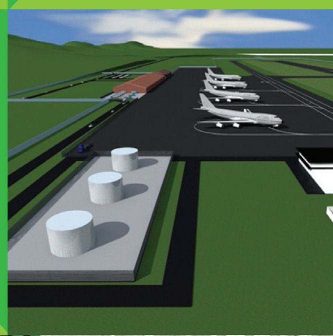
MEASURE IT TO MANAGE IT

THE SECOND ANNUAL PETROLEUM SECTOR SCORECARD

FY 2017/2018



National Planning Authority (NPA) in Collaboration With
Africa Centre For Energy & Mineral Policy (ACEMP)

german cooperation
DEUTSCHE ZUSAMMENARBEIT
Implemented by: giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ACEMP Africa Centre For Energy And Mineral Policy

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List of Acronyms

BOU	Bank of Uganda
EITI	Extractive Industries Transparency Initiative
ESIA	Environment and Social Impact Assessment
HSE	Health, Safety and Environment
LG	Local Government
MDAs	Ministries Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
OAG	Office of the Auditor General
PAU	Petroleum Authority of Uganda
SIA	Strategic Impact Assessment
TI	Transparency Initiative
UNOC	Uganda National Oil Company
URA	Uganda Revenue Authority
WGI	Worldwide Governance Index

Executive Summary

The Government of Uganda's 'Vision 2040' launched in April 2013, aims to transform Uganda from a predominantly peasant society to a competitive modern country with a median income of US$ 9,500 by 2040. The Vision acknowledges that socioeconomic transformation can be achieved by prioritising development in key sectors of the economy. As such, the petroleum subsector has been identified as one of those priority sectors to drive Uganda's socioeconomic transformation[1].

The National Planning Authority (NPA), in collaboration with the Africa Centre for Energy and Mineral Policy (ACEMP) launched the Annual Petroleum Subsector Scorecard for Uganda in 2016. The purpose of the scorecard is to assess the performance of the subsector and identify key interventional areas aimed at enhancing the contribution of the sector towards Uganda's socio-economic transformation which is enshrined in the National Development Plan (NDP) and Vision 2040. The petroleum scorecard for Uganda is a tool for assessing the performance of the subsector along identified key indicators that are aligned with national development priorities. These indicators are based on the various sectoral documents such as policies, legal frameworks and strategic plans, among others.

The first edition of the petroleum development scorecard examined the existence of the requisite institutional and legal frameworks, the reporting frameworks, the enabling environment and safeguards and control systems. These parameters were important at the time because the sub-sector was experiencing some sort of lull as the International Oil Companies (IOCs), Petroleum Institutions and the Government of Uganda concluded negotiations and preparations for the development phase. The subsector thus achieved an overall score of 65.5% i.e. it was found to have partially addressed the indicators that were being assessed.

Since then, many developments have taken place as the country prepares to produce first oil around 2020/21. In this second scorecard, therefore, we assess Uganda's preparedness to enter the development phase of the subsector and its capacity to ensure that the exploitation of oil and gas resources benefit every Ugandan and leads to fair and equitable development across the country.

In summary, the average performance of the sector was slightly above average at 52%. An indication that the subsector has addressed some of the key issues assessed. Specifically, the subsector scores were below average in the indicators relating to Access to Oil and Gas Resources (38.3%); Institutional Establishment and Development (48.3%); Petroleum Production, Revenue Generation, Collection and Management (50.4%), Local Content Development and Participation (50%); Health, Safety and Environmental Conservation and Management (47.6%); Infrastructural Development (58.5%); Gender, Equity, Social Inclusion and Participation (55.6%); Value Addition and marketing (72.7%); and Regional and International Initiatives (44%).

This average performance indicates various weaknesses that were identified along all the key indicators, which require attention by the subsector. These include improving the oil and gas data management systems; strengthening the regulatory framework on information and access to oil and gas data within the sector; strengthening the institutional governance and development within the oil and gas institutions such as PAU, UNOC, DoP by recruiting the required competent staff to fill the existing gaps; promoting transparency on revenue sharing mechanism as per government's commitment in the Oil and Gas Policy, 2008; supporting the development and incubation of SMEs to supply goods and services to the oil and gas industry; training and skilling of Ugandans to effectively participate in the industry; establishing the environmental decommissioning fund; promoting environment awareness and sensitisation within the Albertine; supporting women and disadvantaged group to actively participate and benefit from the sector; and properly plan for value addition in the petroleum subsector.

Executive Director
National Planning Authority

Executive Director
Africa Centre for Energy
and Mineral Policy

1 NDPII (2015) and Uganda Vision 2040 (April 2013).

1. Background of the Petroleum Subsector Annual Scorecard

The Vision 2040 and the NDP II identified the petroleum sub-sector as a key fundamental and driver in the achievement of "A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years." It is projected that the subsector will generate revenues that will be used to spur growth in other sectors, create employment, infrastructure and human resource development, in the process enriching the country's Gross Domestic Product (GDP).

The National Planning Authority (NPA), whose key functions among others includes *Monitoring and evaluating of Public Projects and Programmes and Liaising with the private sector and civil society in the evaluation of Government performance;* collaboratively works with the Africa Centre for Energy and Policy (ACEMP), to annually produce and disseminate the petroleum subsector scorecard, to inform decision making on key issues affecting the subsector and to guide the sector planning and budgeting processes.

The first edition of the scorecard, which was launched in 2016, examined the existence of the requisite institutional and legal frameworks, the reporting frameworks, the enabling environment and safeguards and control systems. It revealed fundamental issues that impact the performance of the sub-sector, which required urgent attention by the relevant stakeholders. Overall, the findings of the first edition of the scorecard indicated that the Petroleum Subsector scored above average at 65.5 percent. This aggregate score was reflective of better performances in institutions, policy, and legal framework (66.9%); reporting mechanisms (71.5%); and safeguards and control (64.5%). However, the sector did not perform well as regards to the creation of an enabling environment (32%). More government efforts were required to strengthen the performance of the petroleum sector especially in providing an enabling environment and framework for value addition. This could be achieved by easing access to resources; strengthening the revenue generation, collection and management systems; operationalization of the local content policy; strengthen health, safety and environment management; infrastructural development; improve on citizens engagement and participation; and implementation of value addition programs.

This second edition of the petroleum subsector scorecard presents an opportunity for the country to assess the progress made towards the implementation of the recommendations made in the first scorecard; but also draw urgent attention to issues that need immediate action by the government, the relevant stakeholders and partners. It delves into assessing the operationalization and functioning of systems and frameworks that were identified as existing in the first scorecard edition.

Specifically this scorecard assessed the performance of the petroleum subsector along the following ten (10) key areas-which also represent the principles and aspirations of the National Oil and Gas Policy (2008);

- Petroleum Reserves;
- Access to Oil and Gas Resources;
- Institutional Establishment and Development;
- Revenue Generation, Collection and Management;
- Local Content Development and Participation;
- Health, Safety and Environment Conservation and Management;
- Infrastructural Development;
- Gender, Equity, Social Inclusion and Participation;
- Value Addition, Marketing and Sales; and,
- Regional and International Initiatives.

Justification of the Annual Petroleum Scorecard

According to the Public Finance Management Act, 2015 under S.13 (6) all ministerial annual budgets are required to be consistent with the NDP, the Charter of Fiscal Responsibility and the Budget Framework Paper. Under S.13 (7), the annual budget should be accompanied by a Certificate of Compliance issued by NPA.

The Scorecard provides the NPA with the evidence of performance of the petroleum subsector, which informs part of the NPA's decision in the awarding of the Certificate of Compliance to the Energy and Mineral Development Sector. As part of the assessment process, a comprehensive assessment framework was developed in consultation with other relevant stakeholders and used by NPA to guide and standardize assessment, in terms of, the consistency and compliance between the Annual Budget with the NDP, the Charter of Fiscal Responsibility and the National Budget Framework Paper.

The certificate of compliance issued by the National Planning Authority for the Annual Budget FY2015/16 rated the overall performance of the Ministry of Energy and Mineral Development at 53.4%. Notably the National Planning Authority also observed that though the Ministry had put in place a Strategic Development Plan, the same had not been aligned with NDP-II. Even though the certificate generally talked about the Energy and Mineral Development sector, it was specifically silent on the petroleum subsector. It's assumed that were was probably insufficient data that would form a basis for assessing the subsector. This scorecard assessment of the petroleum subsector provides an opportunity for NPA to understand the level of performance of the subsector, which would act as a basis to estimate its contribution to the performance of the sector.

2. Methodology

2.1 Scorecard Design

The assessment was both quantitative and qualitative in nature. It relied on three main categories of data: routine and non-routine, all collected and processed by the various MDAs in Uganda. Routine or administrative data is collected as a part of the regular monitoring process by the responsible MDAs; while non-routine data is collected on a periodic basis, often annually, or as a part of the national statistical studies commissioned by government, and mostly carried out by the Uganda Bureau of Statistics (UBOS). The third source was the primary data collection, where the data collectors engaged various MDA's and stakeholders such as communities and the local leaders in areas where petroleum activities and developments are being undertaken.

2.2 Weighting and Scoring

Each of these indicators has various Key Result Areas (KRA) that were assessed; and each area has various questions that feed into its score. Each question under these indicators was given a specific score ranging from 0 – 100 depending on the level of performance. It was then weighted against the prescribed weight; depending on the assumed influence it has on the subsector to achieve its objectives. For each of the KRAs, the total sum of scores from each question is divided by the maximum total scores that can be scored by the KRA and divided by 100 to arrive at the percentage score of the KRA. The average scores for the KRA make up the indicator score. The average scores for all the indicators make up the final score for the subsector. The scoring and weighting of the questions and indicators was benchmarked with international best practices of scoring the performance of the extractive sectors as used in other resource-rich countries such as Norway, Chile, South Africa, and Australia.

Table 1: Measurement criteria

Point on the scale	Weight.	Range (%)	Colour Code
Not Addressed/ Milestone, target or standard Not attained	0	0	
Inadequately addressed/ Milestone, target or standard inadequately attained	1	≤ 25	
Partially addressed/ Milestone, target or standard partially attained	2	26 - 50	
Mostly addressed/ Milestone, target or standard mostly attained	3	51 - 75	
Fully addressed/ Milestone, target or standard attained	4	76 - 100	

The assessment of the observed values or qualities or quantities of performance were conducted to determine whether the indicator performance is fully *addressed, mostly addressed, partially addressed, inadequately addressed or not addressed* for the non-numeric indicators. Where the observed value is numeric, the assessment tested the trend of performance if the: *Milestone, target or standard was not attained; Milestone, target or standard inadequately attained; Milestone, target or standard partially attained; Milestone, target or standard mostly attained; Milestone, target or standard attained.*

2.3 Data Collection, Entry and Analysis

The assessment involved the collection of both secondary and primary data. Secondary data collection included the review of national documents, the policies, laws, regulations, guidelines and reports. The primary data involved interviewing of key stakeholders, such as government institutions, the private sector, project affected communities and the civil society. Primary data collection tools were jointly developed by NPA and ACEMP with other sector stakeholders.

Quantitative data was collected with a data collection tool that was administered to the various MDA's relevant to the petroleum subsector. The tool endeavored to assess the extent to which the various aspects of the subsector have been implemented. Responses collected with this tool were triangulated with routine or administrative data collected from the various government documents and reports.

Qualitative data was collected through Focus Group Discussions (FGDs) with the communities in the sampled districts, using a guiding tool. The groups were categorized according to females, males, and youths. In all 09 FGDs were conducted in three sampled districts of Hoima, Buliisa and Nwoya. Key informants interviews were also conducted with the various political and technical local government leaders within the sampled districts as seen in appendix 1.

Data collected was entered into an inbuilt excel database which analyzed and produced the results (scores) and the various graphs presented. These were later used to write the report alongside the qualitative data and information from the various reports and documents. The draft scores were validated by all participating government institutions and other key stakeholders to produce the final score of the sector; and subsequently a report produced and launched.

3. Subsector General Scores

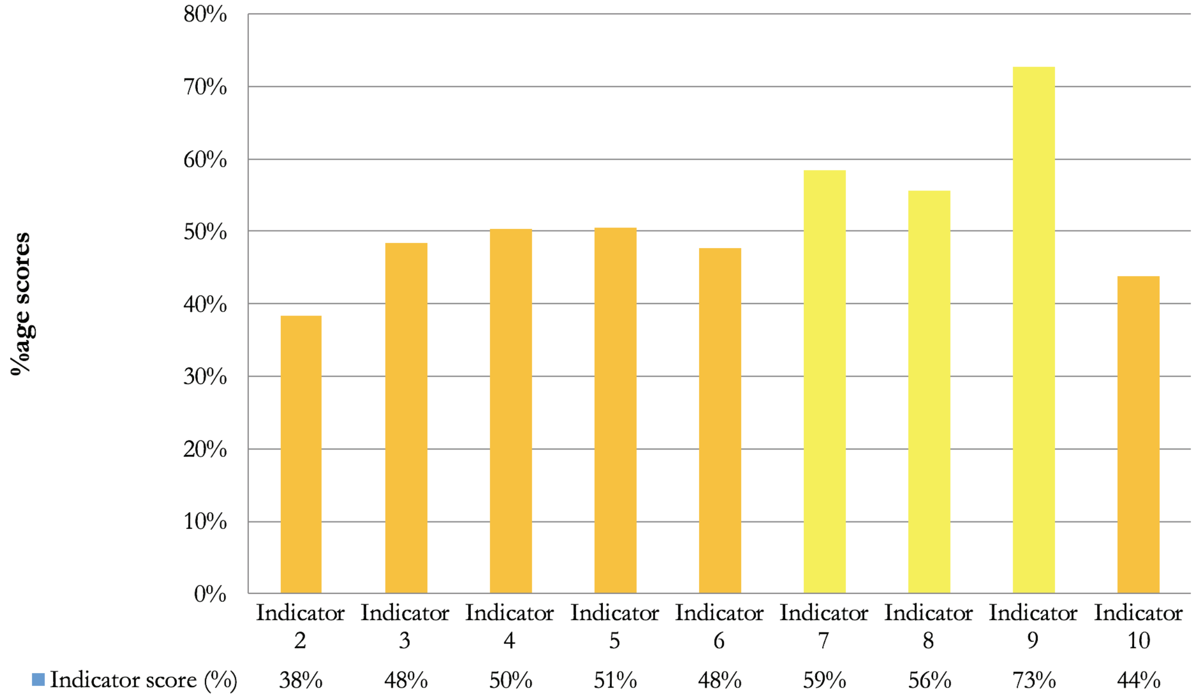
Overall score of the Subsector: 52% - Mostly addressed

This indicates that the subsector has addressed most of the issues assessed in this scorecard. However, there are some outstanding issues that still need to be addressed within the key indicators that were assessed. This score is an aggregation of the sector's score along all the indicators considered in this scorecard.

