

VOTE: 139 Petroleum Authority of Uganda (PAU)

I. VOTE MISSION STATEMENT

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

II. STRATEGIC OBJECTIVE

- 1) Ensure efficient exploration, development, production and utilization of the countrys oil and gas resources and petroleum data management.
- 2) Strengthen policy, legal and regulatory frameworks as well as institutional capacity for the oil and gas industry.
- 3) Enhance the opportunities of nationals and national enterprises to participate in oil and gas activities.
- 4) Promote private investment in the oil and gas industry.
- 5) Enhance Quality Health, Safety, Security, Social and Environment.

III. MAJOR ACHIEVEMENTS IN 2022/23

- 1) Prepared and Submitted to the Minister of Energy and Mineral Development the 2022 Annual Petroleum Resource Report.
- 2) The Authority continued with the 2nd phase of the basin analysis study for the Southern Lake Albert and Semliki basins currently standing at 30% completion.
- 3) Implemented the field mapping project over the Albertine Graben to enhance the understanding of the key elements of the petroleum systems, documented and established the geo-traverse(s) of international standards across the graben.
- 4) Supported the acquisition of land for the right of way for the EACOP project and associated facilities during the period. 112 PAPs were fully compensated in Uganda, bringing the cumulative number of fully compensated PAPs to 2,357 accounting for 65%. In Tanzania, 5,420 PAPs were compensated during the same period, bringing the cumulative total to 7,433 PAPs, accounting for 78%.
- 5) Monitored the ongoing field activities in the Tilenga Project. The overall, progress of civil works at the Tilenga Industrial area site, which will host the Central Processing Facility (CPF), Drilling Support Bases (DSB) and accommodation camps, among other facilities stood at 82.3% compared to the planned 100% at the end of December 2022.
- 6) Construction of well pads with the wells that will produce first Oil continued during the period. These well pads included Jobi-Rii 05 (JBR 05), Gunya 01 (GNA 01), Ngiri 03 (NGR 03) and Jobi Rii 04 (JBR 04).
- 7) The Front End Engineering Designs (FEED) for the Tilenga Liquefied Petroleum Gas (LPG) project commenced with the objective of defining the process designs from the production of LPG that will be incorporated into the CPF.
- 8) Monitored land acquisition activities of Tilenga project along the five Resettlement Action Plans (RAPs). The overall progress of land acquisition for the Tilenga project as at the end of December 2022 was 92%.
- 9) Monitored the ongoing field activities for the Kingfisher project. The progress of PC-1 was 62.24% against planned progress of 65.64%, Well pad 2 was completed and handed over to the drilling contractor on 14th September 2022.
- 10) Supported the Negotiations of key commercial agreements for the refinery project of; (i) Implementation, (ii) Shareholders and (iii) Crude Oil Supply Agreements continued during the period. The government is facilitating the negotiations of the Crude Supply Agreement between the refinery

VOTE: 139 Petroleum Authority of Uganda (PAU)

developer and the upstream crude oil owners.

11) The Authority supported seventeen (17) engagements with various stakeholders including host communities, district leaders, national engagements, and field visits for district and sub-county officials to the KFDA and Kabaale Industrial Park (KIP).

12) The number of persons employed within the sector stood at 8,965. Of these, 8,330 persons, about 93%, were Ugandans out of whom 40.44%, 3,369 were from the communities hosting the oil and gas projects.

13) The Authority received and reviewed twenty-two (22) Bid Evaluation Reports (BERs) from the licensees worth US\$ 35,221,442 of which USD 22,178,605 (63%) worth of contracts was expected to be executed by Ugandan Companies. The cumulative value of contracts reviewed stood at US\$ 6,885,398,098 at the end of December 2022, of which US\$ 1,707,776,062 (25%) was earmarked for Ugandan companies directly through Tier 1 contracting, US\$ 961,614,702 and USD\$746,161,360 through subcontracting from international companies at Tier 2 and lower levels.

14) 135 (Hoima 38, Kikuube 32, Kyotera 45, and Rakai 20 respectively) SMEs were trained in Business management, financial management, and bid management for three weeks.

15) Supported the commencement of the Environmental and Social Impact Assessment (ESIA) for the proposed Tilenga Project LPG recovery, Power Generation, and Flare System.

16) Supported the acquisition of land for the right of way for the EACOP project and associated facilities during the period. 112 PAPs were fully compensated in Uganda, bringing the cumulative number of fully compensated PAPs to 2,357 accounting for 65%. In Tanzania, 5,420 PAPs were compensated during the same period, bringing the cumulative total to 7,433 PAPs, accounting for 78%.

17) Supported the commencement of the Environmental and Social Impact Assessment (ESIA) for the proposed Tilenga Project LPG recovery, Power Generation, and Flare System.

18) The ESIA study for the EACOP Main Camp and Pipe Yard (MCPY) PS1 to be located within Kabaale Industrial Area was completed and the report was submitted to NEMA for consideration.

