN 2010

The final report for the programme period 2005–2009 has been prepared by NPD and was submitted to Norad in October.

A workshop on Environmental Impact Assessments (EIA) was organized in Amman in September 2010. In October, a workshop was organized in Istanbul by MoE, Klif and DN regarding the development of a new national environmental act for Iraq.

### KEY ACHIEVEMENTS IN 2010

The content of a new programme was agreed upon, and the process of establishing an agreement between the MoO and Norad was initiated.



IRAQ



**OFFICIAL NAME**  
Republic of Iraq

**CAPITAL**  
Baghdad

**CHIEF OF STATE**  
President Jalal Talabani

**HEAD OF GOVERNMENT**  
Prime Minister Nuri al-Maliki

**POPULATION**  
30 399 572 (July 2010 est.)

**PETROLEUM SECTOR, KEY FIGURES**  
Average oil production:  
2.4 mill bbl/day (2010 est.)  
Annual gas production:  
11 bill m<sup>3</sup> (2008 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

## // INSTITUTIONAL COOPERATION

### 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 2010

NOK 0.1 million

### PROGRAMME

Petroleum resource 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



Photo: Nancy Palus

### BRIEF HISTORY OF THE PROJECT

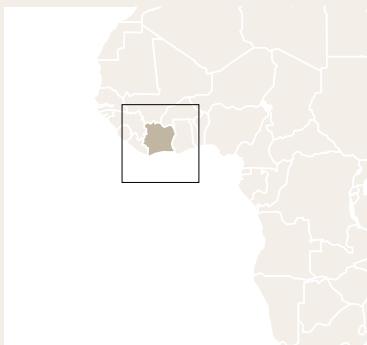
Based on a request from the Ministry of Mines and Energy to Norwegian authorities, an OfD delegation visited Abidjan in the summer of 2008 where a programme was agreed upon. As a first step, a seminar on petroleum policy and resource management was organized in the autumn of 2008. In 2009 the Ivorian government requested a formalization of the cooperation into institutional cooperation with relevant Norwegian institutions.

### ACTIVITIES 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. A meeting was held with the Norwegian Minister of Petroleum and Energy, Mr. Terje Riis-Johansen. Conferences were held with OfD and Petrad.



## IVORY COAST



### OFFICIAL NAME

Republic of Cote d'Ivoire

### CAPITAL

Yamoussoukro

### CHIEF OF STATE

President Laurent Gbagbo

### HEAD OF GOVERNMENT

Prime Minister Guillaume Soro

### POPULATION

21 504 162 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

Average oil production:

60 100 bbl/day (2008 est.)

Annual gas production:

1.3 bill m<sup>3</sup> (2008 est.)

### ORGANIZATION OF THE SECTOR

Ministry of Mines and Energy

Petroci – state-owned oil company

### KEY ACHIEVEMENTS IN 2010

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

## // SHORT-TERM ASSISTANCE TO KENYAN PETROLEUM AUTHORITIES

### COOPERATING INSTITUTION

National Oil Corporation of Kenya (NOCK)

### GOALS AND OBJECTIVES

Transfer of geological and geophysical (G&G) data to a modern data format.

### PROJECT PERIOD

2008–2009, extended to 2010

### EXPENDITURES 2010

NOK 0.7 million

### PROGRAMME

Data management

### CONTACT

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

### COOPERATING INSTITUTION IN NORWAY

Petrad

### BRIEF HISTORY OF THE PROJECT

In September 2005, Kenyan authorities, represented by the National Oil Corporation of Kenya (NOCK), applied for petroleum-related assistance from Norway. In December 2005, the Steering Committee of OfD approved short-term assistance. A second application was sent to the Norwegian Embassy in June 2006. A fact-finding mission was carried out by a Norwegian team in July 2006.

### ACTIVITIES IN 2010

A regional workshop on petroleum data management was organized for eight African countries, including Kenya.

Petrad facilitated a data management project, of which the main activities were scanning and tape remastering.

### KEY ACHIEVEMENTS IN 2010

The data management project was concluded in 2010. The project has been important for building competence and capacity within NOCK (National Oil Corporation of Kenya). The company is now capable of running larger improvement projects internally.



Photo: IRIN



KENYA



**OFFICIAL NAME**  
Republic of Kenya

**CAPITAL**  
Nairobi

**CHIEF OF STATE**  
President Mwai Kibaki

**HEAD OF GOVERNMENT**  
President Mwai Kibaki

**POPULATION**  
41 070 934 (2010 est.)

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

**ORGANIZATION OF THE SECTOR**  
Ministry of Energy



## // OIL FOR DEVELOPMENT – LEBANON 2007–2011

### COOPERATING INSTITUTIONS

Presidency of the Council of Ministers  
Ministry of Energy and Water

### GOALS AND OBJECTIVES

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

### PROJECT PERIOD

2007–2011

### EXPENDITURES 2010

NOK 2.1 million

### PROGRAMME

The project consists of the following main components:

- >> Assistance with the legal framework
- >> Assistance in data management
- >> Assistance in planning a licensing round
- >> Capacity building, including various 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 Environment (MoE)  
Norwegian Petroleum Directorate (NPD)  
Petrad

### BRIEF HISTORY OF THE PROJECT

After initial contacts in October–November 2006, the project started with an OfD fact-finding mission to Lebanon in December 2006. A short-term cooperation programme for training, petroleum policy and legal framework was initiated, coordinated by Petrad.

In a letter to the Norwegian Prime Minister in 2007, Lebanon's Prime Minister confirmed strong interest in a formal cooperation in the establishment of a Lebanese Petroleum sector. A Lebanese delegation visited Norway in February 2007, followed by a comprehensive petroleum seminar in Beirut in March 2007. A three year programme was agreed, and close cooperation was developed between a Lebanese task force and the Norwegian project team.

However, an unsettled political situation in Lebanon slowed the progress of the project in 2007 and 2008. The project has now been extended to the end of 2011.

### ACTIVITIES IN 2010

Completion of the Petroleum Law was the main activity in 2010. Once the Law was passed by Parliament in August, preparations started for Regulations as well as the preparation of the official English version of the Petroleum Law.

Several workshops and seminars were conducted during the year in Beirut, Oslo and Stavanger.

Planning for support to a Strategic Environmental Assessment took place, in anticipation of a start-up of the study in 2011 – prior to a potential first licensing round in early 2012.

### KEY ACHIEVEMENTS IN 2010

The Petroleum Law was passed in the National Assembly. An official version of the Law in the English language was completed.



LEBANON



**OFFICIAL NAME**  
Lebanese Republic

**CAPITAL**  
Beirut

**CHIEF OF STATE**  
President Michel Sulayman

**HEAD OF GOVERNMENT**  
Prime Minister: Saad Hariri (2010),  
Najib Mikati (PM designate 2011)

**POPULATION**  
4 143 101 (2010 est.)

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

**ORGANIZATION OF THE SECTOR**  
Ministry of Energy and Water

## // ENVIRONMENTAL CAPACITY BUILDING

**COOPERATING INSTITUTION**  
World Bank

**GOALS AND OBJECTIVES**  
Determination of social and environmental impacts from the development of petroleum operations, and evaluation of the magnitude of these impacts caused by the growth in exploration and production of hydrocarbons, particularly in offshore areas.

**PROJECT PERIOD**  
2007–2011

**EXPENDITURES 2010**  
NOK 0.9 million  
Total budget for the World Bank project is USD 392 000.

**PROGRAMME**  
The programme includes, among other things, assistance in drafting the legal and regulatory framework as well as a training programme for the staff of relevant Mauritanian institutions.