3.1 KeyIndicator Performance Scores

Figure 1 below shows a detailed analysis of the performance of the subsector along the key performance indicators. It also provides the key areas that were assessed in each indicator and how the subsector performed under each indicator.

Figure 1 Petroleum subsector scores along the key Indicators



3.1.1 Petroleum Reserves (size of established and potential reserves)

Uganda discovered commercial oil and gas deposits in the Albertine Graben with potential resources estimated at 6.5 billion barrels of stock tank oil-initially-in-place (STOIIP) and 500 bcf of natural gas. There are more prospective resources of oil and gas deposits that are expected to be discovered as continuous exploration is carried out in all the potential areas.

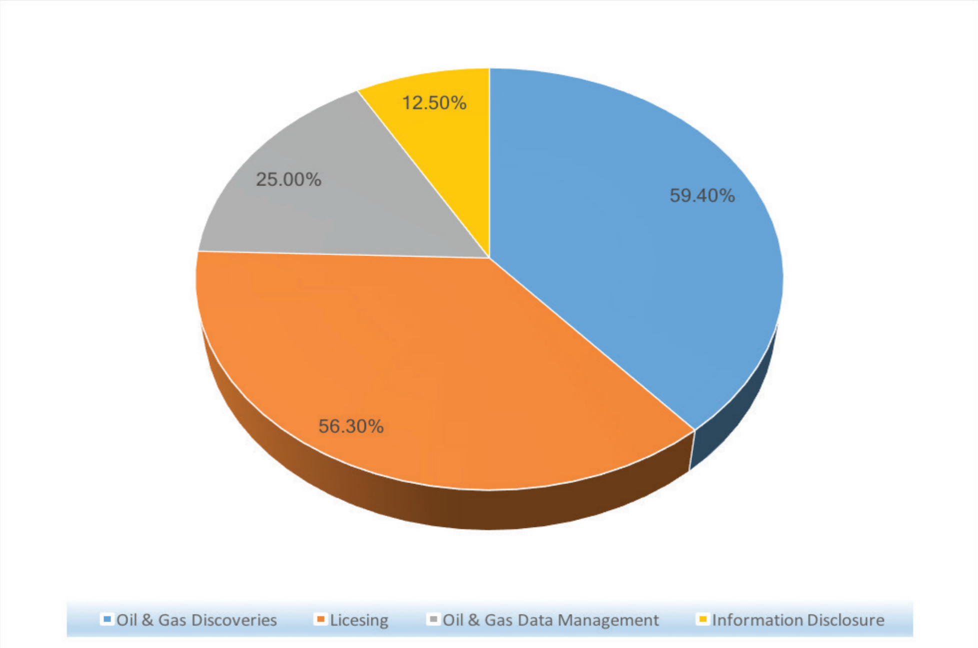
About 40% of the Albertine Graben has been explored. The total reserves are expected to increase with further licensing and exploration activity in the remaining 60% of the Graben. There are more prospective resources of oil and gas deposits that are expected to be discovered as continuous explorations are carried out in all the potential areas.

3.1.2 Access to the Oil and Gas Resources

Indicator Score: 38.3% - Partially Addressed

The sector is deemed to have partially addressed the issues concerning access to oil and gas resources. This indicator was assessed under four Key Results Areas, (Licensing, Oil and gas data management, Oil and gas discoveries, and information disclosure). The performance of the subsector under this indicator is explained in detail below;

Figure 2: Performance of the subsector under Key Results Areas in indicator 2



i. Licensing (56.3%)

The sector applies the gradual licensing round as opposed to licensing all exploration areas at once. The sector conducted an evaluation study on the merits of gradual licensing and found it more viable. This form of licensing gives an opportunity for the government to negotiate different terms for every exploration area. The sector also applies the selected competitive bidding, which is increasingly becoming popular and supported by the international community. The benefits from the competitive bidding is that it instinctively helps the government raise enough money from the highest bidder since the International Oil Companies (IOCs) have the potential to raise millions of dollars in upfront cash to the government.

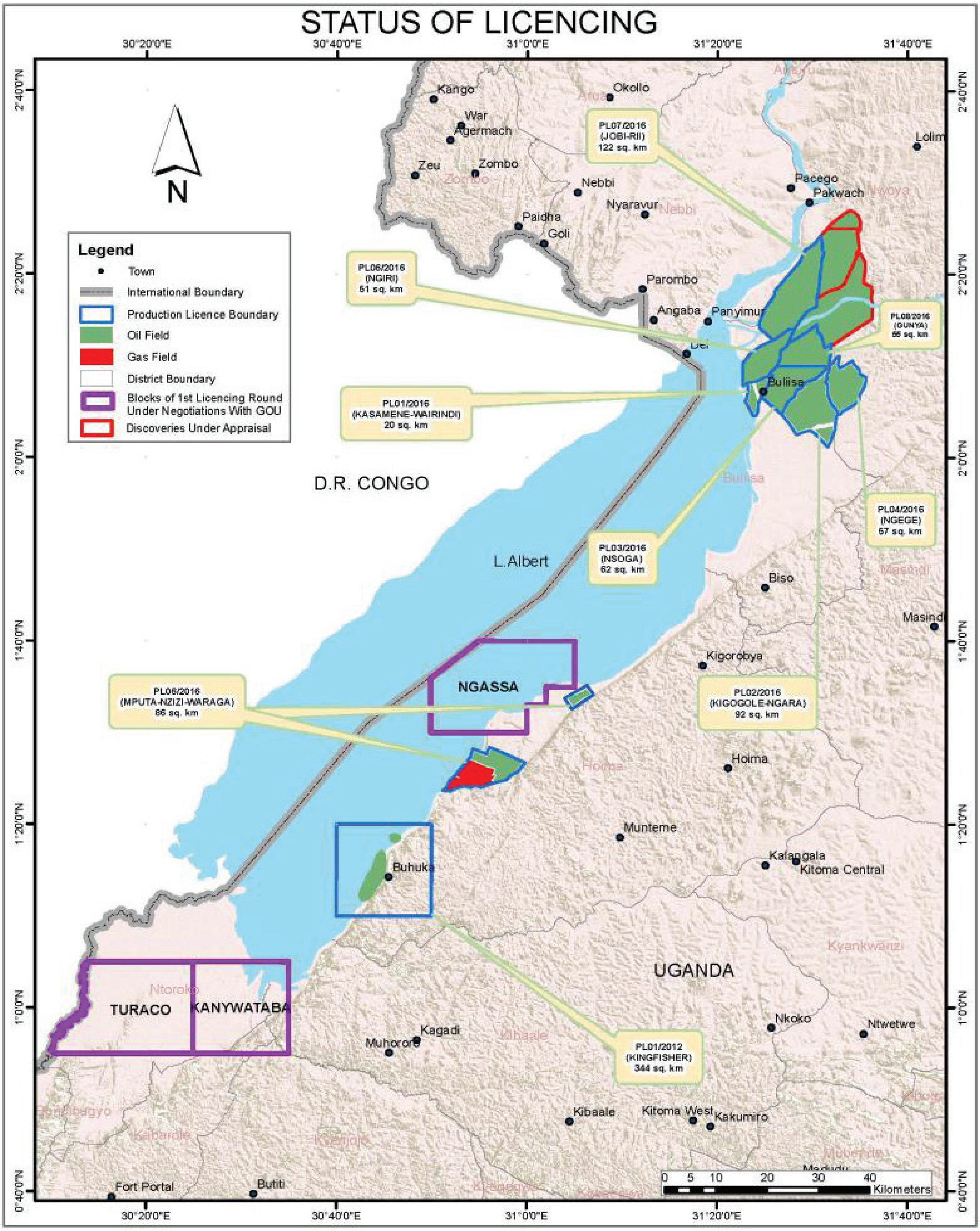
The sector also conducts due diligence before awarding of the license to the applicants. This is done using an already prescribed criterion. Due diligence is carried out on both the companies' technical and financial capabilities together with their environmental standards.

The assessment also noted that the Production Sharing Agreement (PSA) model was reviewed and updated to take into account the country's oil and gas potential and the government recently negotiated a PSA with new bidders. Two PSAs (EA1 and EA1A) that were relinquished by Neptune were taken over by Total P&E. This has seen the increase in the number of licensed exploration companies to 9 from 6 in 2008; and 9 production licenses from 1 in 2012.

Three Exploration Licenses were issued in September and October 2017 following the entry of Armour Energy and Oranto Petroleum into Uganda's petroleum sector. Exploration of new acreage is expected in 2018.

Uganda discovered commercial oil and gas deposits in the Albertine Graben with potential resources estimated at **6.5 billion** barrels of stock tank oil-initially-in-place (STOIIP) and **500 bcf** of natural gas. There are more prospective resources of oil and gas deposits that are expected to be discovered as continuous exploration is carried out in all the potential areas.

Figure 3: Map showing the licensing Status in the Albertine



Source: PAU, www.pau.go.ug

Operator	Area	License	Partners
CNOOC (U) Ltd	EA 3A Kingfisher	Production License (PL)	Total, Tullow, UNOC
Total E&P Uganda	EA 1&1A 3	• 3 PLs over 4 fields • 3 PL applications	CNOOC, Tullow, UNOC
Tullow Oil	EA 2	• 5 PLs over 9 fields	CNOOC, Total, UNOC
Armour Energy	Kanywataba	• 1 Exploration License (EL)	UNOC
Oranto Petroleum	2 PSAs Ngassa	• 2 ELs (Shallow and Deep plays)	UNOC

There are however no prescribed procedures for mergers and acquisitions in the oil and gas industry. This jeopardizes government efforts to collect the required revenues that could be generated during the process of mergers and acquisitions. The government should therefore take this as a matter of urgency and expedite the preparation of these procedures before during the development phase in the petroleum industry.

ii. Oil and Gas Discoveries (59.4%)

Oil and gas discoveries have risen to 21 from 3 discoveries in 2006, depicting an impressive 88% drilling success rate. Also the numbers of prospects established in the licensed areas have been rising. The subsector has also experienced an increase in the number of oil and gas prospects in the licensed areas. It was however noted that even though the sector set exploration, development and production targets, some of these targets are behind schedule and overtaken by events, yet they haven't been reviewed. **There is need for the sector to review all the targets that were set, taking into account the current circumstances so that they are in tandem with the national vision.**

iii. Oil and Gas Data Management (25%)

Oil and gas exploration companies are required to regularly submit reports indicating geological, geochemical and geophysical work carried out; and seismic reports. It was however noted that oil and gas companies don't regularly submit these reports. This was particularly due to the lack of guidelines. The subsector is in the process of developing these guidelines. Also, the subsector lacks the quality control and assurance mechanisms for the verification of the submitted data and reports.

The subsector has a database controlled by the Petroleum Authority of Uganda (PAU) for the storage and management of the submitted data. However, this database isn't accessible to the general public due to its confidentiality. To access it, one has to be authorised in addition to signing the non-disclosure agreements. The sector also lacks both the physical data storage systems for the data storage and safety and a safe storage and archive of Oil and Gas data bank. The subsector though has a data backup and recovery plan, it's yet to be implemented. It also lacks a prescribed procedure for determining the rate for the sale of data. **Thus, the sector should fast-track the development of guidelines for management of oil and gas data; improve on data accessibility; and, establish quality control mechanisms and capacities for submitted data.**

iv. Access to Information & Disclosure (12.5%)

Although there is full disclosure of all license applications that are received by the sector, which are published in the major newspapers and on the directorate of petroleum website www.petroleum.go.ug.; negotiated contracts, agreements and terms for all the exploration and production licences remain confidential. One of the specific objectives of the PAU draft Communication Strategy is "to design and execute a flawless multi-media communication plan for the respective stakeholders." However, the Strategy doesn't provide a framework through which such critical information like negotiated contracts, agreements and terms can be disclosed to the public.

