

# VOTE: 139 Petroleum Authority of Uganda (PAU)

## I. VOTE MISSION STATEMENT

To monitor and regulate the petroleum sector in order to create lasting value for society and contribute to Uganda being a sound investment destination.

## II. STRATEGIC OBJECTIVE

- i) Ensure efficient exploration, development, production and utilization of oil and gas resources and petroleum data management in Uganda
- ii) Strengthen the policy, legal, and regulatory framework as well as institutional capacity of the oil and gas industry.
- iii) Enhance the opportunities for nationals and national enterprises to participate in oil and gas activities.
- iv) Promote private investments in the oil and gas industry.
- v) Enhance Quality, Health, Safety, Security, Social and Environment.

## III. MAJOR ACHIEVEMENTS IN 2021/22

- i) Prepared and submitted to the Minister, Ministry of Energy and Mineral Development, the 2021 Annual Petroleum Resources Report.
- ii) Carried out 10 Field Inspections for the East African Crude Oil Pipeline Resettlement Action Plan disclosure exercises in the 10 districts
- iii) Monitored site preparation work at the Tilenga industrial Area. Physical progress of work was at 50.6 percent
- iv) Reviewed the statements of recoverable expenditure for 2021 from TotalEnergies Uganda Ltd.
- v) Commenced the review of final Front End Engineering Design for the Refinery, Mpigi Remote Refinery Terminal, and Lake water Intake. Progress was at 50 percent.
- vi) Reviewed and proposed amendments for the Petroleum, Exploration, Development and Production Health, Safety and Environment Regulations.
- vii) Supported the enactment of 03 Bills namely, the EACOP Special Provisions Bill, 2021, the Public Finance Management, Amendment Bill, 2021, and Income Tax, amendment no.2 Bill, 2021 supported.
- viii) Participated in the negotiations of the agreements required for the Refinery Project in Uganda.
- ix) Enforced the implementation of the local content policy that led to the employment of 2084 Ugandan Nationals in the oil and gas sector, representing 73 percent of the people employed in the sector during the period.
- x) Held 02 Skills Development Dialogue with the Oil and Gas Training Institutions Association of Uganda.
- xi) Supported the development of the linkages of 04 sectors, Housing, Transport, Health, and Agriculture with the oil and gas industry in Uganda.
- xii) Secured 02 partnerships one with Stanbic Properties Limited and another with GIZ.
- xiii) Monitored land acquisition activities for Tilenga, KFDA, and EACOP projects and 83.2 percent of disclosures, and a total of 392 PAPs fully compensated.
- xiv) Supported 02 Supplier Development Workshops. 01 for CNOOC Uganda Limited and 1 for TotalEnergies Uganda Limited.
- xv) Conducted 03 audits of the measures being implemented by licensees to mitigate the risks of COVID 19 during the field operations.
- xvi) Monitored land acquisition activities for Tilenga, KFDA, and EACOP projects and 83.2 percent of disclosures, and a total of 392 PAPs fully compensated.
- xvii) Undertook field monitoring for the Tilenga Resettlement Action Plans, which included disclosure, financial literacy training, the opening of bank accounts, signing of compensation agreements, and compensation payment. 435 (11 percent) Persons Affected by the Project (PAPs) were compensated.

**VOTE: 139 Petroleum Authority of Uganda (PAU)****IV. MEDIUM TERM BUDGET ALLOCATIONS****Table 4.1: Overview of Vote Expenditure (Ushs Billion)**

		<b>MTEF Budget Projections</b>				
		<b>2022/23 Proposed Budget</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Recurrent</b>	Wage	23.829	23.829	23.829	23.829	23.829
	Non-Wage	33.551	13.551	13.551	13.551	13.551
<b>Devt.</b>	GoU	6.340	6.340	6.340	6.340	6.340
	Ext Fin.	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>		<b>63.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>
<b>Total GoU+Ext Fin (MTEF)</b>		<b>63.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>
<b>Arrears</b>		0.007	0.000	0.000	0.000	0.000
<b>Total Budget</b>		<b>63.727</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>
<b>Total Vote Budget Excluding</b>		<b>63.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>	<b>43.720</b>

**VOTE: 139 Petroleum Authority of Uganda (PAU)****Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)**

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2022/23	
	Recurrent	Development
<b>Programme:03 SUSTAINABLE PETROLEUM DEVELOPMENT</b>	<b>57.380</b>	<b>6.340</b>
<b>SubProgramme:01 Upstream</b>	<b>53.934</b>	<b>6.340</b>
<b>Sub SubProgramme:01 Petroleum Regulation and Monitoring</b>	<b>31.231</b>	<b>1.450</b>
001 Development and Production	5.613	0.000
002 Environment, Health, safety and security	4.105	0.000
003 ICT and Data Management	11.786	1.450
004 Petroleum Exploration	3.924	0.000
006 Technical Support Services	5.804	0.000
<b>Sub SubProgramme:02 Policy, Planning and Support Services</b>	<b>22.703</b>	<b>4.890</b>
001 Executive Director's Office	5.455	0.000
002 Finance and Administration	13.008	4.890
003 Legal and Corporate Affairs	4.240	0.000
<b>SubProgramme:02 Midstream</b>	<b>3.446</b>	<b>0.000</b>
<b>Sub SubProgramme:01 Petroleum Regulation and Monitoring</b>	<b>3.446</b>	<b>0.000</b>
005 Refinery, Conversion, Transmission and Storage	3.446	0.000
<b>Total for the Vote</b>	<b>57.380</b>	<b>6.340</b>