**CONTACT**  
Oil for Development: Mr. Trond Hjørungdal,  
trhj@norad.no

### BRIEF HISTORY OF THE PROJECT

A Norwegian delegation went on a fact-finding mission to Mauritania in 2006. Based on the recommendations from this mission, OfD chose to channel its support through the World Bank, starting in 2007.

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

As a consequence of the military coup in Mauritania in August 2008, the Norwegian government stopped all cooperation with the authorities in Mauritania.

After the election in Mauritania in July 2009, Norway decided to resume the cooperation in December 2009. The World Bank resumed its cooperation late 2009 and formally stated its continuation by entering into a contract with the government of Mauritania in February 2010 to finalize the project. It was decided to extend the project until April 2011.

### ACTIVITIES IN 2010

The main activity in 2010 was a workshop on the drafted Strategic Environmental and Social Assessment (SESA) Report. The report includes a SESA analysis and an action plan. Inputs from the workshop were implemented in the final report that will be presented early 2011.

### KEY ACHIEVEMENTS IN 2010

The Government of Mauritania and the World Bank are in the final stages of developing a SESA Report for the country.



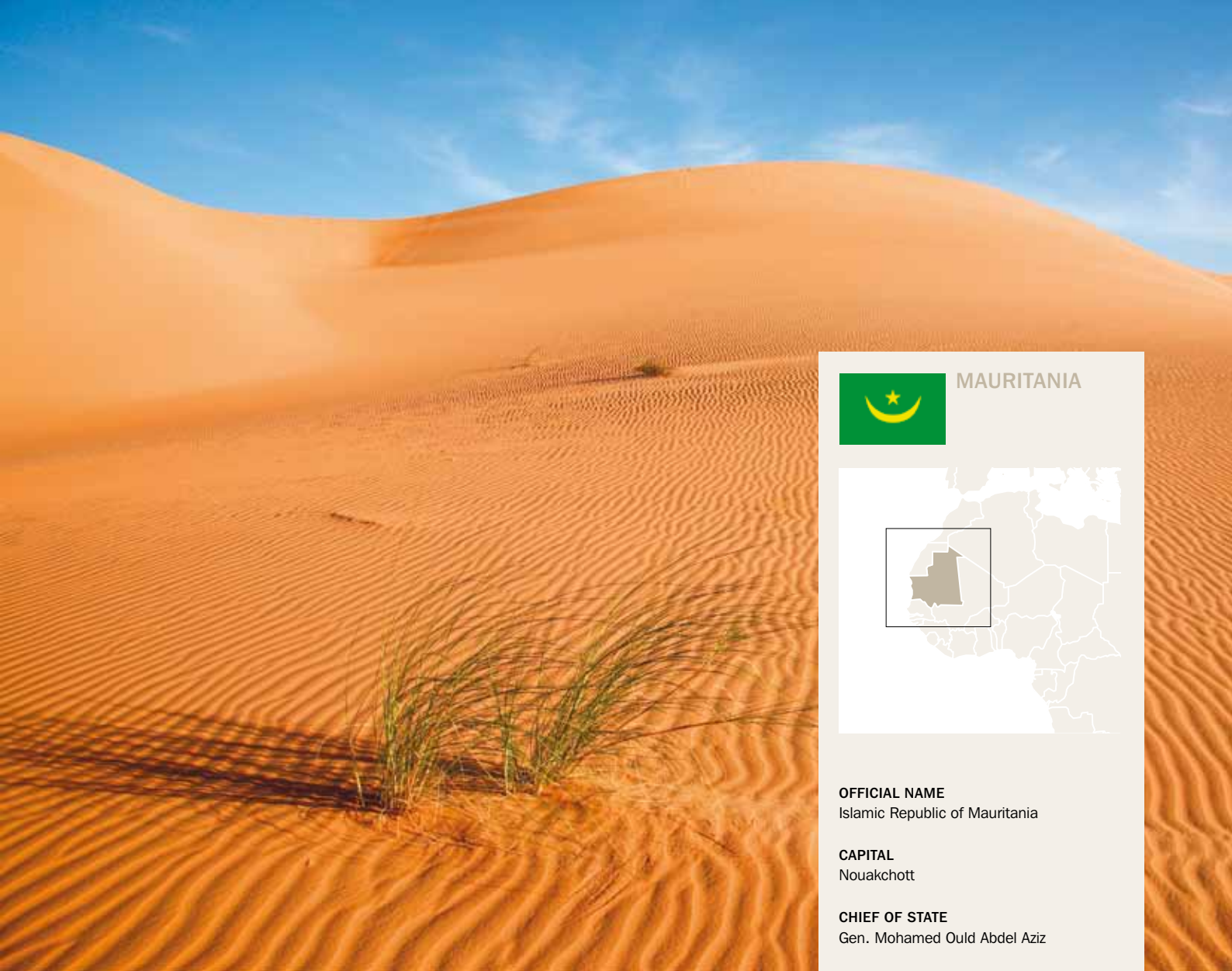
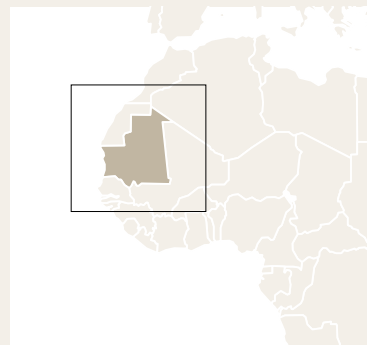


Photo: Shutterstock



**MAURITANIA**



**OFFICIAL NAME**

Islamic Republic of Mauritania

**CAPITAL**

Nouakchott

**CHIEF OF STATE**

Gen. Mohamed Ould Abdel Aziz

**HEAD OF GOVERNMENT**

Prime Minister Moulaye Ould Mohamed Laghdaf

**POPULATION**

3 281 634 (2010 est.)

**PETROLEUM SECTOR, KEY FIGURES**

Average oil production:

16 510 bbl/day (2009)

No gas production (2010)

**ORGANIZATION OF THE SECTOR**

Ministry of Oil and Energy

## // ASSISTANCE TO THE PETROLEUM SECTOR, PHASE IV

### COOPERATING INSTITUTION

Ministry of Energy and Mines (MEM)

### GOALS AND OBJECTIVES

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

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

### PROJECT PERIOD

2008–2009

### EXPENDITURES 2010

NOK 0.9 million

### PROGRAMME

The programme includes the following main components:

- >> Update of the petroleum database
- >> Implementation of the monitoring system
- >> Analysis of new seismic data
- >> Update and improvement of the national contingency plan for emergencies related to exploration and exploitation
- >> Training of MEM staff through seminars, workshops and courses abroad
- >> New promotional campaign

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

Norwegian Petroleum Directorate (NPD)  
Petroleum Safety Authority Norway (PSA)  
Climate and Pollution Agency (Klif)

### BRIEF HISTORY OF THE PROJECT

Since the early 1990s, the NPD has assisted the Nicaraguan Energy Institute (Instituto Nicaraguense 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 INE was transferred to MEM. The present programme is phase IV of the cooperation, which has focused on assistance related to the start-up of petroleum exploration.

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

A review of the project was undertaken in 2010, and a decision on future cooperation with Nicaragua is to be taken following the review.

### ACTIVITIES IN 2010

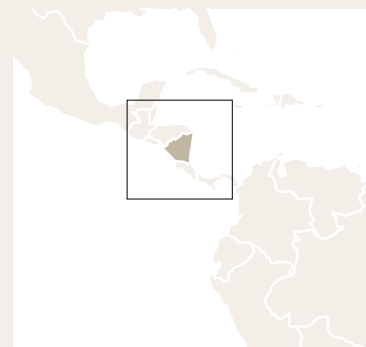
The report "Final review Phases I, II, III and IV of the Norwegian Support Programme: Assistance to the Petroleum Sector in Nicaragua" was completed in February 2010. This was the only activity in 2010.