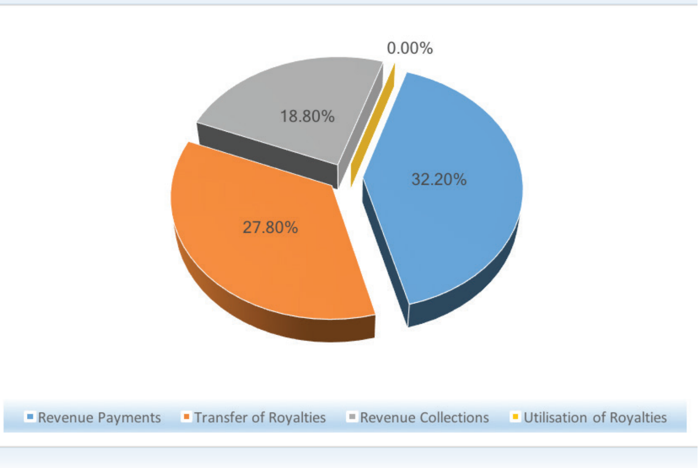
Summary of reasons for the low performance under Information Disclosure	
Positives	*Negatives*
• The sector publishes a notice to indicate receipt of an application for a license	• All contracts, agreements or negotiated terms for oil & gas exploration & production aren't disclosed to the public • No framework for easy access to oil & gas information in place • Data on oil and gas is accessible to only authorized internal users, but not the public

3.1.3 Institutional Establishment and Development

Indicator score: 48.3% - Partially Addressed

This indicator score is at 48.3%, showing that the subsector has partially addressed the issues assessed. The issues considered under this indicator are; the capacity of the petroleum institutions to deliver on their mandate, governance of the petroleum institutions, and collaboration amongst the petroleum institutions. The assessment mainly concentrated on three main institutions and these are; Directorate of Petroleum (DoP), the Petroleum Authority of Uganda (PAU), and the Uganda National Oil Company (UNOC). The scores of each of these indicators are explained below;

Figure 4: Performance of subsector under Key Results Areas under Indicator 3



i. Capacity of Petroleum Institutions (45%)

Under this element, both human and financial resources available to the institutions to execute their mandates were assessed.

Directorate of Petroleum: The scorecard noted that even though the directorate is operational, it does not have adequate manpower and technical capacity required to execute its mandate. With the creation of new and emerging institutions, the need for experienced and qualified staffs has affected the directorate, with most of its staff taking up lucrative positions in these new institutions. This has left the directorate with several vacant positions. In order to fill the gap and improve the capacity and institutional development, the directorate has continued to train staff in both long-term formal and short-term refresher trainings. The directorate also coordinates the capacity building of all relevant government institutions in petroleum related disciplines so as to sustainably support the management of the subsector. **There's a need for concerted efforts by the government and the DoP to ensure retention of the technical staff.**

Furthermore, the directorate is still grappling with limited funding to finance the operation of several activities. Due to insufficient funding, there has been a reduction in the capacity building activities for staff and institutional development programs.

Uganda National Oil Company (UNOC): The UNOC was established by Article 42 of the Petroleum (Exploration, Development and Production) Act 2013 and incorporated under the Company's Act 2012. In order to fulfil its mandate, UNOC is still in the process of recruiting qualified and competent staff and conducting capacity building activities. By the end of FY2016-17, the company had recruited only 22 staff members. Since the company has just been incorporated, it still has some funding challenges. It requires additional funding to meet its expenditures.

According to the Auditor General's Report (2017), none of the shareholders of UNOC had paid up their share of the Company whose share capital is Ugx.10Bn i.e. 10,000 ordinary shares each with a share value of Ugx.1 million each. The Ministry of Energy and Mineral Development (MEMD) has a shareholding of 51% while the Ministry of Finance, Planning and Economic Development (MoFPED) has 49% shares.

UNOC further faces a challenge of adequate funding to effectively manage Uganda's commercial interests in the oil and gas sector as a participant in the joint ventures and production sharing agreements as well as the refinery and pipeline. The failure of the shareholders to fully pay up for their shares is a contributing factor to this challenge given than UNOC only received Ugx. 1.3Bn from the Ministry of Energy and Mineral Development after it became operational. **The Company should thus explore the various funding options to fund its operations.**

Petroleum Authority of Uganda (PAU): PAU became fully operational in February 2017, when the first level management, including the Executive Director was put in place. The authority developed the organisation structure and is currently recruiting competent staff. In order to execute its mandate, PAU is currently supported by many staff seconded from MEMD. In order to improve on capacity levels, the authority is placing more technical officers to work with oil companies staff developing the East Africa Crude Oil Pipeline (EACOP), TILENGA and KFDA FEED. **But it should continue attracting, developing and retaining competent staff in all departments by putting up career development plans for the recruited staff.**

ii. Governance of Petroleum Institutions (25%)

Uganda National Oil Company (UNOC): UNOC has a Board of Directors (BOD) that was inaugurated in October 2015 that commenced work with the recruitment of management staff. It was supported by the technical staff from MEMD, which supported the company in various disciplines of legal, Petroleum Economics, Geoscience, Pipeline Engineering, Accounting and Administration. The Board of Directors has equal representation from women and professionals in geoscience.

Petroleum Authority of Uganda (PAU): The authority has a fully composed Board of Directors with representation from women and professionals in geoscience. The authority produced a report at the end of the financial year detailing the activities and operations undertaken. The report is accessible by the public online, though it is yet to receive parliament scrutiny.

iii. Collaboration amongst Petroleum Institutions (75%)

Even though there's collaboration amongst the petroleum institutions with the relevant stakeholders, ministries, departments and agencies of government having related duties, aims or functions; the scorecard has noted **the need for harmonised efforts in certain activities such as the development of standards, environment legislation, education curriculum development, national content and expertise development.**

3.1.4 Revenue Generation, Collection and Management

Indicator score: 50.4% - Partially Addressed

The score of the indicator (50.4%) indicates that the sector has partially addressed some of the key issues that were assessed. These various areas were assessed as below;

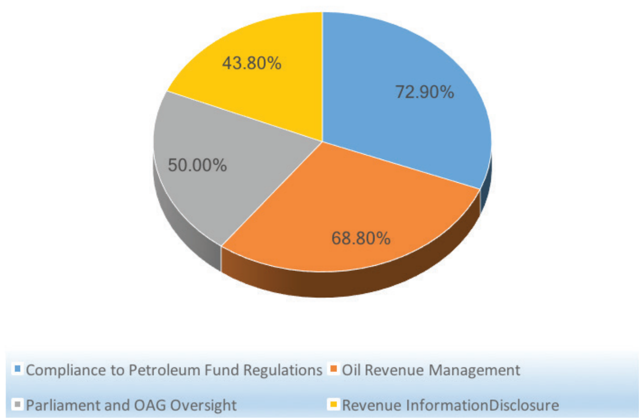
i. Oil Revenue Management (68.8%)

The subsector is credited for establishing a legal framework clarifying the mechanisms for managing oil and gas revenues (the Public Financial Management Act 2015) and the database for all the sources of oil and gas revenues.

The government has also developed a spending plan for the revenues from the oil and gas resources. According to the PFMA 2015, the royalties should be appropriated to a local government in the annual budget for development purposes. It was however noted that some petroleum revenues such as income tax, WHT and VAT collected by URA aren't deposited in the petroleum fund. According to URA, PAYE is paid by employees from income tax and therefore it shouldn't be taken as petroleum revenue. This contravenes the understanding of the PFMA. The PFMA 2015 defines Petroleum revenues as the tax paid under the Income Tax Act on income derived from petroleum operations, government share of production, signature bonuses, surface rents, royalties, and proceeds from the sale of government commercial interests, and any other duties or fees payable to the government from contract revenues under petroleum agreement.

Therefore, there's need to clarify this stand with URA such that revenues from petroleum activities aren't misappropriated.

Figure 5: Performance of subsector under Key Areas Assessed in Indicator 4



According to the Auditor General's Report (2017), none of the shareholders of UNOC had paid up their share of the Company whose share capital is **Ugx.10Bn** i.e. **10,000** ordinary shares each with a share value of **Ugx. 1 million** each. The Ministry of Energy and Mineral Development (MEMD) has a shareholding of **51%** while the Ministry of Finance, Planning and Economic Development (MoFPED) has **49%** shares.

ii. Royalty Sharing (16.7%)

The government set up a Transparent Royalty Sharing Mechanism in the PFMA Act 2015. By the time of assessing in the score card, there are no royalty transfers from the oil and gas revenues that have been transferred to the local government; yet the government has been receiving revenues from all the petroleum related activities. The PFMA defines the royalty share for a local government as the percentage proportion of the level of production of the local government divided by the total level of production of all the local governments involved in petroleum production. Since production of oil and gas products is yet to commence, the local governments cannot receive their royalty share, even though the government is already earning petroleum revenues from the petroleum activities.

Engagements with the local governments indicate that they don't even know what percentages they are supposed to get from the royalty shares and how they are to use them. **Sensitising the affected local governments about the royalty shares would be influential in managing the expectations of the local leaders and the host communities.**

iii. Revenue Information Disclosure (43.8%)

The Accountant General is credited for publishing information about the petroleum fund such as the size of the petroleum fund, the principal, and the oil and gas returns. However this information is not comprehensive enough and not disaggregated to indicate the different sources of the available revenues. Reports on revenues from the oil and gas were also published for the current year. It's however difficult to compare with the previous years and understand the trends in revenues generated from the petroleum activities.

iv. Compliance to Petroleum Fund Regulations (73.9%)

Compliance to petroleum fund regulations is a challenge, as noted earlier. URA and all other institutions responsible with collecting revenues from petroleum activities are supposed to follow the Petroleum Fund regulations while depositing these funds. It was however found out that URA interprets the regulations according to its discretion and does not submit revenues from the income tax to the petroleum fund. **There is thus a need for clarification on the regulation governing depositing into the fund.**

On withdrawals, the government follows the rules governing withdrawals from the fund; with the exception of bank charges, the government has made no withdrawals from the fund since its creation in March 2015.

Reasons for Performance of the subsector under Compliance to Petroleum Fund Regulations	
Positives	**Negatives**
• The Uganda Government follows the rules governing deposits into the Petroleum Fund. • The Uganda Government follows the rules governing withdrawals or spending from the Petroleum Fund. • There are clear rules and procures for Parliament to provide oversight regarding withdrawals or spending from the Petroleum Fund • The Uganda Government abides by the rules established by oil and gas revenue sharing mechanism	• There is evidence that the Government has ever exceptionally used discretion to cancel deposits to the Fund without justification or approval by Parliament • There is evidence that the Government has ever exceptionally used discretion to withdraw from the fund without justification or approval by the Parliament • Though in exceptional circumstances, the Government has modified the rules for oil & gas revenue sharing mechanism

v. Parliament and OAG Oversight (50.0%)

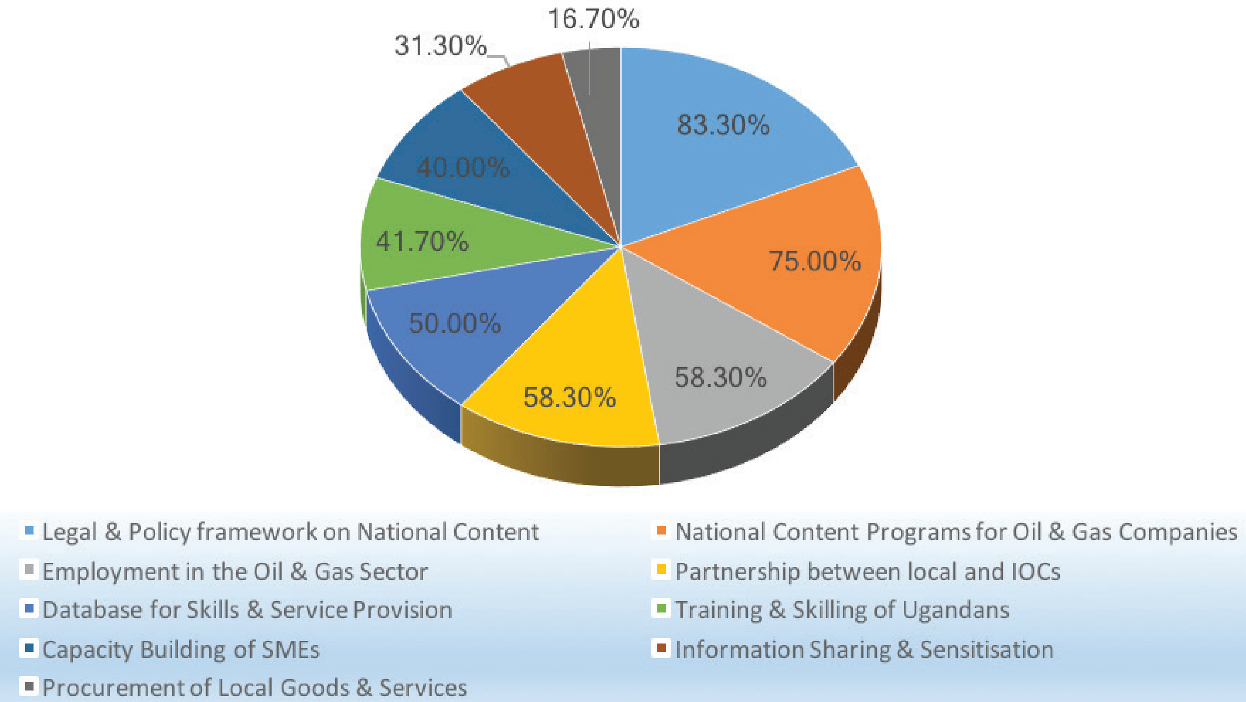
The Office of the Auditor General is credited for regularly reporting to Parliament, providing objective analysis of the agencies in charge of managing oil and gas related revenues and having these reports published. The Parliamentary Committee on Natural Resources also scrutinizes the reports made by the Auditor General. However, there are still weaknesses in following up the recommendations made by both the OAG and Parliament. Some of the recommendations aren't implemented and there are no actions or penalties taken for non-compliance. **The institutions responsible with the oversight role should ensure that they follow up on the implementation of the recommendation made in the OAG reports.**

3.1.5 National Content Development and Participation

Indicator Score: 50% - Partially addressed

This indicator score reveals that the subsector has partially addressed the key areas assessed under this indicator. The figure below shows the key result areas that were assessed under this indicator and how the subsector performed under each;

Figure 6: Subsector scores under the Key Results Areas in Indicator 5



i. Legal and Policy Framework on National Content (83.3%)

The provisions for State Participation are incorporated in the Production Sharing Agreements (PSAs) as required by the NOGP (2008). The policy framework for implementation of the national content was developed and approved by cabinet.

ii. National Content Programs for the Oil and Gas Companies (75.0%)

As a requirement of the PSAs, some IOCs submit their national content programs to PAU. All the submitted national content programs contain detailed plan on how the company will give preference to goods and services that are locally manufactured or available in Uganda; and indicate the plan for training and employment of the nationals in oil and gas activities. According to the 2015 Auditor General's report, that conducted a candid review of the national content plans against the actual implementation of the plans, it indicated that whereas the companies prepared and costed the plans, they never actually implemented them as planned, even though the resources were spent. All the companies utilised far less than they planned between 2012 and 2014, with Tullow utilising 53%, Total E&P utilising 78% and CNOOC utilising 61% from the actual expenditures. **MEMD should investigate the underutilization of the allocated funds on their training plans by the oil companies.**

iii. Procurement of Local Goods and Services (16.7%)

According to the Petroleum (EDP) Act, 2013, Section 125(1), the licensee, its contractors and subcontractors are supposed to give preference to goods which are produced or available in Uganda and services which are rendered by Ugandan citizens and companies. In addition, the PSAs give discretion to oil companies to establish appropriate procedures, including tender procedures, for the acquisition of goods and services to ensure that the suppliers and subcontractors in Uganda are given adequate opportunity to compete for the supply of goods and services. However, the oil companies haven't been able to acquire good and services in Uganda due to the lower capacity of the local companies to supply high-value goods and services on the terms currently required by the oil companies. As a result, the OAG noted that the total value of the procurements from Ugandan companies is far less than their relative number.