19) Supported the Development of Oil Spill Contingency Plans (OSCP) for Buliisa, Kikuube and Hoima districts, and for the Murchison Falls National Park.

VOTE: 139 Petroleum Authority of Uganda (PAU)

IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2022/23		2023/24	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2024/25	2025/26	2026/27	2027/28	
Recurrent	Wage	28.718	11.649	28.718	30.154	33.169	36.486	40.135
	Non-Wage	21.350	7.478	34.014	35.715	42.858	51.429	61.201
Devt.	GoU	13.653	2.895	26.792	26.792	32.150	36.973	40.670
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	63.720	22.022	89.524	92.661	108.177	124.888	142.006	
Total GoU+Ext Fin (MTEF)	63.720	22.022	89.524	92.661	108.177	124.888	142.006	
Arrears	0.007	0.004	0.032	0.000	0.000	0.000	0.000	
Total Budget	63.727	22.026	89.556	92.661	108.177	124.888	142.006	
Total Vote Budget Excluding Arrears	63.720	22.022	89.524	92.661	108.177	124.888	142.006	

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 2023/24	
	Recurrent	Development
Programme:03 Sustainable Petroleum Development	62.732	26.792
SubProgramme:01 Upstream	59.160	26.792
Sub SubProgramme:01 Petroleum Regulation and Monitoring	25.946	22.446
001 Development and Production	8.084	0.000
002 Environment, Health and Safety	5.351	0.446
004 Petroleum Exploration	5.654	22.000
007 Economics and National Content Monitoring	6.857	0.000
Sub SubProgramme:02 Policy, Planning and Support Services	33.214	4.346
001 Executive Director's Office	4.513	0.000
002 Finance and Corporate Services	7.566	4.346
003 Legal and Corporate Affairs	5.052	0.000
004 Human Resource and Administration	16.083	0.000
SubProgramme:02 Midstream	3.571	0.000
Sub SubProgramme:01 Petroleum Regulation and Monitoring	3.571	0.000
008 Midstream	3.571	0.000
Total for the Vote	62.732	26.792

VOTE: 139 Petroleum Authority of Uganda (PAU)

V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 03 Sustainable Petroleum Development

SubProgramme: 01 Upstream

Sub SubProgramme: 01 Petroleum Regulation and Monitoring

Department: 001 Development and Production

Budget Output: 000017 Infrastructure Development and Management

PIAP Output: Upstream facilities for Tilenga and Kingfisher projects constructed

Programme Intervention: 030302 Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects;

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
%age completion of the facilities for Tilenga and Kingfisher projects	Percentage	2017/2018	0%	67%	20%	30%

Department: 002 Environment, Health and Safety

Budget Output: 000057 Social and security safeguards

PIAP Output: QHSSE systems and standards developed and implemented

Programme Intervention: 030206 Establish QHSSSE governance and assurance framework;

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Number of Quality Management systems in Place	Number	2017/2018	0	1	1	10

Department: 004 Petroleum Exploration

Budget Output: 080001 Exploration and development

PIAP Output: New exploration activities undertaken

Programme Intervention: 030305 Undertake further exploration and ventures of the Albertine Graben

VOTE: 139 Petroleum Authority of Uganda (PAU)**Sub SubProgramme: 01 Petroleum Regulation and Monitoring****Department: 004 Petroleum Exploration****Budget Output: 080001 Exploration and development****PIAP Output: New exploration activities undertaken**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Volume of additional petroleum resources (Billion barrels STOIP)	Number	2017/2018	6	1	0	1

Budget Output: 080009 Petroleum Data Management**PIAP Output: National Petroleum Data Repository established****Programme Intervention: 030304 Undertake construction and operationalisation of infrastructure projects in the Albertine Region to ease movement of goods, labour and provision of services**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Stage of development of National Petroleum Data Repository (%)	Percentage	2017/2018	0%			93%

Department: 007 Economics and National Content Monitoring**Budget Output: 080002 Local Content Development****PIAP Output: National Content Policy implemented****Programme Intervention: 030604 Operationalize the National Content policy to enhance local Content and participation of nationals including women and youth in the oil and gas sector**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Percentage of local participation in the oil and gas subsector	Percentage	2017/2018	28%			35%

VOTE: 139 Petroleum Authority of Uganda (PAU)**Sub SubProgramme: 01 Petroleum Regulation and Monitoring****Project: 1612 National Petroleum Data Repository Infrastructure****Budget Output: 080009 Petroleum Data Management****PIAP Output: National Petroleum Data Repository established****Programme Intervention: 030304 Undertake construction and operationalisation of infrastructure projects in the Albertine Region to ease movement of goods, labour and provision of services**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Stage of development of National Petroleum Data Repository (%)	Percentage	2017/2028	0%	60%	27%	66%