### KEY ACHIEVEMENTS IN 2010

The final review concluded that the cooperation had contributed to enhanced competence within MEM, especially related to promotion and licensing, and data management.



NICARAGUA



**OFFICIAL NAME**

Republic of Nicaragua

**CAPITAL**

Managua

**CHIEF OF STATE**

President Daniel Ortega Saavedra

**HEAD OF GOVERNMENT**

President Daniel Ortega Saavedra

**POPULATION**

5 995 928 (2010 est.)

**PETROLEUM SECTOR, KEY FIGURES**

No oil or gas production (2010)

**ORGANIZATION OF THE SECTOR**

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



Photo: Gunnar Zachrisen



# THE PALESTINIAN TERRITORY //

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## // CAPACITY BUILDING – PALESTINE 2007–2010

### COOPERATING INSTITUTION

Palestinian Energy Authority (PEA)

### GOALS AND OBJECTIVES

Assist the authorities of the Palestinian Territory in establishing capacity for petroleum sector management, in particular with regard to a development of the “Gaza Marine” offshore field.

### PROJECT PERIOD

2007–2010

### EXPENDITURES 2010

0\*

### PROGRAMME

The programme is aimed at competence building in the newly established Gas Directorate. The programme consists of the following main components:

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

### CONTACT

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

### COOPERATING INSTITUTIONS IN NORWAY

Norwegian Petroleum Directorate (NPD)  
Petrad



Photo: Erica Silverman

### BRIEF HISTORY OF THE PROJECT

In April 2007, the Palestinian Authorities requested assistance from Norway for capacity building, technical assistance and advice in planning and preparing for a Palestinian petroleum sector.

In 2007, the British Gas Group was negotiating gas sales from the Gaza Marine field via a pipeline to a terminal at Ashkelon in Israel. Due to lack of progress in the negotiations, British Gas terminated the negotiations in 2008 and closed its office in Israel. Since then nothing has happened regarding the commercial situation. Meanwhile, Israel has discovered several major gas fields north of and outside the Gaza territorial waters, presumably reducing the Israeli interest in any cooperative development of the Palestinian fields.

Participants from OfD and the World Bank completed a fact-finding mission in August 2007, followed by meetings with Prime Minister Fayad, the Palestinian Ministry of Finance, the Palestinian Energy Authority, and other government institutions.

A three-day seminar on petroleum resource management was organized in December 2007, in cooperation with the Palestinian Energy Authority and the Representative Office of Norway to the Palestinian Authority.

### ACTIVITIES IN 2010

Continuing conflicts in the region have caused a virtual standstill in the programme implementation. Apart from participation in the annual meeting with the Palestinian Energy Authority, no OfD activities took place in 2010.

\* Since the programme started in 2007, approximately NOK 1.1 million have been spent.



## THE PALESTINIAN TERRITORY



### OFFICIAL NAME

Palestinian National Authority  
(transitional status)

### CAPITAL

Ramallah  
(Gaza City is the legislative centre)

### CHIEF OF STATE

President Mahmoud Abbas

### HEAD OF GOVERNMENT

Prime Minister Salam Fayyad

### POPULATION

4 225 710 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

No oil or gas production (2010)

### ORGANIZATION OF THE SECTOR

Palestinian Energy Authority (PEA)

### KEY ACHIEVEMENTS IN 2010

No programme activities were carried out in 2010.

# SÃO TOMÉ AND PRÍNCIPE //

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## // SHORT-TERM INSTITUTIONAL COOPERATION, COORDINATED WITH SUPPORT FROM THE WORLD BANK AND OTHER DONORS

### COOPERATING INSTITUTIONS

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

### GOALS AND OBJECTIVES

The assistance aims to strengthen the ANP'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 2010

NOK 1.9 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 courses

### 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)



Photo: Astrid Fritsen

### BRIEF HISTORY OF THE PROJECT

In 2005, the NPD was requested by the Norwegian Embassy in Luanda to assess the need for assistance to São Tomé and Príncipe, and a few planning activities were carried out. This work continued in 2006, and in September the National Petroleum Agency (ANP) visited the NPD to discuss a cooperation programme. In October 2006, an official request was presented by the ANP to Minister of The Environment and International Development, Mr. Erik Solheim, and in 2007, the request for Norwegian support was aligned with the World Bank's and other donors' initiatives.

The NPD was requested by Norad to enter into a contract with the ANP regarding the implementation of a short-term assistance project in January 2008. The agreement between NPD and ANP regarding institutional support was signed in November 2008.

The short-term 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 or additional technical expertise regarding draft legislation, regulations, the model contract, strategic papers or governance processes.



Photo: Astrid Fritsen

São Tomé and Príncipe launched the first licensing round for the EEZ in March 2010. The ANP sent a request to Norad in May 2010 for an extension of the cooperation with NPD through 2010.

#### ACTIVITIES IN 2010

The Norwegian law firm Simonsen provided legal advice regarding the formulation of Production Sharing Contracts (PSC).

The NPD assisted the ANP during its first negotiation meetings. Specifically, advice was provided concerning the work obligation in the PSC.

ANP's Director, Mr. Luis Prazeres, visited Stavanger during the Offshore Northern Seas Conference (ONS) in Stavanger in August. He had project meetings with the NPD, PSA and Norad.

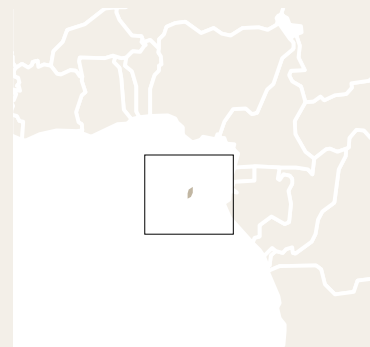
Funding was provided to ensure ANP attendance at regional conferences.

#### KEY ACHIEVEMENTS IN 2010

São Tomé and Príncipe arranged their first licensing round in the EEZ. The promotion and invitation for bidding was based on transparent principles and a solid legal framework.



**SÃO TOMÉ  
AND  
PRÍNCIPE**



#### OFFICIAL NAME

Democratic Republic of São Tomé and Príncipe

#### CAPITAL

São Tomé

#### CHIEF OF STATE

President Fradique de Menezes

#### HEAD OF GOVERNMENT

Prime Minister Joachim Rafael Branco

#### POPULATION

179 506 (2010 est.)

#### PETROLEUM SECTOR, KEY FIGURES

No oil or gas production (2010)

#### 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



## // INSTITUTIONAL AND TECHNICAL COOPERATION

### COOPERATING INSTITUTIONS

Ministry of Energy and Mines (MEM)  
Tanzania Petroleum Development Corporation (TPDC)

### GOALS AND OBJECTIVES

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

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

### PROJECT PERIOD

2005–2009

### EXPENDITURES 2010

NOK 0.6 million

### PROGRAMME

The programme consisted 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. Ivar Aarseth,  
iaa@norad.no

### COOPERATING INSTITUTIONS IN NORWAY

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

### BRIEF HISTORY OF THE PROJECT

Norad has a long history in providing assistance to Tanzania and its petroleum sector. The cooperation goes back to the establishment of a Petroleum Data Archive at the TPDC in Dar Es Salaam, with Norwegian support provided from 1985 to 1997. At that time, considerable resources were used to reformat Tanzanian petroleum data onto more modern storage media. The data project was part of a larger project, which also focused on supporting the commercialization of the Songo Songo gas project.