PAU has established and is in the process of reviewing the database for oil and gas service providers in the country. This will help to establish the capacity of the local companies to provide the required quantity and quality of goods and services required in the oil and gas industry. For the companies that cannot provide the required services, *there's a deliberate need to support and enhance their capacity to provide the goods and services; thus increasing national participation.*

The NOGP (2008) states that procurement standards in the oil and gas sector, be set to ensure that Ugandan suppliers benefit from oil and gas value chains. However, the scorecard noted that the PPDA procurement guidelines, which are followed by the sector, don't take into account that Ugandans should be the principal beneficiaries of all the contracts in the oil and gas sector. The NOGP also recommends that national content provisions be incorporated in the procurement guidelines of oil companies and their service providers. According to the OAG reports, this is yet to be done. Failure to do this erodes away the opportunity for Ugandans to participate and benefit from the oil and gas subsector. On a good note though, all the oil and gas companies were found to have procurement offices or information desks that provides information to Ugandans on the various procurement opportunities available. They also advertise in the major newspapers of the available opportunities.

Therefore the government should ensure that the national content provisions and the procurement guidelines take cognizance of the fact that Ugandans are the principal beneficiaries of all the petroleum activities and should be incorporated into the procurement guidelines of oil companies.

It was also noted that oil and gas companies are yet to initiate programs that will help develop the capacity of local communities and companies to supply goods. As a result, the communities can hardly supply anything to the companies. In an FGD in Hoima, one woman noted that;

> "The companies do not bother rendering any support to the communities to help them better the quality of their goods rather just buy/ import their foodstuffs from outside the operational area. We talked to the district officials to seek support from the companies but all in vein."

According to the Petroleum (EDP) Act, 2013, Section 125(2), where the goods and services required by the contractor or licensee are not available in Uganda, they can be provided by a company which has entered into a joint venture with a Ugandan company provided that the Ugandan company has a share capital of at least 48% in the joint venture. Still it was noted that the oil companies to a large extent procure from companies that are wholly foreign-owned. This is caused by the ambiguities caused by the Petroleum Act Section 125(2).

First, the Act doesn't clearly define what constitutes a "Ugandan company" or "citizen" in terms of national content realisation. Currently, the only definition under the Companies Act is that a Ugandan Company is one registered in Uganda, regardless of its ownership or control. This means that although a Ugandan registered company has foreign ownership, it may still be regarded as a Ugandan supplier in compliance with the requirement of the Petroleum Act to use Ugandan companies. Secondly, the 48% share capital required by the company in the joint venture is unrealistic, considering the fact that the oil and gas business is capital intensive. Very few Ugandans, if any, can heavily contribute such share capital. **There is therefore a need to clearly resolve these ambiguities to enable the implementation of the national content requirements.**

Whereas the framework for partnership between local companies and IOCs is provided for in the national content policy, which is awaiting Cabinet approval; there are already companies that have entered into partnerships with ICs to provide goods and services. The ICs are deemed to have both technical and financial capacity to deliver goods and services in an efficient and timely manner. They are enhanced by the local companies that are well versed with the local terrain. This process has seen an increase in the number of local companies teaming up with ICs since 2008 and an increase in national participation.

As a recommendation of the NOGP (2008), the government supported the establishment of the Association of Uganda Oil and Gas Service Providers (AUGOS). This association provides an opportunity for all the service providers to share knowledge and lessons and negotiate with the oil companies as a unit.

iv. Database for Skills and Service Provision (50.0%)

PAU has set up the database for oil and gas service providers and its being reviewed. This provides a pool of all pre-qualified service providers from which the IOCs can source for the required goods and services. The DOP conducted the oil and gas skills requirements and capacity needs analysis for the oil and gas subsector to ascertain the capacity gaps and needs in the country. This would provide the basis for capacity enhancement in the areas that showed weaknesses. This was also enhanced with the development of the National Oil and Gas Talent Register, in which all the available human resources in the industry are registered and recorded. In case of a need and gap in the sector staffs, the register can easily be retrieved to source out for manpower. For any expatriate to be hired, this register has to be exhausted to ensure that there is no qualified Ugandan to undertake such an assignment.

v. Training and Skilling of Ugandans (41.7%)

The NOGP (2008) requires that the national curriculum be reviewed to incorporate the training and skilling in the oil and gas areas. Even though this hasn't been done wholesomely, it has been done in piecemeal. The curriculum for the Petroleum Science course at Makerere University has been developed and is being taught; the Uganda Petroleum Institute at Kigumba was developed and the institute is now teaching courses in Petroleum; several Vocational and Training Institutes are now offering courses in Petroleum and HSE. **There is however a need to harmonise and support the curriculum that's taught in these training institutes; but also undertake the review process of the whole national secondary school curriculum.**

There a number of Ugandans that have been sponsored and trained in oil and gas related courses both in and out of the country by the GoU, IOCs, Donors, and Private sector. This has greatly contributed to the pool of professionals that can support the sustainable development of the industry. There is however some gender imbalances in accessing these training opportunities, with males are being trained than females. The industry also lacks a formal review mechanism to assess the trends and relevance of the trainings they receive to the industry and the country in general.

The OAG reports noted that, through comparison of specific courses undertaken, that the oil companies generally deviated from the types of trainings they had planned to undertake and authority was not sought from the Advisory Committee prior to making these changes. In some cases, technical courses were being substituted for soft (non-technical) courses. It further revealed that majority of trainings undertaken from 2012 to 2014 were of short term nature (7 days or less). Without training as planned, the objective of involving more Ugandans in the oil and gas sector may be delayed or denied. Since training plans are based on identified training needs, deviation from these plans leaves training gaps un-addressed. **Oil companies should always seek approval before deviating from approved training plans and budgets and that courses undertaken are relevant. PAU should also keep constant monitoring of the types of training that are provided by the Oil companies, so as to keep track of implementation of the training plan.**

Training of Government officials: Article 20.2 of the PSAs requires oil companies to establish an annual programme for training government personnel to undertake skilled and technical jobs in petroleum operations. The Accounting Officer in the Ministry of Energy and Mineral Development (MEMD) invites all MDAs relevant to the Oil and Gas Sector, to submit capacity building training requests for the officers in their respective institutions. They are then forwarded to the respective oil companies for funding depending on the budgeted amounts per company. The companies then disburse funds directly to the training institutions. The courses are both short and long term (including Masters Degrees). It has been noted that companies are providing these funds and government personnel are trained.

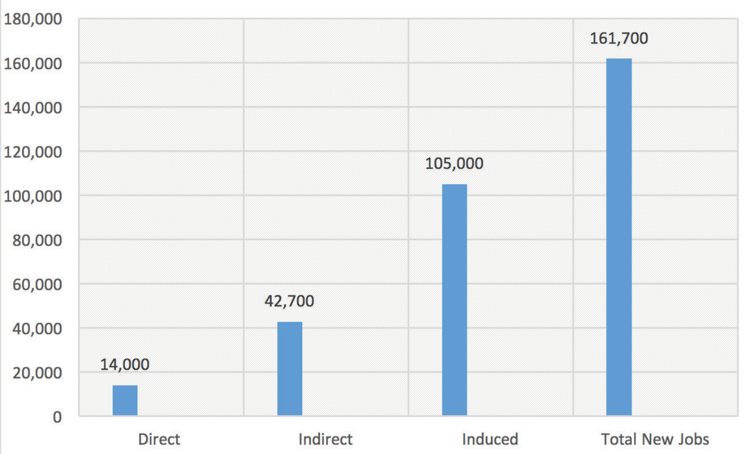
Even though the government prepared a Workforce Skills Development Strategy and Plan for the oil and gas subsector in Uganda, there was no capacity building needs assessment conducted to determine the skills gaps and required trainings in the country. As such it was difficult to ascertain how government intends to achieve its training needs over time in terms of specific sectors, numbers and qualifications. The trainings thus are conducted in ad hoc manner. **Government should conduct the capacity needs assessment in government institutions for the oil and gas subsector that will guide the development of the training plan. This will guide training of personnel of government institutions.**

As a recommendation of the NOGP (2008), the government supported the establishment of the Association of Uganda Oil and Gas Service Providers (AUGOS). This association provides an opportunity for all the service providers to share knowledge and lessons and negotiate with the oil companies as a unit.

vi. Employment in the Oil and Gas Subsector (50.5%)

According to the PEPD Act 2013, the licensee shall, within twelve months after the grant of a licence, and on each subsequent anniversary of that grant, submit to the Authority for approval, a detailed programme for recruitment and training of Ugandans in all phases of petroleum activities and shall take into account gender, equity, persons with disabilities and host communities. Further in Article 21.1 of the PSAs requires the licensee to employ suitably qualified Ugandan citizens in its petroleum operations. The licensee is also required to ensure its sublicenses do the same. This scorecard observed that all the jobs in the oil and gas sector are advertised in both print and electronic media for all the qualified members of the public to apply. This aims at promoting fairness and transparency during recruitment. Where the qualified candidate isn't available, an expatriate is recruited, and before recruited the expatriate candidate's name is submitted to PAU before the job is given for approval. This allows PAU to crosscheck with the National Oil and Gas Talent Register to confirm that there's no qualified candidate for the particular job in the country.

Figure 7: Estimated Manpower Needs in the Oil and Gas Subsector



Source: Workforce Skills Development Strategy and Plan for Oil and Gas Sector In Uganda

Employment of Expatriates: For jobs where expatriates are employed, the companies employ Ugandans to work as understudies to expatriates so that they can eventually replace the expatriates in technical positions. This ensures transfer of knowledge and skills to Ugandans, who later take over those jobs. As a result of understudies, there has been an increase in the number of Ugandans employed at senior and managerial positions. This shows an enhancement in the capacity of Ugandans in the oil and gas industry.

Remuneration Differences: the scorecard recognized a slight decrease in the wage differentials between the Ugandans and expatriates with the same academic qualifications and working experience, has attracted a lot of Ugandans to work and benefit from the petroleum industry. According to the Employment Act 2006 of Uganda Sec 6(7), *"every employer shall pay male and female equal remuneration for work of equal value".* According to the OAG, a comparative analysis of salaries for staff at the same level of management further confirmed that though there has been a slight reduction in differences between the remuneration of expatriates and nationals within and among the companies, the gap is still available. **More engagements with the oil companies and government are required to ensure that this gap is reduced further.**

It was also noted that the employment of expatriates wasn't in line with PSA's. Reports from the OAG indicated that all oil companies had expatriates who had overstayed beyond the approved period. This isn't only against the nationalization plans, but also denies Ugandans the opportunity to participate and benefit from the industry. Licensees explained that the overstay was due to the fact that no suitable nationals had been identified to replace them; but even in positions where the companies were supposed to employ understudies, the oil companies had not recruited or even employed them, an indication of a deliberate attempt to defraud the country and nationals of the opportunity to benefit from the industry.

There have also been cases of expatriates overstaying their work permits. This is not only against the laws, but also puts a blanket on the succession and replacement of expatriates with nationals as indicated in the plans. **Thus, the subsector working in collaboration with the Ministry of Internal Affairs should ensure timely follow-up on expired permits and enforce sanctions against oil companies whose expatriates stay beyond the agreed nationalisation dates**

majority of trainings undertaken from **2012** to **2014** were of short term nature (7 days or less). Without training as planned, the objective of involving more Ugandans in the **oil** and **gas sector** may be delayed or denied.

without proper justification and authorisation by MEMD. The companies should also fill the vacant positions by recruiting nationals to understudy expatriates.

It was also noted that the local community levels where the print and electronic media is not accessible, the process recruitment and employment of community members as casual laborers is still unclear to the residents, especially the PAPs. They believe that these kinds of jobs should have been done by the community members, but instead the companies employ non-residents, whom they termed as foreigners. One youth in Buliisa noted that,

> "No employment opportunity at all, we are not informed of any available opportunity in the oil company and there is no formal advertisement for job available or supply of goods. Foreigners are brought to work here."

Another youth in Hoima revealed that;

> "We were not taken up for the available jobs rather people from Kampala were brought to work here including casual laborers, those who were selected before as RAP Committee were later dropped because all decisions were made by the oil company employers and so they were redundant."