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### V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

<b>Programme: 03 SUSTAINABLE PETROLEUM DEVELOPMENT</b>				
<b>SubProgramme: 01 Upstream</b>				
<b>Sub SubProgramme: 01 Petroleum Regulation and Monitoring</b>				
<b>Department: 001 Development and Production</b>				
<b>Budget Output: 000017 Infrastructure Development and Management</b>				
<b>PIAP Output: Upstream facilities for Tilenga and Kingfisher projects constructed</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
%age completion of the facilities for Tilenga and Kingfisher projects	Percentage	2019/2020	0	67%
<b>Department: 002 Environment, Health, safety and security</b>				
<b>Budget Output: 000057 Social and security safeguards</b>				
<b>PIAP Output: QHSSE systems and standards developed and implemented</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Number of QHSSE standards in place.	Number	2017/2018	110	60
Number of Quality Management systems in Place	Number	2017/2018	0	1
Number of standards on Climate Change developed	Number	2017/2018	0	10
<b>Department: 003 ICT and Data Management</b>				
<b>Budget Output: 000019 ICT Services</b>				
<b>PIAP Output: Designs for pre-requisite infrastructure developed and construction completed</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
%age completion of construction	Percentage	2019/2020	0%	60%
<b>Department: 004 Petroleum Exploration</b>				
<b>Budget Output: 080001 Exploration and development</b>				
<b>PIAP Output: New exploration activities undertaken</b>				

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<b>Sub SubProgramme: 01 Petroleum Regulation and Monitoring</b>				
<b>Department: 004 Petroleum Exploration</b>				
<b>Budget Output: 080001 Exploration and development</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Volume of additional petroleum resources (Billion barrels STOIP)	Yes/No	2017/2018	6	1
<b>Department: 006 Technical Support Services</b>				
<b>Budget Output: 080002 Local Content development</b>				
<b>PIAP Output: National Content Policy implemented</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Percentage of local participation in the oil and gas subsector	Percentage	2018/2019	28%	32%
<b>Sub SubProgramme: 02 Policy, Planning and Support Services</b>				
<b>Department: 001 Executive Director's Office</b>				
<b>Budget Output: 000001 Audit and Risk Management</b>				
<b>PIAP Output: Conflicting policies, laws and regulations harmonized</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Number of laws and regulations enacted	Number	2017/2018	10	1
<b>Budget Output: 000006 Planning and Budgeting services</b>				
<b>PIAP Output: Conflicting policies, laws and regulations harmonized</b>				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Number of laws and regulations enacted	Number	2017/2018	10	1

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## VI. VOTE NARRATIVE

### Vote Challenges

- i) Inadequate funding, or the period July to December 2021, the Authority did not receive all the required budget to finance the plan specifically zero release for development budget that was meant for implementation of retooling and National Petroleum Data Repository Infrastructure projects. Some of the key outputs affected include Design of a modern core store completed, Seismic Data Transcription System installed and maintained, Design of the Business Continuity and Disaster Recovery System, Design of the Real Time Monitoring Centre , procurement of personal Computers and monitors and procurement of 5 field vehicles, office furniture and equipment for the new staff recruited during the FY
- ii) Inadequate staffing, staffing level stood at 66.78 percent, 190 out of 283 staff of the approved PAU structure from 66.78 percent in June 2021, of these, 57 are female by the 31st December 2021.
- iii) COVID 19 Outbreak, the COVID 19 pandemic affected the implementation of some activities of field monitoring of oil and gas activities, FEED reviews for EACOP and refinery.

### Plans to improve Vote Performance

- i) The Authority established 02 field offices in Hoima and Bulisa District to reduce transport costs from Kampala to the Albertine Region and be able to effectively and efficiently monitor and regulate the petroleum operations.
- ii) The Authority plans to recruit 32 new staff to increase the staffing level from 67 percent to 75 percent.
- iii) Ensure Effective and Timely Enforcement of the Petroleum Laws, Regulations, and Guidelines and Standards.
- iv) Facilitate the Enhancement of the Petroleum Resource Base.
- v) Enforce Efficient Reservoir Management and Petroleum Production.
- vi) Ensure Government Achieves its Full Share of Produced Petroleum.
- vii) Ensure Efficient and Effective Management of Petroleum Data.
- viii) Support the negotiation of agreements relevant for the commercialization of discovered petroleum resources.
- ix) Support infrastructure development and operation for upstream and midstream projects.
- x) Promote Coexistence between Petroleum operations and the environment.
- xi) Promote a health and safety culture to protect human life and assets in the oil and gas sector.
- xii) Ensure effective and efficient oil spills prevention, preparedness, and response.
- xiii) Strengthen Mutually Beneficial Relationships with Stakeholders.
- xiv) Monitor and Optimize National Participation in the Oil and Gas Sector.
- xv) Strengthen Human Resource Management Capacity and Systems of the Authority
- xvi) Enhance Operational Efficiency and Service Delivery
- xvii) Acquire, Secure, and Optimally utilize critical Assets and Infrastructure required for effective and efficient implementation of the mandate of the Authority.