### ACTIVITIES IN 2010

TPDC submitted the final report for the Data Archive Project in March 2010.

The authorities approached Norway for assistance, and there were formal discussions between OfD, MEM and TPDC regarding the establishment of a new support programme for the period 2011–2014.

### KEY ACHIEVEMENTS IN 2010

No programme activities were carried out in 2010.





Arusha, Tanzania  
Photo: Øystein Berg



## TANZANIA



### OFFICIAL NAME

United Republic of Tanzania

### CAPITAL

Dar es Salaam

### CHIEF OF STATE

President Jakaya Kikwete

### HEAD OF GOVERNMENT

Prime Minister Mizengo Pinda

### POPULATION

42 746 620 (2010 est.)

### PETROLEUM SECTOR, KEY FIGURES

No oil production (2009)

Annual gas production:

0.6 bill m<sup>3</sup> (2009 est.)

### ORGANIZATION OF THE SECTOR

Ministry of Energy and Minerals of Tanzania (MEM)

Tanzania Petroleum Development Corporation (TPDC) (has both the commercial and the regulator role)

## // COOPERATING INSTITUTION PETROVIETNAM (PV)

### GOALS AND OBJECTIVES

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

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

### PROJECT PERIOD

2008–2011

### EXPENDITURES 2010

NOK 1.5 million

### PROGRAMME

The programme consists 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
- >> Development of oil/hazardous waste management

### CONTACT

Oil for Development: Mr. Trond Hjørungdal, trhj@norad.no

### COOPERATING INSTITUTIONS IN NORWAY

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

### BRIEF HISTORY OF THE PROJECT

In 1994, the Vietnamese Government, represented by Petrovietnam (PV), contacted Norad with a request for cooperation and support on the development of safety and working environment management in the Vietnamese petroleum industry. A similar and parallel request was made in the area of environmental protection. In 1996 an agreement was signed. The agreement was supplemented by contracts between the PV, NPD and Klif.

Phase I and II of the cooperation programme focused on two main issues: safety management and environmental management.

After successful completion and positive evaluation of phases I and II, a contract for phase III of the project was signed in 2008. In contrast to phase I and II, the activities on safety management and environmental management in phase III are fully integrated and contracted through one shared contract for all parties. Klif and the PSA are jointly responsible for delivering support to the PV according to the contract. The NCA provides support as a subcontractor to the PSA. The PSA coordinates the project on behalf of all Norwegian contributors.

Throughout 2008 and 2009 several guidelines and regulations have been developed on for instance safety, risk analyses and contingency and working environment. Training courses have also been conducted in Vietnam, supplemented by study tours to and on the job training in Norway, as well as audit training courses. The activities of the programme will be phased out in 2011.

### ACTIVITIES IN 2010

A number of capacity building activities focusing primarily on Health, Safety and Environment (HSE) and development of a planning guideline were carried out, including a Baseline Study; completion of the HSE guideline; training on HSE auditing function and development of a associated manual; development of an HSE database; training on HSE Audits and HSE Document control.

Capacity building activities related to emergency response management and oil hazardous waste management were also undertaken.

### KEY ACHIEVEMENTS IN 2010

In a Baseline Study conducted by Petrovietnam in 2009 it was concluded that, largely as a result of the project, HSE principles are now well embedded in the organization. This observation was confirmed in audits performed in 2010. Steering documentation and guidelines have to a large extent been developed.



Photo: Ken Opprann



VIETNAM



#### OFFICIAL NAME

Socialist Republic of Vietnam

#### CAPITAL

Hanoi

#### CHIEF OF STATE

President Nguyen Minh Triet

#### HEAD OF GOVERNMENT

Prime Minister Nguyen Tan Dung

#### POPULATION

90 549 390 (2010 est.)

#### PETROLEUM SECTOR, KEY FIGURES

Average oil production:  
300 600 bbl/day (2010)  
Annual gas production:  
9.4 bill m<sup>3</sup> (2010)

#### 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

In addition to our bilateral country programmes, OfD is also involved in a number of other programmes either directly or via other donors and implementing partners. These programmes, which include our regional efforts in East and South East Asia, West Africa, and East Africa, are presented in this chapter.



## // OFD-INITIATED REGIONAL INITIATIVES

In 2010, OfD has stepped up its efforts to support regional and South-South cooperation, meaning that capacity building activities involve more than one participant country. An area of special interest is West Africa. Three of our core countries, Angola, Ghana and Nigeria, belong to the region, while both Sierra Leone and Liberia receive regional and bilateral assistance. OfD support has also been given to Ivory Coast.

Sierra Leone and Liberia are at somewhat similar stages in their petroleum development, hence there are substantial advantages in taking a joint approach in the capacity building process. The two countries will have the opportunity to learn from each other's experiences and engage in discussions on the most appropriate ways in which to govern the petroleum sector.

The joint cooperation with Sierra Leone and Liberia is undertaken in collaboration between OfD, the African Center for Economic Transformation (ACET) and Revenue Watch Institute (RWI), jointly called the Petroleum Advisory Group (PAG), each institution represented by a lawyer.

### REGIONAL ACTIVITIES IN 2010

The first joint workshop for Sierra Leone and Liberia on upstream petroleum sector policy and organization was held in Freetown, Sierra Leone in May. Back to back with the workshop, the Government of Sierra Leone held a stakeholders' workshop on the Petroleum Policy where the PAG was invited to attend as an observer.



Participants at the West African regional data management seminar  
Photo: Gunnar Sjögren

The second joint workshop for the two countries on petroleum legislation was held in Monrovia, Liberia in November. The workshop was also attended by Mali.

A workshop on petroleum data management was held in Elmina, Ghana in November, with participants from Ghana, Guinea-Bissau, Guinea, Ivory Coast, Liberia, Mali, Nigeria, São Tomé and Príncipe and Sierra Leone.

A workshop on oil, fish and environment was organized in Luanda, Angola in November, with participants from Angola, Congo DRC, Gabon, Ghana, Liberia, Mozambique, Namibia, São Tomé and Príncipe and Tanzania.

In addition to the West African regional workshops, a workshop on environmental management of petroleum activities in the Amazon was organized in Quito, Ecuador in August for Bolivia, Ecuador and Peru, and in November a workshop on petroleum data management was organized for

Bolivia, Cuba and Ecuador in Santa Cruz, Bolivia. In October a workshop on petroleum data management organized for Kenya, Mozambique, Namibia, Rwanda, Sudan, Tanzania, Uganda, and Zambia was held in Entebbe, Uganda, and in March a workshop on good governance and corruption prevention in the petroleum sector was held in Maputo, Mozambique for the Portuguese speaking OfD partner countries.

### COOPERATION WITH SIERRA LEONE

Institutional capacity building and technical support

#### Cooperating institutions

Office of the President, The Presidential Task Force  
Petroleum Resource Unit (PRU)  
Ministry of Justice/ Attorney General  
– Legal Drafting Team (LDT)

#### Goals and objectives

To assist the Government of Sierra Leone in its reform of the petroleum sector and to strengthen its ability to manage the exploitation of its petroleum resources in accordance with applicable well established international best practices. The capacity building efforts are provided mainly through workshops and training programmes.

#### Project Period

2010–2013

#### Contact

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

**Cooperating institution in Norway**  
Petrad

**Cooperating institutions outside Norway**

African Center for Economic Transformation (ACET), Ghana

Revenue Watch Institute (RWI), USA

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

President Ernest Bai Koroma of Sierra Leone, in a letter to Prime Minister Jens Stoltenberg of October 15th 2009, requested Norwegian assistance under the OfD programme, to which Norway responded positively. The President of Sierra Leone agreed to Norway's offer to provide assistance through a regional approach. The first mission of the PAG to Freetown was conducted in December 2009. During this mission, contacts were established and the priorities for the cooperation were decided on.