According to the reports from the OAG, there is no evidence to authenticate the employment of locals from the host communities in the petroleum operations. Failure to employ locals in casual and skilled jobs, as well as manage the expectations of the communities, poses a great risk of dissatisfied members of the host communities. This can frustrate/distort petroleum operations, as it has been evidenced in other oil producing countries such as Nigeria.

Generally, even though the proportion of Ugandans employed in the oil and gas sector by the oil companies overall rose from 69% in 2012 to 80% in 2014, absolute numbers of employees decreased from 546 to 432 between 2013 and 2014; in particular, the nationals dropped from 370 to 347 over the same period. This is particularly attributed to the low levels of activities that were ongoing. During the FEED, most of the activities are desk work, and yet most of Ugandans were working in the field activities. For those that were temporarily laid off, the welfare was greatly affected.

From a gender perspective, the employment levels have seen the proportion of male to females improve since 2008. This is still below expectations; though, no targets are set by the subsector on gender proportions to be employed. The Ministry of Gender, Labour and Social Development (MGLSD) has put in place strategies to address the gender disparities in the oil and gas industry and gender equity issues are always incorporated into the planning and budgeting systems of the subsector, they are however yet to yield equity in employment. This is particularly due to lack of well trained and qualified females in the oil and gas industry in the country.

vii. Capacity Building of SMEs (40%)

Even though the subsector doesn't have a coordinated plan and framework for supplier development or for the participation of Small and Medium Enterprises (SMEs) in oil and gas industry, it indirectly supported the establishment of the Oil and Gas Service Providers, which enhances the capacity through training of these SMEs. The Oil and Gas companies also support the SMEs in different areas such as HSE, tendering, among others.

The MEMD, the oil companies and the local governments in the Albertine region conducted a local content study in 2011 and an Industrial Baseline survey in 2013 that assessed the capacity of the local SMEs' participation in the sector and identified the gaps and opportunities available and the key industries that needed support were identified and measures recommended. The study results and other initiatives are used by the Employment for Sustainable Development in Africa/Skills for Oil and Gas in Africa (E4D/SOGA) project to foster the readiness of 30 local companies to become suppliers within the oil and gas sector, and other highly labour-demanding industries. This initiative with a focus on HSE is being implemented in close partnership with the Association of Oil and Gas Service Providers. E4D/SOGA reaches out to the most promising, yet vulnerable enterprises through the excellent local expertise of Living Earth Uganda. Selected entrepreneurs receive business development training including finance management and business planning. The Ministry and the Oil companies also established the Industrial Enhancement Centre to nurture and incubate local enterprises to develop their capacities so that they are able to engage competitively in the oil and gas sector.

Based on a comprehensive study to ascertain the supply gaps that exist in the petroleum value chain, the subsector should develop a coordinated plan and framework for the development of suppliers and SMEs in the country to enhance their capacity to supply quality products to the industry. This should be done in partnership with the oil companies and the private sector.

viii. Information Sharing and Sensitization (31.3%)

The government conducted a study to identify the opportunities that can be undertaken by Ugandans in the oil and gas sector. However, the sector is yet to take the initiative to engage the communities and the nationals on informing them on the standards and the quality of good they are required in the industry. There have been some engagements with the National Association of Oil and Gas Service Providers, but this has been irregular.

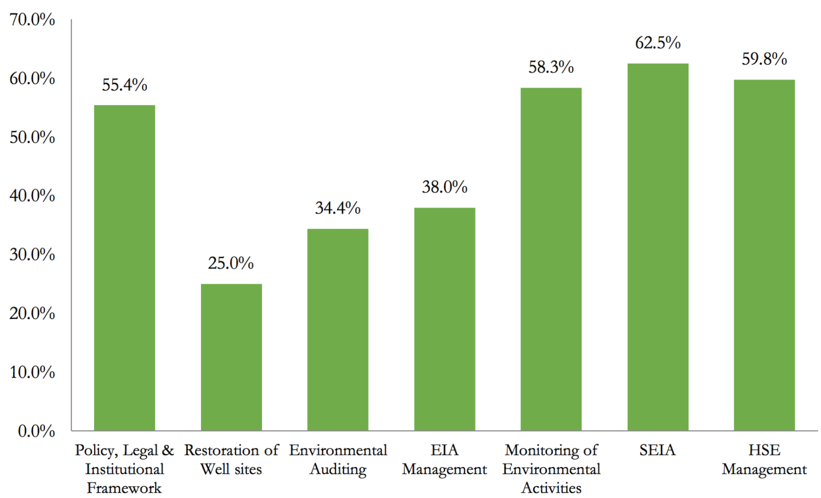
Oil and Gas companies are required to prepare and submit reports on the implementation of the national content policy. The subsector scored well here considering the companies actually prepare and submit these reports on time. However, these reports are not easily accessible by the members of the public without authorisation. It was also noted that oil companies only allow authorized officers to access their facilities, documentation, information required for the verification of compliance to the national content requirements.

3.1.6 Health, Safety and Environment Conservation and Management

Indicator Score: 47.6% - Partially addressed

Under this indicator, the oil and gas subsector scored 53.6%, an indication that key issues are partially done or attained. There are several areas that were considered. The figure below shows how each of the key areas assessed contributed as follows to the final score of the indicator. This performance is elaborated thereafter.

Figure 8: Performance of the subsector under Key Results Areas in indicator 6



i. Policy, Legal and Institutional Framework (55.4%)

The ministry prepared the Environmental Management Policy (revised 2016) which was submitted and awaiting cabinet approval. This policy will facilitate the management of the impacts of oil and gas development on the environmental and biodiversity. The subsector has also started on the process of updating regulations for managing environmental and biodiversity impacts of the oil and gas activities in the areas of operation. The flaring and venting of oil and gas was prohibited through the Exploration, Development and Production Act 2013. In order to manage the transportation, storage, treatment and disposal of waste arising out of petroleum operations, NEMA revise the existing regulations that they implement.

National Environment Management Authority (NEMA), the institution responsible with the management of environmental issues in the country, has a well facilitated and trained unit in biodiversity issues related to oil and gas. Training of staffs to improve performance is an on-going and a regular activity. Other environmental management pillar institutions such as UWA, NFA, MEMD, and others, all have staffs that have been trained in the management of biodiversity issues related to oil and gas activities.

Generally, even though the proportion of Ugandans employed in the oil and gas sector by the oil companies overall rose from **69%** in **2012** to **80%** in **2014**, absolute numbers of employees decreased from **546** to **432** between **2013** and **2014**; in particular, the nationals dropped from **370** to **347** over the same period.

ii. Restoration of Well sites (25%)

The restoration of the well sites contributed lowest to the score of this indicator. This is mainly because the sector didn't establish a decommissioning fund and companies applying for licenses don't submit their decommissioning plans. It should however be noted that all the abandoned well sites have been restored to their original state. **The government should establish the decommissioning fund as required by the law.**

iii. Environmental Auditing (34.4%)

NEMA is mandated to ensure that all oil and gas environmental audits are conducted in accordance with the approved EIAs. This oil and gas companies do so and the environmental audit reports prepared are submitted to NEMA for approval and feedback. In reciprocal, NEMA also provides written feedback to the developers about the decision taken in a timely manner. These reports however, can only be accessed upon request and some are accessible from the NEMA library.

iv. EIA Management (38%)

The scorecard recognised the fact that EIAs were prepared for all eligible projects in the oil and gas sector; and that there was strong collaboration efforts of all institutions in the environmental pillar to ensure that all projects get EIA certificates through a multi-sectoral environmental committee on oil and gas. The reports are available upon request in the NEMA Resource Centre; while the awarded certificates are accessible form the respective project developers. However, NEMA doesn't have appropriate actions that it can take against companies that started the implementation of projects activities before acquiring EIA approval. This presents a loophole for non-compliance.

In order to facilitate the review, approval and monitoring the implementation of the EIAs, NEMA collects fees from the applicants. These fees are deposited in the National Environmental Fund and utilized through the NEMA work plan budget, yet these fees are specifically meant to facilitate activities that support the review and monitoring of the EIAs. This creates a room for misappropriation of these funds and inadequate funding of the activities they are meant to support.

It was also noted that even though NEMA gives feedback to developers after review of the EIAs, this is sometimes done late. The appropriate time required to give feedback is 180 days or less, though the provision of this feedback sometimes takes more days.

v. Monitoring of Environmental Activities (58.3%)

The Ministry developed and is implementing tools for monitoring oil and gas activities on the environment and biodiversity such as the environmental sensitivity atlas, environmental monitoring plan for the Albertine Graben. The Environmental Monitoring Plan for the Albertine Graben was prepared and the baseline for its implementation conducted. However the environmental monitoring reports and the baseline aren't easily accessible and readily available to the public. The project affected communities are also not well informed about the environmental issues and how to manage them. There should be concerted efforts to ensure that the communities, especially the project affected communities, are sensitized on environmental issues.

The assessment also found that the all IOCs prepared environmental and biodiversity baseline studies before implementation of project activities and thereafter prepare and submit routine self-monitoring reports to the authority.

vi. Socio-Economic Impact Assessment (SEIA) (62.5%)

Prior to project implementation, oil and gas companies are required to prepare and submit social and economic impact assessments. These reports are prepared and the process of developing SEIAs is all inclusive with different stakeholders consulted. However, SEIA are prepared as part of the EIAs and therefore they tend to intertwined within and not given the due attention. The subsector is credited for involving the local governments and communities in preparation of the ESIA's. One local leader noted that;

> "Yes, we were involved through consultation, we then held with DLG and local communities where their ideas, conditions and recommendations were made especially on benefits. The district then forwarded the comments to NEMA to go through them and give conditions as per status of the oil site."

However the involvement of the local leaders in monitoring of the implementation of the SEI these activities requires improvement. The local governments lack the necessary capacity to support in the monitoring of the environmental effects as a result of the petroleum activities; and cannot cause alarm on any of the effects.

One woman in a FDG in Buliisa district noted that,

> The waste disposal pits emit very bad smell, causing air pollution and affecting people's health. The dust from the trucks the work at the oil company is too much, we are always suffering from flu maybe the government should construct tarmac road to control the dust.

i. HSE Management (59.8%)

The government established guidelines for occupational health and safety in the MGLSD, it's however yet to develop the national HSE policy, with particular highlighting issues pertaining oil and gas activities due to its sensitivity. In the host communities, sensitisation about the HSE issues in the oil and gas development has been mainly conducted by the NGOs/CSOs. Government is yet to take special initiatives to undertake this assignment.

The scorecard found that all oil companies and their contractors and sub-contractors implement guidelines on occupational safety and health at the work place. It was observed that all the OSH basics are being applied and Oil companies such as Total B.V apply international best practices that go beyond local standards. Also, that all petroleum supply license holders report to MEMD events that causes or poses the risk of causing major damage to the occupational health, public safety or the environment. This provides an opportunity for mitigating HSE risks both at workplace and the environment.

It was observed that OSH department at the MGLSD still has various institutional challenges that hinder its performance. The department does not have adequate staff to conduct adequate monitoring and supervision as well as being inadequately funded. The budgetary resources are inadequate to enable staff recruitment and retention. As such, not all work places are monitored or even registered. This is coupled with specialized OSH activities lacking staff and the loss of already trained staff to green pastures worsens the situation. The department also lacks the required equipment and facilitation to enable officers to execute their duties and reach out to various workplaces. **The government should adequately fund the OSH department to facilitate its activities and improve its capacity.**

As a result not all work sites are registered and certified due to inadequate staff and funds; though offer of certificate of registration does not mean a work place is OSH standards compliant. Certification, as stated in the ASH Act requires regulatory review to empower the OSH department to offer two certifications: Certificate of registration and certificate of compliance to enhance compliance among workstation to OSH requirements.

OSH department works with NEMA. The relationship with NEMA is very strong and at times EIAs are audited by staff at the OSH department for compliance to OSH standards. In addition, OSH department works with UNRA, Ministry of Agriculture, and Ministry of Works and Transport. There is however weak collaboration with local governments, KCCA, and other independent bodies such as Association of Civil Engineering and Building Contractors, Building and Architectural and Electrical Engineers. OSH also collaborates with regional and international bodies such as the International Congress on Occupational Health, the International Labour Organization (ILO), and Atomic Energy Council (AEC) and also celebrates the UN Occupational Safety and Health Day that raises awareness of key issues of workers safety and health.

The subsector has been discredited for not involving the local governments in monitoring compliance to the HSE regulations. The capacity of the local governments hasn't been enhanced to ensure that they can monitor or participate in monitoring, but also sensitise the communities on issues of HSE, especially in the Albertine region. One local government officer revealed that;

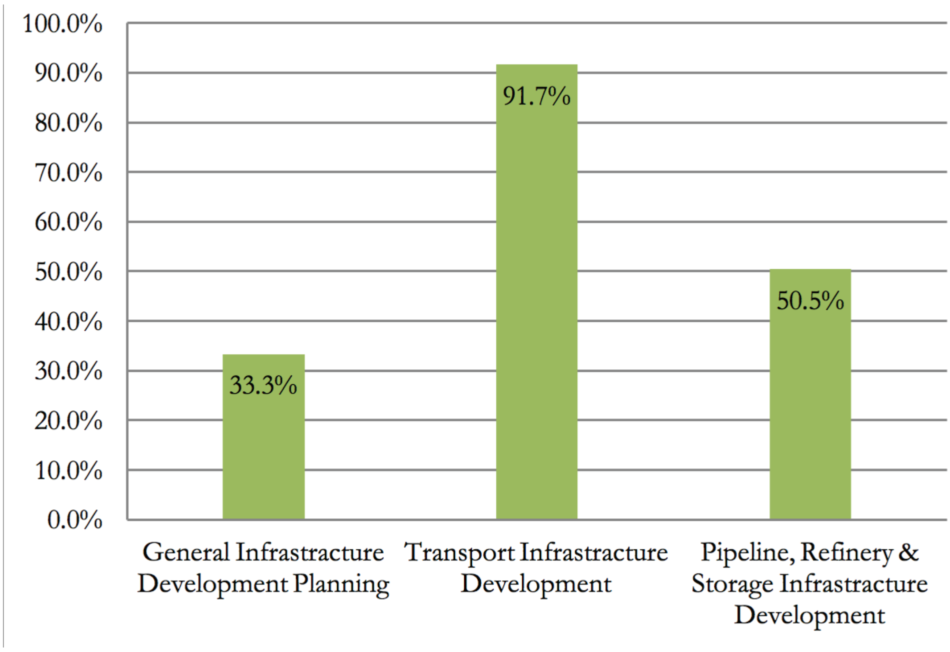
> Financially, we have no capacity because the DLG has no budget line for monitoring oil and gas activities. Technical capacity is also lacking though we recently developed a checklist but not yet tested, and received training on waste management but still our roles as DLG are not clear, specified, or directed and we cannot go to the oil operation sites without permission, so we only participate when the team from Kampala comes.