## VII. Off Budget Support

**Table 7.1: Off Budget Support by Project and Department**

<i>Billion Uganda Shillings</i>	<b>2022/23 Draft Estimates</b>
<b>Programme : 03 SUSTAINABLE PETROLEUM DEVELOPMENT</b>	<b>1,440,000</b>
<b>SubProgramme: 01 Upstream</b>	<b>1,440,000</b>
<b>Sub SubProgramme : 01 Petroleum Regulation and Monitoring</b>	<b>1,440,000</b>
Department: 002 Environment, Health, safety and security	540,000
Department: 006 Technical Support Services	900,000
<b>Total For The Vote</b>	<b>1,440,000</b>

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### VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

#### i) Gender and Equity

<b>OBJECTIVE</b>	To promote equal access to resources, information, and decision-making by women, the youth, persons with disabilities, and older persons.
<b>Issue of Concern</b>	Unequal access to resources, information, and decision-making by women, the youth, persons with disabilities, and older persons.
<b>Planned Interventions</b>	The Authority will consider women, the youth, persons with disabilities, and older persons during the implementation of petroleum activities to ensure equity to all Ugandans.
<b>Budget Allocation (Billion)</b>	1.540
<b>Performance Indicators</b>	02 Business awareness and formalization clinics undertaken 100 Enterprises sensitized/trained about bid information 50 Business linkages between enterprises established 100 Women, youth and PWD enterprises capacity built

#### ii) HIV/AIDS

<b>OBJECTIVE</b>	To reduce the effects of HIV/AIDS disease on the health and wellbeing of the staff of the Authority.
<b>Issue of Concern</b>	The effects of the HIV/AIDS disease on oil and gas operations and activities.
<b>Planned Interventions</b>	Procurement of medical insurance cover for all the staff of the Authority to enable them to access education programmes about HIV/AIDS through the medical service providers.
<b>Budget Allocation (Billion)</b>	1.020
<b>Performance Indicators</b>	190 Staff enrolled to Medical Insurance

#### iii) Environment

<b>OBJECTIVE</b>	To enforce compliance with environmental policies, laws, and regulations which lead to degradation of the environment.
<b>Issue of Concern</b>	Poor enforcement of compliance with environmental policies, laws, and regulations which lead to degradation of the environment.
<b>Planned Interventions</b>	The PAU plans to recruit additional staff and adequately equip the Directorate of Environment, Health, Safety, and Security with the right personnel, equipment, and logistics required to effectively enforce compliance with the environmental laws
<b>Budget Allocation (Billion)</b>	0.220
<b>Performance Indicators</b>	04 Quarterly health and safety reports produced 04 Health Safety and Security field monitoring reports produced 48 Health and safety reports submitted by licensees assessed 02 EHSS trainings in the oil and gas sector facilitated

#### iv) Covid

<b>OBJECTIVE</b>	To reduce the impact of COVID -19 Pandemic on petroleum operations and activities.
<b>Issue of Concern</b>	Implementing Standard Operating Procedures for COVID -19 Pandemic, slowing down petroleum operations and activities.

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<b>Planned Interventions</b>	Procurement COVID-19 prevention equipment and materials such as sanitizers, masks, temperature guns
<b>Budget Allocation (Billion)</b>	0.220
<b>Performance Indicators</b>	190 Staff provided with prevention equipment and materials such as sanitizers, masks



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### **IX. PERSONNEL INFORMATION**

**Table 9.1: Staff Establishment Analysis**

<b>Title</b>	<b>Salary Scale</b>	<b>Number of Approved Positions</b>	<b>Number of filled Positions</b>
Director	PAU2	8	8
Driver	PAU10	45	27
Executive Assistant	PAU6	1	1
Executive Director	PAU1	1	1
Manager	PAU3	23	21
Office Attendant	PAU11	9	8
Officer	PAU5	128	80
Personal Secretary	PAU9	12	12
Senior Officer	PAU4	46	32
Technician/Assistants	PAU7	10	0

**VOTE: 139 Petroleum Authority of Uganda (PAU)****Table 9.2: Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2022/23	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Driver	PAU10	45	27	18	5	1,750,000	105,000,000
Manager	PAU3	23	21	2	2	21,000,000	504,000,000
Officer	PAU5	128	80	48	15	9,000,000	1,620,000,000
Senior Officer	PAU4	46	32	14	10	15,000,000	1,800,000,000
<b>Total</b>					<b>32</b>	<b>46,750,000</b>	<b>4,029,000,000</b>