### **Activities in 2010**

The second mission of PAG to Freetown took place in February. The President asked the PAG to provide its opinion on a number of questionable decisions regarding extensions of exploration periods in various blocks. Such assessments were made and recommendations were given. Discussions were held on the future collaboration, including the cooperation with Liberia, concerning the Policy Paper etc.

The third mission to Freetown was conducted in November. The Presidential Task Force, responsible for the restructuring of the petroleum sector, had established a Legal Drafting Team under the leadership of the Minister of Justice/Attorney General and the PAG was invited together with the Commonwealth Secretariat to participate in the first session of the team. The PAG had some months earlier provided the Government with extensive comments on the existing law and recommendations for adjustments.

Two representatives from Sierra

Leone participated in Petrad's eight-week course in Stavanger.

### **KEY ACHIEVEMENTS IN 2010**

With the assistance of the PAG, the Petroleum Policy Paper was prepared and approved by Parliament so that the work on the petroleum law could proceed.

### **COOPERATION WITH LIBERIA**

Institutional capacity building and technical support

#### **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**

To assist Liberia in its reform of the petroleum sector and to strengthen Liberia's ability to manage the exploitation of its petroleum resources in accordance with applicable well established international best practice. The capacity building efforts will be provided mainly through workshops and training programmes.

#### **Project Period**

2010–2013

#### **Contact**

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

#### **Cooperating institutions in Norway**

Petrad  
Norsk Energi

#### **Cooperating institutions outside Norway**

African Center for Economic Transformation (ACET), Ghana  
Revenue Watch Institute (RWI), USA

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

President Sirleaf Johnson sent a formal request in December 2009 for assistance on the management of the petroleum activities in line with the support offered to Sierra Leone. An offer of assistance from Norway was confirmed in January 2010.

### **Activities in 2010**

As a follow up of OfD's first visit to Monrovia in January, the PAG conducted a scoping mission to Monrovia in early March. The following key issues were identified for possible cooperation: the formulation of a National Policy on Petroleum; revision of the existing legislation; examination of the administrative structure; preparation and execution of bidding rounds for the award of blocks; data management and border demarcation. Plans were initiated for the establishment of the cooperation programme and the cooperation with Sierra Leone.

A workshop on petroleum contract negotiation, organized by the PAG in close cooperation with Nocal, was held in Monrovia in June. The workshop was well attended and conducted at a high level.

One representative from Liberia participated in Petrad's eight-week course in Stavanger.

### **KEY ACHIEVEMENTS IN 2010**

The workshop on petroleum contract negotiation raised awareness on key issues related to contract negotiation in the Government's preparation for a bidding round.

## // 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. ACET has initiated a pilot project in Sierra Leone and Liberia in cooperation with OfD and the RWI, see page 76.

For more information, please visit [www.acetforafrica.org](http://www.acetforafrica.org)

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

Programme for Enhancing Public Petroleum Management (EPPM) of the CCOP Member Countries

CCOP is an intergovernmental organization devoted to geo-science programmes in East and Southeast Asia. The organisation promotes ca-

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, of which Norway is one.

For more information, please visit [www.ccop.or.th](http://www.ccop.or.th)

### Goals and objectives

To create the highest possible value from petroleum resources in order to improve the quality of life of the people in the CCOP member countries.

To enhance the capacity of the member countries to assess undiscovered petroleum resources in emerging areas, with focus on natural gas and the environment.

### Project period

2008–2012

### Expenditures 2010

NOK 4.6 million

### Programme

The EPPM programme is comprised of 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.

### Contact

Oil for Development: Petter Stigset, [pest@norad.no](mailto:pest@norad.no)

### Cooperating institutions in Norway

Norwegian Petroleum Directorate (NPD)  
Petrad

### BRIEF HISTORY OF THE PROJECT

Norway has supported CCOP since 1976 and has been the main supporter of the petroleum programmes since 1989. The programme has evolved from initial training and technology transfer into resource management and environmental issues. The current project (EPPM) started in 2008 and will end in 2012.

### ACTIVITIES IN 2010

The following workshops and meetings were conducted:

- >> Data Integration, Basin Analysis & Technical Fieldwork (Indonesia)
- >> Basin Modelling, Map Integration and Fractured Basement (Malaysia)
- >> Storage into geological formations, HSE, CDM and Flaring, (Thailand)
- >> Mapping of CCS Potential Reservoir and Selection Criteria, (Indonesia)
- >> Metadata training and guidelines for metadata management (Thailand)
- >> GIMS, in cooperation with China Geological Survey (China)
- >> EPPM Seminar (Thailand)

### KEY ACHIEVEMENTS IN 2010

The sharing of data, modelling and analyses by countries with rights to the same petroliferous basin are unique and contribute to improved assessments of the petroleum potential.

The work on carbon capture and storage (CCS) has raised the awareness of potential reservoirs, as well as on a regulatory framework. A basis has been established for regional cooperation on CCS as well as cooperation with the ASEAN Council on Petroleum (ASCOPE).

The metadata projects provide a basis for a regional standard, as well as for efficient sharing of data.

## // THE PETROLEUM GOVERNANCE INITIATIVE (PGI)

PGI is a bilateral collaboration between the Government of Norway and the World Bank Group. The programme comprises three pillars: Governance and Revenue Management, the Environment, and Community Development. 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 intention is to engage primarily in areas where Norway by itself has limited expertise or insufficient resources for implementation.

### Expenditures 2010

NOK 10 million

### ACTIVITIES IN 2010

An external evaluation of the PGI was completed in 2010, addressing performance and results within the context of Norway's development assistance goals and the World Bank Group's strategy for extractive industries. Strong progress in the first four years of operations was documented, confirming PGI's unique position as a provider of authoritative global know-

ledge products and country-based technical assistance.

### Pillar 1: Petroleum Sector Governance and Petroleum Revenue Management

Country specific assistance was provided to Ghana, Rwanda and Cambodia within the domains of regulatory issues and capacity building. The programs in Ghana and Rwanda were completed in 2010, whereas the activities in Cambodia will continue in 2011. Global programmes were addressed through two studies being initiated and one conference: "The Role of LPG in Reducing Energy Poverty", a study of factors influencing households' use of liquefied petroleum gas in a variety of developing countries, and "Gender Dimensions of Oil and Gas", a multi-country study of the gender impacts of the petroleum industries. Development and public finance issues related to the petroleum sector in federal systems were addressed in the international "Conference on Oil and Gas in Federal Systems" held in Washington DC in 2010.

### Pillar 2: The Environment

Regulations, institutions and capacity building measures for the management of social-environmental impacts of offshore activities were addressed in Mauritania, and a facility for Environmental Management Training was established in Ghana as a follow-up to the Survey on Environmental Management Systems. Finally, as a global activity, a "Best Practices Toolkit on Decommissioning" for regulatory authorities to address legal, contractual, economic, social and environmental implications of the abandonment of oil fields and mines was completed.

### Pillar 3: Community Development

A number of both country specific and global programmes were undertaken under the Community Development Pillar: "Strengthening Social Accountability to Improve the Impact of Royalties in Columbia" addressed the performance of royalties' investment monitoring. The "Information Clearinghouse" disseminated good practices in community development and investments in extractive industries through the internet. A methodology for sustainable development and community investments as part of extractive industries projects was developed through the "Value Social Investment Tool", and municipal investment in the area of influence of the Peru LNG pipeline was improved through the "Peru LNG Enhancing Royalties Investment". Also in Peru, the local government effectiveness for managing revenues from O&G sector operations was improved through a "National Project on the Mining Canon and O&G Revenues".