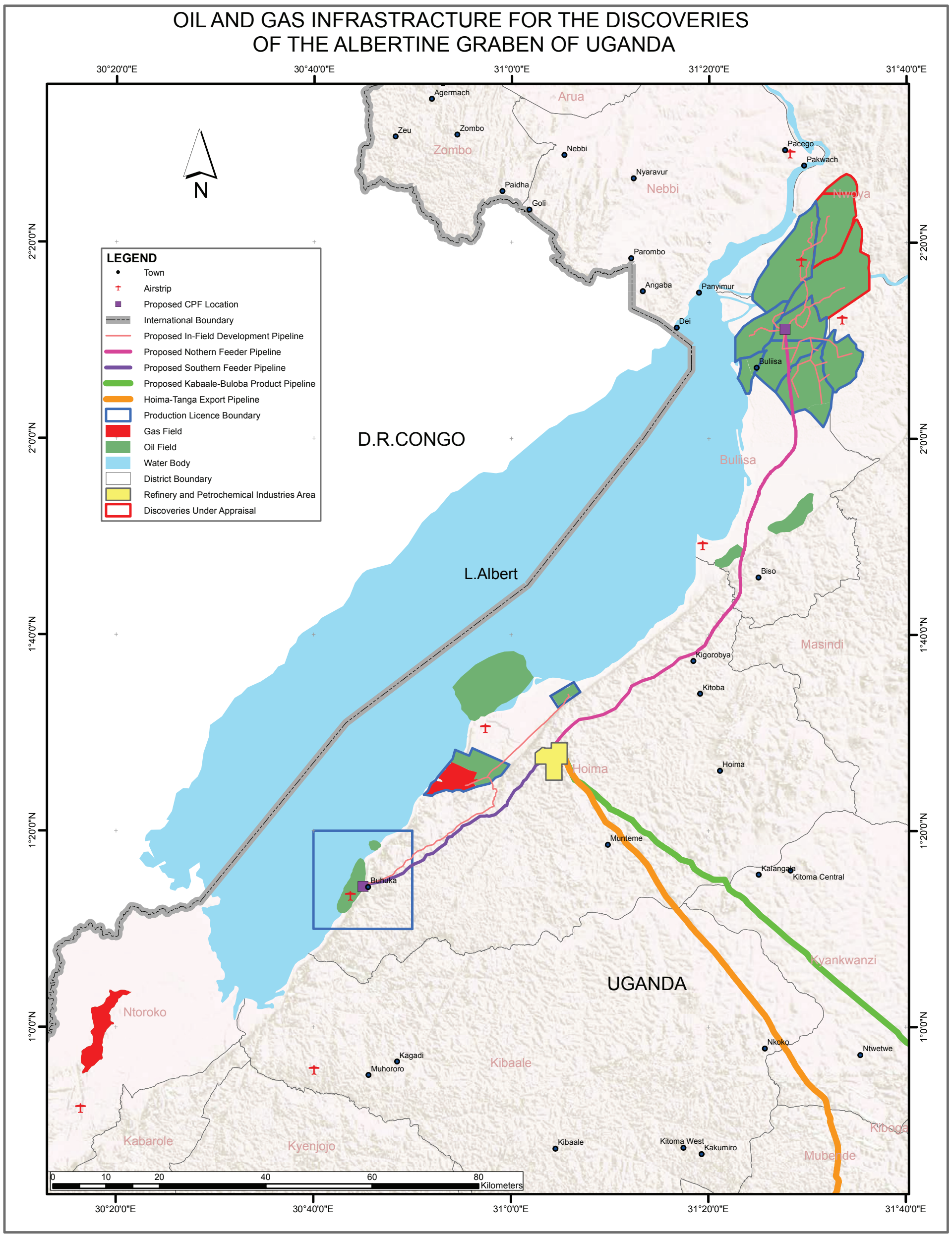
3.1.7 Infrastructural Development

Indicator Score: 58.5% - Mostlly Addressed

The subsector scored 58.5% under Infrastructural development. This implies that the subsector has mostly addressed the planning issues for infrastructure development. It should be noted that most of the infrastructural development activities in the mid-stream and downstream are still at the planning stage. The figure below shows the subsectors performance under the Key Assessment Areas that were considered and how they contributed to the final score of this indicator.

Figure 9: Performance of the subsector under Key Results Areas in indicator 7





Source: PAU, www.pau.go.ug

i. General Infrastructure Development planning (33.3%)

The MEMD together with other MDAs have been at the forefront of infrastructure planning and development for the Albertine Graben in anticipation of the production activities of oil and gas resources. As a result, a detailed physical development by the Ministry of Lands, Housing and Urban Development (MLHUD) was prepared.

For the oil companies, eight (8) of them have just been awarded with the production licenses for the oil/gas fields of Kasamene-Wahrindi, Kigogole-Ngara, Nsoga, Ngege, Mputa-Nzizi-Waraga, Ngiri, Jobi-Rii and Gunya; except for one, Kingfisher; and therefore the infrastructure plans are due in the third quarter of 2018. For now, the FEED for Kingfisher has been prepared.

The progress made in the Infrastructure development in the oil and gas industry is reported annually through the annual Joint Stakeholder Review meetings and the reports are available to the public.

ii. Transport Infrastructure Development (91.7%)

Under the transport infrastructure, the plan for the development of the transport infrastructure for the oil and gas activities is contained in the transport and storage plan for the entire country. As a result the feasibility study and the oil and gas products transport options studies were conducted.

In the downstream, a study on petroleum lake transport was commissioned and is on-going. The attachment below shows the road network within the Albertine Graben, whereas the table shows the roads infrastructures that have been upgraded within the Albertine.

Road Name		Length (KM)	District
1.	Hoima – Butiaba – Wanseko	111	Hoima Buliisa
2.	Masiindi – Biiso	54	Masindi
3.	Masindi – Bugungu via Murchison Falls National Park	80	Masindi
4.	Kaseeta – Lweza via Bugoma Forest	16	Hoima
5.	Hohwa- Nyairongo – Kyarushesha	25	Hoima
6.	Wanseko – Bugungu	23	Buliisa

7.	Buhimba – Nalweyo – Kakindu – Kakumiro - Mubende	100	Mubende, Kibale
8.	Lusalira – Nkonge – Sembabule	97	Sembabule, Mpigi
9.	Kyotera Rakai	20	Rakai
10.	Kabaale – Kiziranfumbi Road	30	Buliisa

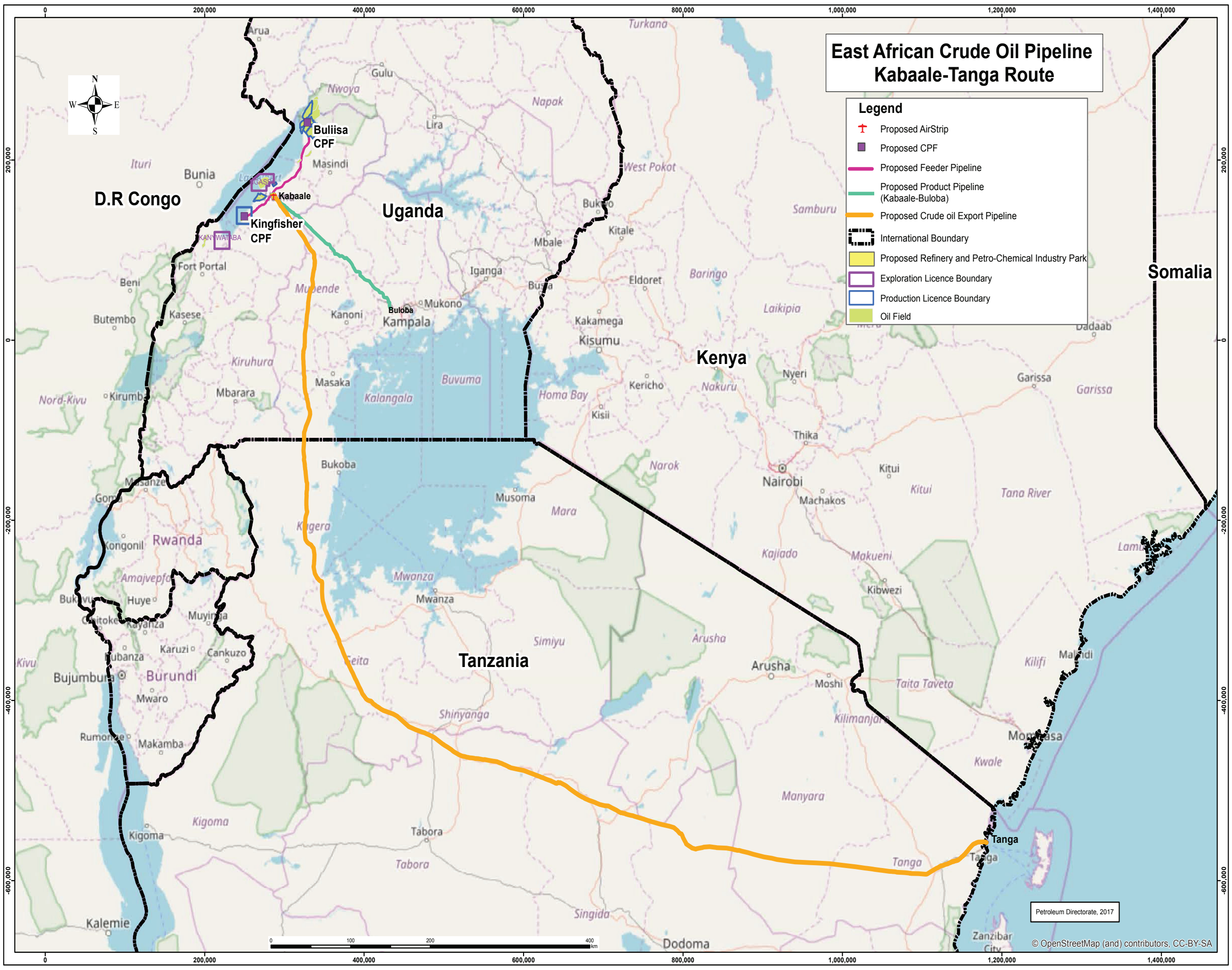
iii. Pipeline, Refinery and Storage Infrastructure development (50.5%)

The development of the crude oil pipeline is on schedule and is it's being implemented at fast track mode to achieve the target of 2020. The foundation stone was laid in Masaka in November 2016. The FEED and ESIA studies for EACOP were completed.

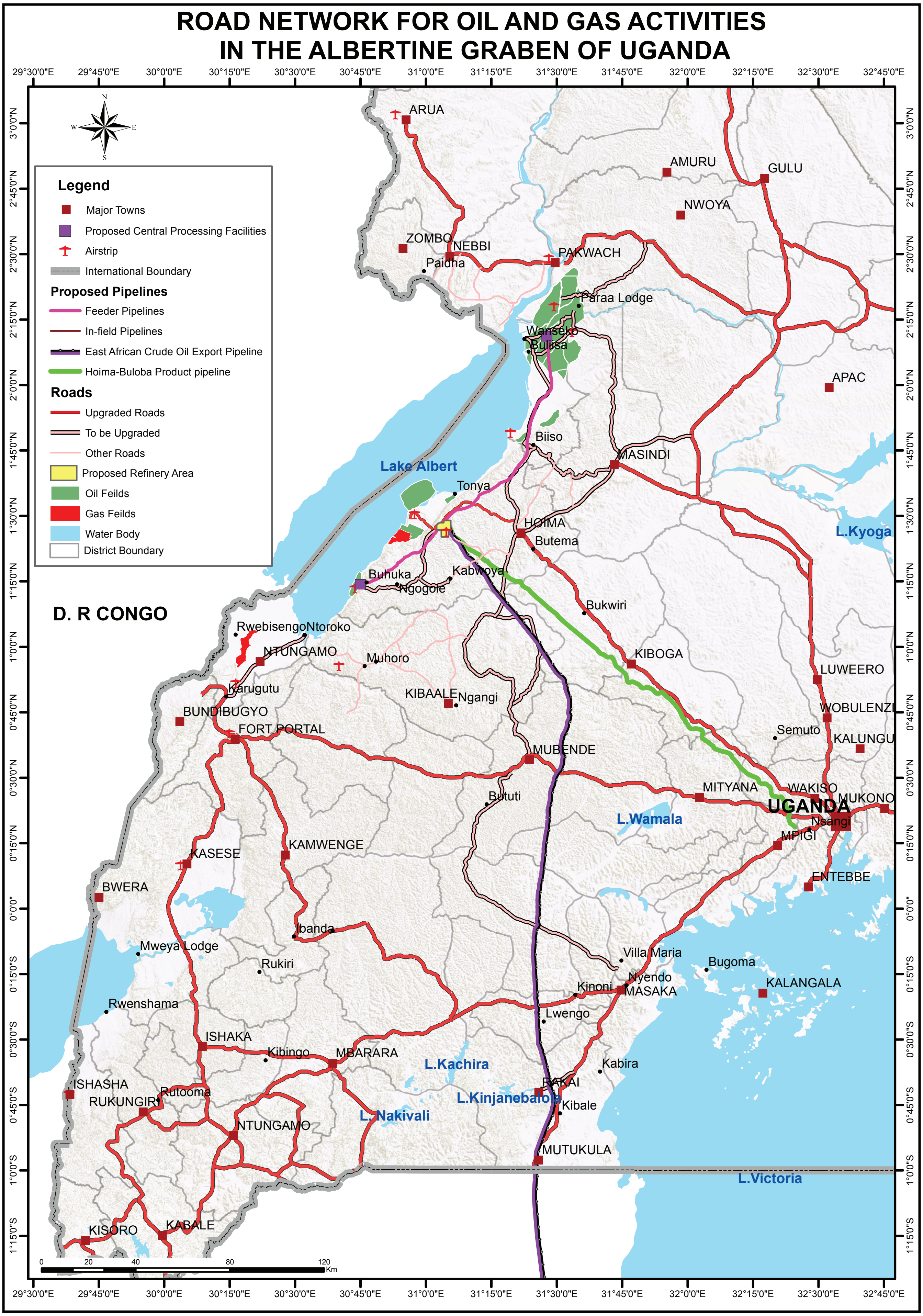
The land and title for multi-user terminal of the Eldoret – Kampala petroleum products pipeline was acquired and the multi-user terminal Master Plan prepared. The government is however yet to conduct the RAP study for the Kampala – Kigali petroleum products pipeline, as it awaits the development of the Oil refinery in Hoima.

The delay in the selection of the Lead Investor for the Refinery retarded undertaking the FEED and ESIA for the refinery development. This has also affected the commencement of the EPC activities for the Refinery development, Final Investment Decision (FID), among others.

The Plan for the storage infrastructure and feasibility study for the crude oil was developed. The process of developing the Buloba Storage Terminal (BST) is on-going and the government is working on acquiring strategic partnerships for its development.



Source: PAU, www.pau.go.ug



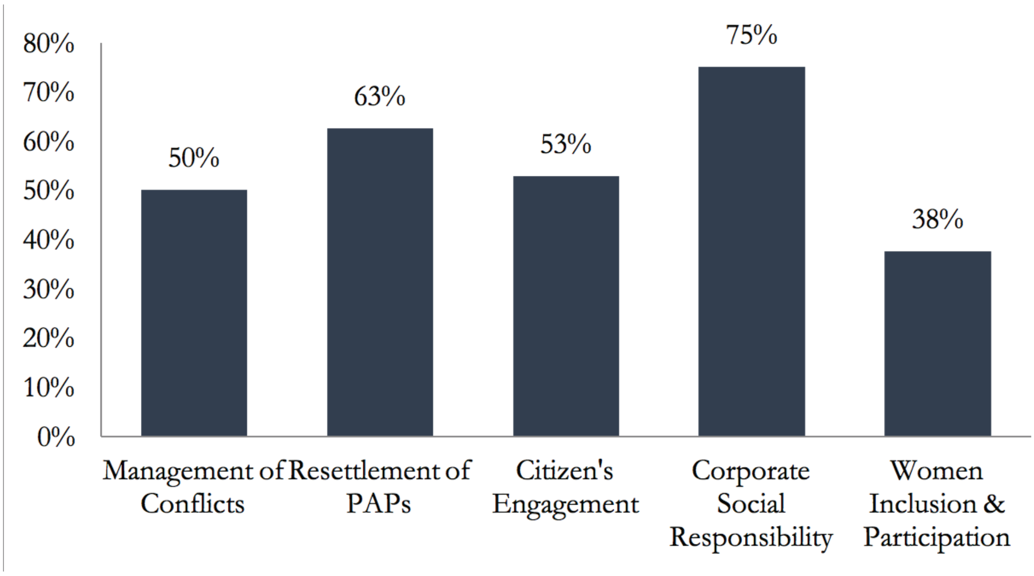
Source: PAU, www.pau.go.ug

3.1.8 Gender, Equity, Social Inclusion and Participation

Indicator Score: 55.6% – Mostly Addressed

The performance of the sector under this indicator is 55.6%, an indication that it has mostly addressed the key issues that were assessed. The performance of the subsector under the various key results areas assessed is indicated in the figure below

Figure 10: Performance of the subsector under Key Results Areas in indicator 8



i. Management of Conflicts (50%)

There are various incidents of conflicts and grievances in the project areas particularly between the oil companies, the government and the project affected persons (PAPs). The subsector scores here were attributed to the fact that grievance handling mechanisms to settle minor disputes with the host communities for each of the project were established. The mechanisms start with (a) Community Committees, (b) District Committees and the (c) Courts of Law. However, in some of the areas, the community members are not aware of the existence of the grievance handling mechanisms.

There are also conflicts that exist between communities around the oil and operations amongst themselves; conflicts with the environment and biodiversity; and land related conflicts, especially on issues of resettlement.

In a Men FGD in Purongo Sub-County Olwing Village Nwoya District, one youthful man revealed that;

> "There tensions between the people of Acholi and West Nile over land where petroleum has been discovered and this also put oil companies and Government in a fracas"

Another revealed that;

> "Human-wildlife conflicts have escalated given the fact that oil activities have displaced wild animals from the park to community, homes and crops, despite the efforts by UWA to training scouts to help chase back these animals."

The human – wildlife conflict was confirmed by District Community Development Officer (DCDO), Nwoya district, who said that;

> "There is human – wildlife disputes caused by the technology used for drilling oil which scares away elephants forcing them to migrate to the community."

While in another Women FGD in Patyera East Purongo Sub-County, Nwoya District, one elderly woman also confirmed that;

> "We haven't had any serious conflict cases maybe in other villages but elephants are being chased out of the park by the noise caused by the machines used in drilling oil to destroy our crops. UWA should look at it."

This is an implication that there should a lasting solution to the conflicts between the wild life and the oil and gas operations, provided these activities are being conducted in wildlife areas. Collaborative efforts with **UWA should be enhance such that wildlife doesn't resort to destabilising the communities and their crops.**

ii. Resettlement of Project Affected Persons (63%)

The process of acquiring land for the refinery and the pipeline infrastructure development involves resettlement of the PAPs. The government employed two mechanisms of compensating the PAPs, (i) cash compensation and (ii) relocation of the PAPs. The sector is credited for involving of all the various stakeholders when developing the compensation packages for the land, crops on land, and houses of the PAPs. The consultant hired to undertake this assignment involves the communities in valuing all the items on land and the land itself. Once the rates are agreed, they're then submitted to the Chief Government Valuer (CGV) for approval, and thereafter compensation.

It was however noted by the local governments, that during the development of the RAPs, the local government leaders are left out or considered at the conclusion of the process, and thus don't play an active role. One Local government officer noted that;

> "Our involvement came after the draft yet it's supposed to be from the beginning because we know the dynamics culturally, we were called to review the RAP which we had no choice than to accept. The involvement was though very limited."

Another local government official from Hoima district revealed that;

> "Our role is very limited because they always use consultants and leave out the DLG and local communities. As the DCDO, I was not involved at the beginning of the project yet I had so much interest because I know my community better and play a big role in the community. We shouldn't be having issues like of the PAPs rejecting houses built for them if we were involved fully."

The assessment also found out the implementation of the RAPs follows an established structure that involves the committees at the district and the community level. It was however noted that these committees aren't funded and thus cannot fully support the RAP activities. This has led to increased disputes on compensation rates between the PAPs and the government.

> "RAP has systems because it has committees at village and the district levels i.e. the Resettlement plan committee but these committees are not independent because they do not have budget lines. We have the technical capacity but since the exploration of oil and gas, we are not being supported financially and we cannot support the Resettlement programs."

So far, 98.5% of the PAPs that opted for cash compensation have been fully paid, while resettlement houses have been fully constructed and handed over to the occupants. The government is however yet to engage and resolve grievances with some of the PAPs who were not in sync with the compensation packages and opted for litigation; yet some of the landlords were absentees and have not been identified.

During the assessment, it has been noted that the social welfare of the PAPs during the implementation of the RAPs still has some challenges. According to the community members, there have been increased cases of domestic violence within the families. Women complain of their

Figure 11: Some of the houses constructed for the PAPs

husbands that received cash payments have either abandoned their families or married more women with the cash. And thus marriages have broken down as a result of the misunderstandings from the sharing of the cash. In one community, it was reported that one man committed suicide because the money was handed over to the wife, and she later disappeared with the cash.

On the social engagement, the petroleum activities have come up with social aspects that have re-organised the society setup. Community members raise issues of increased violence and breakups as a result of influx of people in the areas. In an FGD in Buliisa, one youth revealed that,

> "The foreigners employed at the oil company are causing violence and disorganizing families by taking away our wives and girlfriends, married men are running away from their families to go hunt for brown girls because they have money to spend, over drinking, prostitution and theft causing fights in families and community."

There's a need to strengthen the social aspects of the RAPs to avoid the consequences of sudden inflow of cash in the community.

iii. Women Inclusion and Participation (38%)

The scorecard noted that there are no special programs to reduce gender disparities in tertiary institutions that teach oil and gas courses, and thus the proportion of female to male Ugandans employed by the oil and gas related companies is still below expectations.

The MGLSD came up with specific interventions to promote equal representation of women and men in the oil and gas sector, such as the gender strategies and equity issues in the budgeting process, but these have not yielded much. MGLSD also ensured that Gender Desk officers are posted in all MDAs to promote gender related issues in that particular MDA, ensuring the engendering of sector development plans; and the gender policy developed and implemented. The Equal opportunities commission and UN Women also emphasize gender equality in all opportunities including projects.

All these are however yet to yield tangible results in the oil and gas sector. This is partially due to the fact that the oil and gas industry, is dominated by mainly males. On employment of the local communities doing casual labour, the role of women and the participation in the oil and gas activities is still minimal. One local government leader noted that;

> "There is no direct support for women participation from Oil Companies or government but for now it's through development partners like Living Earth, and other NGOs within the district that prepares the vulnerable and marginalized groups for development and benefiting from the petroleum activities e.g. value additions on commodities i.e. packaging. There's need for more capacity building."

Thus, much more needs to be done to empower women and curb down the high levels of violence in families and the communities.

iv. Citizens' Engagement (53%)

Through implementing the communication strategy, the subsector has carried out community sensitisation meetings, radio talk shows on local radio stations, the newspaper and online media and engagements with various stakeholders and actors in the oil and gas sector. The major key issues raised in these engagements are; more information dissemination, transparency in the management and utilisation of oil and gas revenues, involvement and participation, and prevention of social, health and environmental disasters.

The sector on various occasions engages the civil society through their coalition on oil and gas (CISCO) on various topics in the industry. The CSOs have been involved particularly in the upstream activities, especially in engaging in complimentary community education and sensitisation on issues concerning the sector. However, the CSOs have sometimes been discredited for misunderstanding land acquisition processes and consequently inciting the PAPs. **The ministry should continually engage with CSO's and provide the required information.**

v. Corporate Social Responsibility (75%)

All the oil and gas companies are credited for establishing corporate social responsibility programs within the community. They have set up health centres, providing scholarships, supported schools, engaged in social activities such as supporting sports programs, supporting water and sanitation programs through establishing boreholes, among others.

The Chairman Buliisa district local government recognised the services provided by the oil and gas companies. He noted that;

> We received goal poles and sports uniform from Total Limited for the Masaza football team and renovated Kirama and Kisansya Primary School in Bullisa. Tullow Limited constructed a resource Centre in Buliisa district headquarters that also houses some of the offices, Buliisa General Hospital, and constructed Water sources such as boreholes.

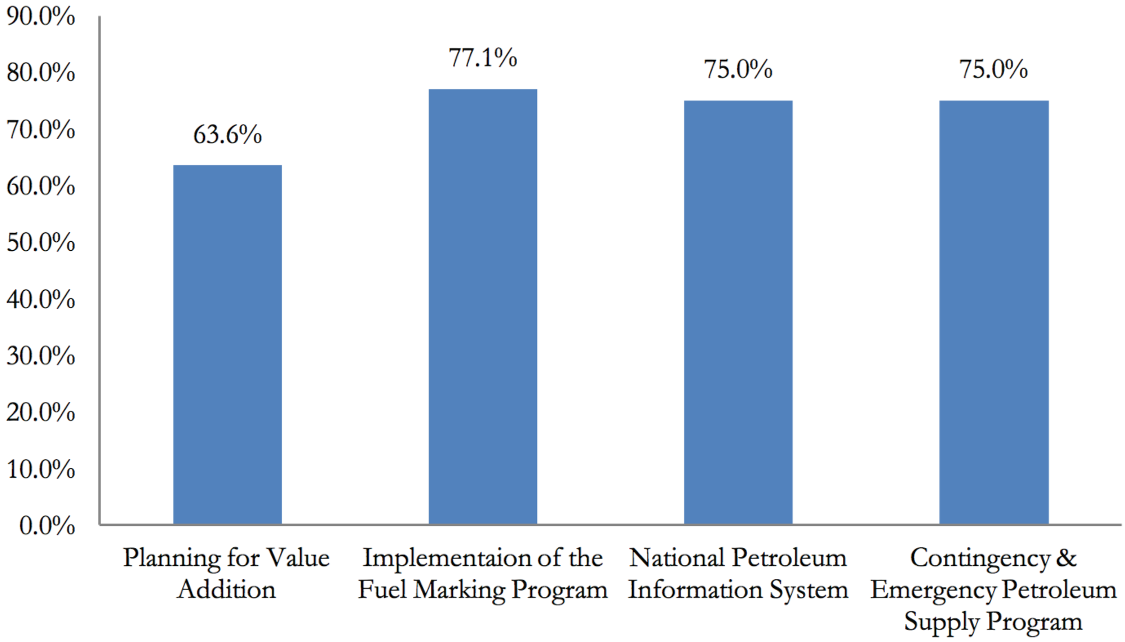
The DCDO Hoima acknowledged the role played by Tullow in both the education and health sector. He revealed that;

> Tullow constructed Kaiso Secondary School and Kabaale Health Centre III. Consultation was made through the district development plan and ground checks were conducted.