Other projects addressed the investment management and accountability practices for local Colombian governments in the area of influence of Greystar's gold mine project, the use of oil royalties in selected municipalities across Colombia, and a product for a performance-based approach to CSR.

### Extractive Industries – Technical Advisory Facility (EI -TAF)

EI -TAF was established in 2009. The facility organizes assistance related to contract negotiations and associated policy reforms/frameworks.

## // INTERNATIONAL MONETARY FUND (IMF)

The IMF and OfD entered into a bilateral cooperation agreement in the spring of 2009. OfD draws on the IMF's capacity on petroleum resource wealth and revenue management in our cooperation with the partner countries.

### Total budget

NOK 10 million, of which approximately NOK 3 million spent in 2010

### ACTIVITIES IN 2010

#### Bolivia

Activities were carried out as part of Bolivia's "Public Finance Reform and Resource Management" project. One mission advised on the implementation of a medium term fiscal framework and on improving hydrocarbon projections, while another provided further strengthening of the treasury and debt management. A third mission was undertaken to assist the authorities in the design of a financial programming model for medium term macro-fiscal projection.

#### Uganda

Focus is on the Oil Tax Administration of Uganda. The broad objectives of the project are to strengthen the institutional capacity to collect and manage petroleum revenues. Notable achievements include the establishment of a specialist entity within the Large Taxpayers office dealing with oil tax, and the formulation of the first version of a manual of best practice on oil tax administration.

#### Sub-Saharan Africa

The project financed the Sub-Saharan African Countries Regional Tax Policy Conference, held in Kampala,

Uganda in June. The focus of the conference was on presenting best practices and country experience on petroleum tax.

### IMF Topical Trust Fund – Managing Natural Resource Wealth

In December, Norway agreed to support the IMF's multilateral fund on Managing Natural Resource Wealth with the amount of NOK 30 million until 2015. The objective of the fund is to assist resource rich countries in their efforts to avoid the resource curse. Initial funding of NOK 3 million was made available to the IMF in order to establish the organization and start the planning of activities. The activities are anticipated to commence in the spring of 2011.

## // THE EAST AFRICAN COMMUNITY (EAC)

The EAC, seated in Arusha, Tanzania, is the regional intergovernmental organization of the Republic of Kenya, the Republic of Uganda, the United Republic of Tanzania, the Republic of Burundi and the Republic of Rwanda. The EAC aims at widening and deepening cooperation among the partner states in areas such as the political, economic and social fields. To this aim, the EAC countries established a Customs Union in 2005 and are working towards the establishment of a Common Market by 2010, subsequently a Monetary Union by 2012, and ultimately a Political Federation of the East African States.

The OfD programme has supported the petroleum sector through sponsoring the East African Petroleum Conference in Kampala, Uganda. The conference has become an important meeting place for the oil exploration

sector and holds high quality with regards to transparency and information sharing.

OfD has also supported a regional data management seminar in the EAC region. In 2010, the seminar was held in Kampala, Uganda.

In addition to the EAC countries, participants from Mozambique, the Democratic Republic of Congo, and Sudan were invited to the seminar.

## // CIVIL SOCIETY CAPACITY BUILDING THROUGH NORWEGIAN NON-GOVERNMENTAL ORGANIZATIONS

Civil society organizations play an important role in the OfD programme. In 2010, seven Norwegian non-governmental organizations (NGOs) were granted a total of NOK 14.5 million for capacity building of civil society partner organizations in OfD's cooperation countries. Most of the allocations were made on a three-year basis in order to enhance predictability for the Norwegian NGOs and their partner organizations and to minimize the administrative burden on the NGOs and Norad.

Ranked according to the size of funds received, the partnering organizations were: World Wide Fund for Nature Norway (WWF Norway), Publish What You Pay Norway (PWYP Norway), Norwegian People's Aid, the Norwegian Confederation of Trade Unions (LO), Friends of the Earth Norway, Norwegian Church Aid, and Norwegian Students' and Academics' International Assistance Fund (SAIH).

Organizations such as PWYP Norway, LO, Friends of the Earth Norway, WWF Norway and Norwegian Peo-





Photo: Fredrik Naumann

ple's Aid conducted capacity building activities which targeted organizations and individual NGO-members from a range of the OfD partner countries, whereas SAIH and the Norwegian Church Aid worked with civil society in Bolivia, and Angola and Mauritania, respectively.

Thematically, the Norwegian NGOs worked to build capacity within two main areas: enhanced transparency and accountability in petroleum governance and revenue management; and environmental and social sustainability in petroleum activities.

## // CIVIL SOCIETY CAPACITY BUILDING THROUGH REVENUE WATCH INSTITUTE

In February 2010, the Revenue Watch Institute (RWI) and OfD entered into a new agreement for core institutional support for the period 2010–2012. The purpose of the RWI OfD 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.” Under this agreement, the RWI received NOK 6 million in 2010. The funds were spent on research, technical assistance to governments, the Extractive Industries Transparency Initiative (EITI), strengthening the capacity of parliaments in different countries to better understand the nature of the petroleum sector, capacity building for media, capacity building of civil society organizations and grant-making to civil society actors. The RWI played a vital role in supporting EITI implementation in countries such as Afghanistan and Iraq.

The RWI and its partners achieved a historic victory with the passage in the US Congress of the Lugar-Cardin amendment as part of the Dodd Frank Act, a bipartisan measure requiring all companies registered with the Securities and Exchange Com-

mission to report all amounts they pay to governments for access to oil, gas and mining companies, country by country, and project by project. The Revenue Watch Index was publicly released in 2010, and the Natural Resource Charter was officially launched. The Natural Resource Charter is a global initiative designed to help governments and societies to effectively harness the opportunities created by natural resources.

In cooperation with OfD and the African Center for Economic Transformation (ACET), the RWI provided technical assistance to Sierra Leone and Liberia as pilots for the longer-term cooperation between the organizations and as a means for ACET to continue to develop its skills in extractive-industry assistance (read more about this cooperation on page 78). RWI provided grants to a number of civil society organizations in OfD partner countries in Africa, Asia-Pacific, Latin America and the Middle East.

## // PETRAD'S EIGHT-WEEK PROGRAMMES

Petrad's eight-week programmes were developed in the period 1990–91 assisted by key resource personnel from the Norwegian petroleum research institutions and the petroleum industry. One programme focuses on Petroleum Policy and Resource Management and the other on Petroleum Development and Operations.

The two programmes were arranged for the first time in 1991, with 20+20 participants from 18 countries. The programmes run in parallel and have been repeated every autumn since 1991. The objective of the programmes is to strengthen the participants' capabilities for contributing to the successful management of petroleum resources. The programmes have become internationally recognized for their combination of applied petroleum management, practical case studies, industrial visits and a substantial social programme.

A total of 871 participants from 77 countries have graduated from the two programmes.

### **Petroleum Policy and Resource Management**

Petrad's 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 tech-

nical, 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.

### **Petroleum Development and Operations**

Petrad's programme "Petroleum Development and Operations" will 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 2010, 19 participants from OfD core countries (Timor-Leste, Ghana, Mozambique, Nigeria, Sudan and Uganda) were trained, as well as 10 participants from OfD countries with limited cooperation (Cambodia, Cuba, Ecuador, Liberia, Sierra Leone and Tanzania). In addition, six participants from Gambia, Mongolia, the Philippines and Thailand also took part in the training programmes. In total, the participation of 35 persons was funded by the OfD programme.

Read more about Petrad on page 89.