3.1.9 Value Addition, Marketing, Quality Control and Emergency programs

Indicator Score: 72.7% - Mostly Addressed

Figure 12: Performance of the subsector under Key Results Areas in indicator 9



The performance of the subsector on the indicator 9 indicates that the subsector has fully addressed most of the key areas that were assessed in this score card. This assessment is described in detail as below;

i. Planning for Value Addition (63.6%)

When preparing the feasibility study for the development of the pipeline, the subsector prepared the feasibility study on marketing of oil and gas products. It's through this that the various options and opportunities for utilising the country's oil and gas resources were evaluated.

The subsector has also prepared various strategies for value addition in the oil and gas subsector. The feasibility study for the refinery development project was prepared and the process of selecting of the Lead Investor is still progressing and the negotiations are on-going between government and the Albertine Graben Refinery Consortium. There after FEED, FID and ESIA for refinery development will be undertaken once the lead investor on board.

For the petrochemical industries, the subsector is yet to conduct the feasibility study and the strategy for petrochemical industries. The subsector is also yet to prepare the FEED and ESIA studies for EACOP for Crude Oil Export Pipeline and the FID and EPC. The subsector is also yet to develop petroleum Industrial Park in Hoima.

ii. Implementation of the Fuel Marking Program (77.1%)

The subsector is credited for implementing the action plan for addressing issues of quality assurance and standards of petroleum products through the Fuel Marking and Quality Monitoring Program. Under this program, all petroleum products sold in the country are marked with a mark approved by MEMD/PSD. This helps to ascertain that the petroleum product imported and sold in the country meets the required quality and standards.

PSD is also credited for having procured Fully Automated Distillation Apparatus and installed them at Busia, Malaba and Mutukula border entry points and Jinja Storage Tanks (JST); though actual testing operations for JST are yet to be done.

PSD ensured that there are collaborative arrangements between the Fuel Marking Program and URA to ensure that all the fuel imported and taxed in the country is marked. The importer is provided with a certificate by the program which is presented to URA upon taxation. However, the fess that are collected for testing and examination of the petroleum products are not collected by URA and thus they don't go to national treasury, but instead facilitate the activities of the marking agent.

iii. National Petroleum Information System (75.0%)

The ministry established an integrated and centralised system covering all the petroleum supply operations and installations, the market activities as well as the statistics on petroleum supply in Uganda. The National Petroleum Information System (NPIS) is operational and managed by the Petroleum Supply Department. It's currently being integrated with the Electronic Single Window.

iv. Contingency & Emergency Petroleum Supply Program (75.0%)

The ministry was credited for having a Contingency and Emergency Petroleum Supply Plan. However, it was noted that the major petroleum supply license holders in the country don't have their respective Contingency and Emergency Petroleum Supply Plans and therefore in times of petroleum supply shocks, they easily run out of stocks. **There is a need to enforce this by the relevant authorities to avoid the escalation of petroleum prices in the country, due to scarcity caused by major shocks in the economy.**

The PSD works in close collaboration with all petroleum supply license holders who regularly submit reports on events which could cause or have caused sustained interruptions or substantial reduction of the petroleum supply operations. This helps PSD to set urgent mitigation measures. Though, management and maintenance of Jinja Storage Tanks (JST) was transferred to UNOC, PSD is still monitoring and supervising restocking of JST operations. This is one of the mitigation measures to petroleum supply shocks in the country. There's however need for more to avoid escalating petroleum products' prices.

3.1.10 Regional and International Initiatives

Indicator score: 44% - Partially addressed

Uganda engages with other regional neighbours with regards to the oil and gas development in the country. The country participates in regional forums for investment in oil and gas such as the East African Petroleum Conference and Exhibition (EAPCE'17). The latest conference was held in Bujumbura, Burundi.

The country also participates in periodic meetings of the Sectoral Council on Energy of the East African Partners states, which deliberates on harmonised regional initiatives on energy matters. This previous energy council meeting was held in Arusha, Tanzania.

The ministry also attended the Northern Corridor Integration projects technical meetings. The government also supports the development of the EACOP from Kabaale to the port of Tanga on the East African Coast and thus the Intergovernmental Agreement (IGA) between Uganda and Tanzania was signed into a treaty. These are regional initiatives for oil and gas infrastructural development.

Uganda is however, yet to join the Organisation of Oil Producing Export Countries (OPEC) and the Extractives Industries Transparency Initiatives (EITI). This affects its credibility in transparency and management of oil resources. Arrangements should be made to initiate actions for the country to join EITI.

Conclusions and Recommendations

Although there is a general decline in the performance of the petroleum sub-sector, the scorecard results still indicate that the subsector has performed above average as Uganda especially as the country prepares to commence the development phase.

In the previous scorecard (2015/16), significant progress was reported in providing an enabling institutional, policy, and legal framework for exploitation of oil and gas resources; with key gaps noted in putting in place a policy and law for National Participation in oil and gas development and creating an enabling environment to promote transparency and accountability in the subsector.

To consolidate the achievements of the petroleum subsector as reflected in the scorecard and to improvbe on this performance, government should fast track the following;

01

Fast-track the development of guidelines for management of oil and gas data including enhancing data accessibility and establishing quality control mechanisms and capacities for submitted data. The Government is encouraged to regard the general public as its first-line auditor who should access as much information on the sector as possible.

02

Ensure that PAU and UNOC are adequately funded to fill-up all the remaining human resource capacity gaps to enable the institutions' execution of their statutory mandate as the sub-sector readies itself to embark on petroleum production

03

Address the glaring discrepancy in salaries between local employees of International Oil Companies and their foreign counterparts to maximize Net National Product (NNP).

04

Continuously conduct sensitization campaigns to enhance awareness of host communities and local governments on oil developments and manage their expectations. This will open them up to available local opportunities on required goods and services thereby enhancing their participation.

05

Conduct the capacity needs assessment in Government institutions for the oil and gas sub-sector that will guide the development of the training plan and training of personnel of Government institutions. Specific focus should be placed on non-petroleum related courses.

06

Enforce the recently approved National Content Policy so as to promote local employment and the utilization of Ugandan goods and services as well as facilitate monitoring of companies' performance in this area. In addition, the Government should maintain that the national content provisions and the procurement guidelines take cognizance of the fact that Ugandans are the principal beneficiaries of all the petroleum activities and should be incorporated into the procurement guidelines of oil companies.

07

Through the Ministry of Internal Affairs, ensure timely follow-up on expired working permits and enforce sanctions against oil companies whose expatriates stay beyond the agreed nationalization dates without proper justification and authorization by MEMD. The companies should also fill vacant positions by recruiting nationals to understudy expatriates.

08

Encourage institutional collaboration between the Operational Safety and Health (OSH) Department at the Ministry of Gender, Labour and Social Development and MEMD to jointly monitor OSH in oil developments.

09

Together with Development Partners and Project Affected Persons (PAPs), engage in candid, open and transparent negotiations to ensure that a balance is struck between PAPs' realistic interests and Government/ JVPs' interests.

10

Continually engage with CSO's and provide them with required information.

11

Initiate actions for the country to join the Extractives Industries Transparency Initiative (EITI).

12

Investigate land ownership in the project affected areas to identify new entrants and weed out speculators by subjecting their land to the "public use test" and the Compulsory Land Acquisition Act. It is apparent from this scorecard that most of the project corridors such as proposed locations for the Central Processing Facility (CPF), well pads and crude oil pipeline routes have been infiltrated by speculators increasing the cost of these projects and delaying forecast timelines for completion.

Appendices

Appendix 1: List of Local Government Leaders Consulted

#	Names	Position	District
01	Mr. Tugume Bernard	Acting District Natural Resource Officer	Buliisa district
02	Mr Baruganara Bernard Atwooki	District Community Development Officer	
03	Mr Kisembo Richard	Secretary for Finance	
04	Mr Agaba Kinene Simon	District Chairman LCV	
05	Ms Joseline Nyagoma Amooti	District Natural Resource Officer	Hoima district
06	Mr Ebong Kenneth	District Community Development Officer	
07	Ms Bernadette Pla	District Secretary of Finance	
08	Mr. Kadiri Kirungi	District Chairman LCV	
09	Ms. Acaa Evaline	District Environment Officer	Nwoya district
10	Mr. Akena Geoffrey	District Community Development Officer	
11	Mr. Alfred	Secretary for Production	
12	Ms Betty	Secretary for Finance	
13		District Chairman LCV	

Appendix 2: List of Villages in which FGDs where Conducted

#	Village	Sub County	District
01	Oduku (Men)	Ngwedo	Buliisa district
02			
03			
04	Buseruka (Women)		Hoima district
05	Kabaale (Youth)		
06	Kitegwa (Men)		
07	Patyera East (Women)	Purongo	Nwoya district
08	Olwing (Men)	Porongo	
09	Wii-anaka (Youth)	Purongo	

Appendix 3: Focus Group Discussion Guide

- How are you, as host communities involved in the process of development and implementation of Resettlement Action Plans?
- What opportunities are there for host communities/project affected persons in the oil and gas sector? (Probe for both employment and supplier of goods and services.). How are you informed about these opportunities? How are you prepared to participate and benefit from these opportunities? (Probe for training and skilling of the local communities to supply goods and labour to the oil and gas operations).
- What kind of support has this community ever received to enable it to improve on the quality of goods and services supplied to the oil and gas companies and sub-contractors? Who provided the support?
- What services has this community received from the government as a result of the oil and gas operations?
- What services (SCR) has the host community received from the oil and gas companies?
- Are there cases of Gender Based Violence (GBV) associated with oil and gas developments in your community? Are communities sensitised on issues of HIV/AIDS, GBV, etc. When and how is this sensitisation conducted?
- Are there health and social grievances between the community and the oil and gas companies or sub-contractors experienced in this community? How have they been handled?
- Are there roles designated for women and special interest groups during oil and gas operations in your community? How have you participated?
- What do you suggest should be done to improve the livelihood of this community as a result of oil and gas developments in your area?

Appendix 4: Key Informants Guide (Local Governments) – Petroleum

Dear Sir/Madam,

My Names are ……………………………………………from Africa Centre for Energy and Policy (ACEMP). In collaboration with the National Planning Authority (NPA), ACEMP is preparing an annual scorecard report for the Mining and Petroleum Subsectors. The Scorecard assesses the progress of the subsectors towards the achievement of their goals; but also draws urgent attention to issues that need immediate action by the government, the relevant stakeholders and partners.

Since you're one of the key stakeholders, by virtue that your LG is within the Albertine region, you have been purposively selected to participate in this study, as a respondent. We assure you that your responses will be used only for the purposes of this study, and shall be kept with utmost confidentiality.

For any inquiries, please contact Dr. J. Muvawala, Executive Director, NPA or Don Bwesigye, Executive Director ACEMP (0772512460)

No.	Question	Target Respondent
1	How are the local governments involved in the process of granting licenses to the oil companies?	District Environmental Officer/ Natural Resource Officer
2	When preparing ESIAs, do the oil and gas companies involve all the stakeholders including the DLGs and host communities? How are they involved?	
3	How is the DLG involved in monitoring the compliance of the oil companies to the Health, Safety and Environment regulations? Does the district have the capacity (both financial and technical) to execute these roles?	
4	What health, safety and environmental conservation programs does the DLG implement in the Albertine region?	
5	When preparing RAPs, do the oil and gas companies involve all the stakeholders including the DLGs and host communities? How are they involved?	District Community Development Officer
6	How is the DLG involved in monitoring the compliance of the oil and gas companies to the RAPs during project implementation? Does the district have the capacity (both financial and technical) to execute these roles?	
7	As a district, have you experienced disputes between the host communities and the oil and gas companies? How have they been handled?	
8	How does the DLG engage and prepare the host communities to benefits in the oil and gas activities? (probe for sensitization, training and skilling programs for the communities)	
9	What roles do women and vulnerable and marginalized play in the oil and gas operations?	
10	What are the available alternative livelihood programs in place for the project affected persons in the oil and gas operation areas?	
11	How have the social, religious and cultural activities been affected by the oil and gas activities in the operational areas?	
12	What are some of the Social Corporate Responsibility (SCR) activities or programs done in this local government by the oil and gas companies? Are the beneficiaries consulted during the development or establishment of the SCR initiatives?	
13	How are the host communities prepared to provide goods and services to the oil and gas companies? (probe for sensitization, training, skilling and employment programs or opportunities for the communities)	Secretary for Production and or Agriculture/ Production Officer
14	Are there initiatives to provide alternative livelihood programs such as boosting agriculture for the people who are displaced by the oil and gas activities?	
15	Does this Local government receive revenues from the central government based oil and gas produced?	Treasurer and Secretary for Finance
16	Does this LG publish information on revenues transferred from central governments? Which channels does it use to publish this information?	
17	Do the oil and gas companies pay the relevant taxes to the LG? What challenges does the LG face in collecting the relevant taxes from the oil and gas companies?	
18	What benefits has oil and gas activities in your district posed to the district and the local people?	District chairperson
19	What challenges do the local populations meet as a result of the oil and gas activities? What initiatives has your local governments put in place to curb these challenges	
20	What do you suggest can be done by the government to improve the livelihoods of the people in the oil and gas operational areas?	

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