## // 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 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 objectives of the EnPe programme are:

- >> To support the development of Master programmes at HEI in the South through close collaboration with HEI in Norway in accordance with national needs
- >> To achieve, in a longer term perspective, sustainable capacity of institutions in the South to provide the national work force with adequate qualifications within selected academic fields of study relevant to the energy and petroleum sectors
- >> To stimulate South-South-North cooperation through support to the development of regional Master programmes
- >> To enhance gender equality in all programme activities
- >> To strengthen and further develop the competence of Norwegian HEI to integrate global as well as developmental perspectives in their professional work

The first allocations were made in December 2009, and as of December 2010 there are currently nine different 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 2010, NOK 1.3 million have been allocated.

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#### // INTERNATIONAL ASSOCIATION FOR IMPACT ASSESSMENTS (IAIA)

The International Association for Impact Assessment (IAIA) is a forum aimed at advancing innovation, development, and communication of best practice in impact assessments. In 2010, OfD provided stipends for 16 participants from 10 OfD partner countries to participate in the annual IAIA-conference, which was held in Geneva, Switzerland. The support was administered by the Norwegian Directorate for Nature Management (DN). A separate programme for the OfD-funded participants was developed jointly by the Ministry of Environment, DN and NIBR. 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.

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#### // GLOBAL GAS FLARING REDUCTION PARTNERSHIP (GGFR)

The Global Gas Flaring Reduction Partnership (GGFR) is a World Bank-led initiative aimed at reducing gas flaring by sharing global best practices and implementing country specific programs. As the international community is examining ways of reducing

greenhouse gas emissions and moving toward low-carbon economies, natural gas, as the cleanest burning fossil fuel, is becoming an increasingly attractive component of the energy mix in countries around the world. Yet billions of dollars in natural gas are burned or flared at oil fields across the world. While, according to the GGFR, the total volume of gas flared has been reduced over the years, it is estimated that about 140 billion cubic meters of natural gas are still being flared and vented annually. This is equivalent to more than the total gas consumption of Central and South America combined. Eliminating carbon dioxide emissions from flaring would be equivalent to taking some 160 million cars off the road. Natural gas is released when oil is produced, but is less profitable to process, especially in countries that lack sufficient regulations, infrastructure and markets for it. Solving the challenge of bringing this wasted gas to productive use is the mission of this partnership.

Through the GGFR, major oil companies and governments are now working together to minimize this waste by raising the awareness about the issue, jointly overcoming the barriers that inhibit more gas utilization, as well as sharing global best practices and implementing country specific programmes. Norway was one of the founders of the initiative in 2004 and has supported the programme since, with approximately USD 130 000 per year. However, the programme has a lot of challenges, as a variety of factors make it uneconomical or physically difficult for some resource holders to reduce gas flaring.

OfD aims at combining our bilateral cooperation with the multilateral

initiatives of GGFR. In 2010 OfD, representing Norway took active part in the governing process of the initiative through our participation in the Steering Committee of GGFR.





Photo: Ken Opprann

# GENDER: A CROSS-CUTTING EFFORT

Oil for Development approaches petroleum sector management through three integrated thematic areas: resource management, environmental management and revenue management. Below, we summarize the results of our work in 2010 on an important topic that cuts across these three thematic areas: gender.

## // ENERGY, GENDER ISSUES AND EQUAL OPPORTUNITIES

Attention to women's rights and gender equality continues to be weak especially in the energy sector. Gender mainstreaming (GM) in the OfD programme is the process of systematically integrating the different needs, interests and priorities of not only men but also of women in policies and activities of institutions in the petroleum sector. The process implies gender analysis, development of gender strategies and action plans, establishing gender disaggregated data and baselines, adjusting energy programme result matrixes as well as the documentation of results of gender mainstreaming activities.

In 2010 there was a strong focus on gender issues in OfD, in joint effort with the Clean Energy (CE) Initiative in Norad:

>> Norad entered into a three-year frame agreement totalling up to NOK 5 million with Energia – a leading international network on gender and sustainable energy

that works to create an institutional base for mainstreaming gender into the energy sector in developing countries. Energia produced a progress report and toolkit with suggestions on how to target gender entry points in OfD.

>> Development of an action plan for GM in energy programmes was initiated and will be finalized in 2011. This is the first GM strategy Norad has developed for a technical sector, such as the energy sector.

>> Petrad and Energia started cooperating within GM in Petrad's result matrixes, manuals and courses as well as through the exchange of networks and competence.

>> A background paper for the upcoming World Bank's World Development Report 2012 dealing with gender issues was initiated. The paper is an in-depth discussion on the cultural and institutional factors which affect the use of different technologies

and the implications such factors may have for policy. The discussion draws on case studies from Zanzibar and rural South Africa.

>> On request from the Norwegian Embassy in Maputo, Energia was engaged to develop GM in energy cooperation with Mozambique. Needs and possibilities for strengthening GM within the CE and OfD cooperation with Mozambique are assessed and a targeted programme of support will be suggested. The assignment is a good example of an in-depth strategic process of GM in OfD at the country level.



# WHO WE ARE

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OfD is a programme which unites the efforts of a range of public and private institutions representing diverse skills and competences. Below we briefly introduce the Norwegian and international institutions which are involved.

## // THE STEERING COMMITTEE AND THE SECRETARIAT

OfD has a ministerial Steering Committee with representatives from four ministries: Ministry of Foreign Affairs (MFA), Ministry of Finance (MoF), Ministry of Petroleum and Energy (MPE) and Ministry of the Environment (MoE). The Steering Committee formulates strategic directions, guidelines and priorities for the Secretariat and implementing organizations, and decides on major project proposals. The Steering Committee also ensures overall quality control of the OfD programme.

The OfD Secretariat is part of the Energy Department in Norad (Norwegian Agency for Development Cooperation), and is responsible for coordination and implementation of the OfD programme, including operational management, information exchange and facilitation of quality control.

## // THE NORWEGIAN EMBASSIES

The Norwegian embassies play an essential role in OfD, as extensive development cooperation responsibility is assigned to them. The embassies hold valuable local and regional knowledge, and network extensively with government agencies, industry, civil society as well as international

organizations and other donors in their respective countries. Requests for OfD assistance are normally channelled through the embassies, and embassy staff generally appraises and provides advice on proposals for cooperation. The OfD Secretariat, in cooperation with the respective ministries of the Steering Committee, is responsible for the professional content of the different initiatives in the OfD programme.

## // KEY IMPLEMENTING AGENCIES

Key implementing agencies are the Norwegian Petroleum Directorate (NPD), the Petroleum Safety Authority Norway (PSA), the Climate and Pollution Agency (Klif), the Norwegian Directorate for Nature Management (DN), and Petrad as well as the Steering Committee ministries. A range of consultancies, research institutions and NGOs are also involved. The Norwegian oil and gas industry may be drawn upon in transferring competence and knowledge, in line with OfD's Guidelines for Use of the Petroleum Industry. A more detailed description of the implementing institutions is found below.

### The Norwegian Ministry of Foreign Affairs (MFA)

The MFA is both a preparatory and an executive body in foreign policy matters, economic foreign policy issues

and aid-related matters. The Ministry has two ministers; the Minister of Foreign Affairs and the Minister of the Environment and International Development, both with their own areas of constitutional responsibility

The MFA has an important coordinating and advisory role vis-à-vis other ministries as it is the Minister of Foreign Affairs who is responsible for the organization, coordination and implementation of Norwegian foreign policy. The Ministry is also responsible for a number of government institutions, including Norad.

The objective of Norway's development policy is to fight poverty and bring about social justice. In 2010 the Government spent approximately NOK 27 billion for emergency relief and development cooperation. Areas that are given particular priority in the development cooperation budget are environment and sustainable development, peace building, human rights and humanitarian assistance, petroleum and clean energy, women and gender equality, good governance and anti-corruption efforts.

The MFA heads the Steering Committee for the OfD programme.

### The Norwegian Ministry of Petroleum and Energy (MPE)

The MPE holds the overall responsibility for management of petro-

leum operations on the Norwegian continental shelf. This includes ensuring that the petroleum activities are carried out in accordance with the laws and guidelines laid down by the Storting (parliament), which determines the framework for petroleum operations in Norway, and the government. The primary functions of the MPE are:

- >> Development of the legal, regulatory and institutional framework for petroleum activities in Norway
- >> Preparation and implementation of policies, such as opening new acreage and licensing, handling of field development, production and transport plans and environmental issues related to the petroleum activities
- >> Implementation of Memoranda of Understanding for cooperation with the authorities in other countries
- >> Internationalization of the Norwegian petroleum sector; the INTSOK foundation has been established to assist the MPE in this process.
- >> Monitoring state-owned companies in the petroleum sector.

The MPE is a member of the Steering Committee for the OfD programme. The Ministry also coordinates the involvement of the NPD and the PSA.

#### **The Norwegian Ministry of the Environment (MoE)**

The MoE was established in 1972 as one of the first ministries of its kind in the world.

The MoE is responsible for the overall environmental policy in Norway, coordinating the government's environmental policy objectives, and ensuring follow-up and monitoring

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

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

The MoE is a member of the Steering Committee for the OfD programme. The Ministry also coordinates the involvement of the Norwegian Directorate for Nature Management and the Climate and Pollution Agency in the OfD programme.

#### **The Norwegian Ministry of Finance (MoF)**

The MoF is responsible for:

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

- >> Monitoring financial markets and drawing up regulations.

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

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

The MoF is a member of the Steering Committee for the OfD programme. Through OfD the Ministry of Finance is actively involved in Timor-Leste and Uganda providing support and advice on economic policy and revenue management.

#### **The Norwegian Petroleum Directorate (NPD)**

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

The paramount objective of the NPD is to contribute to creating the greatest possible values for society from the oil and gas activities by means of prudent resource management based on safety, emergency preparedness and safeguarding of the external environment.

The primary functions of the NPD are to:

- >> Exercise administrative and financial control to ensure that petroleum activities are carried out in accordance with applicable

legislation, regulations, guidelines, decisions and licensing terms

- >> Ensure that petroleum activities are carried out in accordance with the guidelines laid down by the MPE
- >> Advise the MPE on issues relating to subsea natural resource exploration and exploitation
- >> Issue regulations relating to resource management
- >> Supervise the industry's compliance with regulations for resource management
- >> Perform resource assessments and maintain a resource inventory
- >> Ensure that petroleum activities minimize discharges and emissions to the external environment
- >> Manage and make available petroleum data and information
- >> Audit fiscal metering systems
- >> Ensure security of petroleum deliveries
- >> Handle CO<sub>2</sub> tax issues on behalf of the MOF
- >> Emphasize cost-effectiveness in exploration and production, cost-effectiveness in utilization of the infrastructure and coordination across production licenses
- >> Support sister organizations in other petroleum producing countries through institutional co-operation or technical assistance.

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

The NPD assists Norad and the MFA in planning and implementing petroleum sector support to authorities

in selected countries and regional organizations under the OfD programme.

For more information, please visit [www.npd.no](http://www.npd.no)

#### **Petroleum Safety Authority Norway (PSA)**

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

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

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

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

For more information, please visit [www.ptil.no](http://www.ptil.no)

#### **The Climate and Pollution Agency (Klif)**

The Climate and Pollution Agency (Klif) is an executive agency subordinated to the Norwegian Ministry of the Environment. Klif's vision is a future without pollution.

Klif is working to:

- >> Reduce greenhouse gas emissions
- >> Reduce the spread of substances harmful to health and environment
- >> Achieve a holistic and ecosystem based management of water bodies and oceans
- >> Increase recycling and reducing emissions from waste
- >> Reduce harmful effects from air pollution and noise

Klif's functions and roles are to:

- >> Monitor and inform about state and trends in the environment
- >> Exercise authority through regulations and compliance monitoring
- >> Instruct and guide County Governors
- >> Advise the Norwegian Ministry of the Environment
- >> Participate in international environmental cooperation

In the context of the OfD programme, Klif may provide advice and support in capacity building within its areas of

responsibility based on the agency's long time experience related to Norwegian oil and gas industry activities. This includes advice and exchange of experience regarding environmental impact assessment reviews, permitting, discharge standards, emission quota systems, use of chemicals waste handling, oil spill contingency preparedness and environmental and compliance monitoring and reporting.

For more information, please visit [www.klif.no](http://www.klif.no)

#### **The Norwegian Directorate for Nature Management (DN)**

The Norwegian Directorate for Nature Management serves as an executive and advisory body for the Ministry of Environment, and its main areas of responsibility include outdoor recreation and the conservation and sustainable use of biodiversity.

The Directorate assists the government in its environmental protection work at national and international level, and is responsible for implementing the government's environmental policy, and for identifying, preventing and dealing with environmental problems.

DN's main tasks include:

- >> Safeguarding the variation of Norway's natural environment and landscape and maintain the natural production capacity
- >> Ensuring that consideration for the long-term use of natural resources is taken into account in connection with oceans and coastal management, land-use and watercourse planning and plans that affect the natural environment

- >> Having management responsibilities for wildlife, freshwater fish, protected areas and invasive alien species
- >> Maintaining overview of present and future ecological effects of climate change in Norway and developing adaptation and mitigation measures within nature management
- >> Promoting opportunities to use nature for outdoor recreation, training and harvesting
- >> Procuring and disseminating knowledge as the basis for active and preventive transparent nature management
- >> Performing national management and advisory duties for global and regional multilateral environment conventions and agreements on biodiversity

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

For more information, please visit [www.dirnat.no](http://www.dirnat.no)

#### **Petrad**

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

Petrad organizes eight-week programmes on Petroleum Policy and Resource Management and Petroleum Development and Operations in Stavanger, Norway. For a more detailed description of Petrad's eight-week programmes see page 82. In addition, Petrad organizes training modules worldwide, as well as tailor-made seminars covering a range of different topics within petroleum management, administration and technology. The programmes last from one day to 10 weeks and are staged in Norway and abroad. All of Petrad's courses and seminars have a practical focus.

Petrad also offers and facilitates advisory and consultancy services in institutional development throughout all phases of petroleum sector development. Petrad's Capacity and Training Needs Assessment (CTN A) service is an organizational development tool designed to perform a systematic analysis of institutional competence needs. Petrad draws on key personnel and lecturers from the Norwegian and international petroleum industry.

Petrad has a staff of 11 persons and its annual turnover is NOK 57.9 million.

For more information, please visit [www.petrad.no](http://www.petrad.no)

#### **Other agencies**

A range of consultancies and research institutions are also involved in implementing the OfD-initiative. Current framework agreements, entered into in July 2010, are with Arntzen de Besche, Bridge Consult AS, and IPAN AS (International Petroleum Associates A/S) and run to

July 2013. OfD may also draw upon Norad's general framework agreements.

OfD draws upon the competence of Norwegian and international oil and service companies, for example INTSOK, on some issues, particularly in areas such as education/vocational training, technology transfer and generating industrial/economic spin-offs from oil sector activities.

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

OfD's Guidelines for Use of the Petroleum Industry as well as more detailed information and news concerning the OfD-programme, can be found on: [www.norad.no](http://www.norad.no)



**OIL FOR DEVELOPMENT SECRETARIAT**  
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