Project: 1780 National Oil Spill response and monitoring Infrastructure Project**Budget Output: 000057 Social and security safeguards****PIAP Output: Emergency response and disaster recovery plan developed and implemented****Programme Intervention: 030201 Develop and implement an oil and gas disaster preparedness and contingency plan;**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Emergency response and disaster recovery plan in place	List	2017/2018	0			Yes

Sub SubProgramme: 02 Policy, Planning and Support Services**Department: 002 Finance and Corporate Services****Budget Output: 000019 ICT Services****PIAP Output: Designs for pre-requisite infrastructure developed and construction completed****Programme Intervention: 030304 Undertake construction and operationalisation of infrastructure projects in the Albertine Region to ease movement of goods, labour and provision of services**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
%age completion of construction	Percentage	2017/2018	0%			93%

VOTE: 139 Petroleum Authority of Uganda (PAU)**Sub SubProgramme: 02 Policy, Planning and Support Services****Department: 003 Legal and Corporate Affairs****Budget Output: 000039 Policies, Regulations and Standards****PIAP Output: Project commercial and legal agreements negotiated and executed****Programme Intervention: 030606 Strengthen governance and transparency in the oil and gas Sector.**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Number of Agreements negotiated and concluded	Number	2021/2022	3	5	0	3

SubProgramme: 02 Midstream**Sub SubProgramme: 01 Petroleum Regulation and Monitoring****Department: 008 Midstream****Budget Output: 000017 Infrastructure Development and Management****PIAP Output: EACOP Project construction completed****Programme Intervention: 030304 Undertake construction and operationalisation of infrastructure projects in the Albertine Region to ease movement of goods, labour and provision of services**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
%age completion	Percentage	2017/2018	5%			33%

VOTE: 139 Petroleum Authority of Uganda (PAU)

VI. VOTE NARRATIVE

Vote Challenges

- 1) Pro-longed processes of land acquisition for project development which negatively impacts project development and implementation.
- 2) Low staffing levels. Only 72% of the approved structure was filled, where 27% are females and 73% males.
- 3) Limited coordination/mobilization of other sectors to define and exploit sectoral linkages with the oil and gas sector.
- 4) Un-harmonize legal and regulatory framework to create a conducive environment for business/ investment.
- 5) Inadequate financing: The Authority has inadequate and delayed funding for operational and development budget requirements to facilitate service delivery.

Plans to improve Vote Performance

- 1) Automation of business and performance management processes. The Authority will implement Personal Records and Events Management System (PREMS) PREMS and plans to procure Enterprise Resources Planning (ERP) System.
- 2) Enhancement of capacity of staff through long-term and short-term training, benchmarking, and secondments.
- 3) Support the recruitment of additional staff, following the approved organizational structure.
- 4) Enhanced partnerships for increased resource mobilization to implement the PAU mandate.

VII. Off Budget Support and NTR Projections

Table 7.1: Off Budget Support by Project and Department

<i>Billion Uganda Shillings</i>	2023/24 Draft Estimates
Programme : 03 Sustainable Petroleum Development	700,000
SubProgramme: 01 Upstream	700,000
Sub SubProgramme : 01 Petroleum Regulation and Monitoring	700,000
Department: 002 Environment, Health and Safety	700,000
Total For The Vote	700,000

VOTE: 139 Petroleum Authority of Uganda (PAU)

Table 7.2: NTR Collections (Uganda Shillings Billions)

N/A

VOTE: 139 Petroleum Authority of Uganda (PAU)

VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

i) Gender and Equity

OBJECTIVE	Promote equitable access to resources, information, and decision-making by women, the youth, persons with disabilities, and older persons.
Issue of Concern	Unequal access to resources, information, and decision-making by women, the youth, persons with disabilities, and older persons.
Planned Interventions	<ol style="list-style-type: none"> 1) Implement land acquisition processes for oil and gas projects considering gender and equity aspects. 2) Implement the oil and gas communication strategies with an emphasis on gender and equity. 3) Develop and harness sectoral linkages
Budget Allocation (Billion)	0.200
Performance Indicators	<ol style="list-style-type: none"> 1) 06 Sectors supported to develop linkages with the oil and gas industry. 2) 04 Resettlement Action Plans implementation reports produced 3) 04 Livelihood restoration monitoring reports produced 4) 90% of Land acquisition grievances resolved

ii) HIV/AIDS

OBJECTIVE	Promote a health and safety culture for the protection of human life and assets in the oil and gas industry
Issue of Concern	Effects of the HIV/AIDS disease on the health and well-being of the staff of the Authority.
Planned Interventions	<ol style="list-style-type: none"> 1) Procurement of medical insurance for all the staff of the Authority. 2) Procurement of medical counseling services for staff.
Budget Allocation (Billion)	1.220
Performance Indicators	200 Staff enrolled in medical insurance

iii) Environment

OBJECTIVE	Promote co-existence between petroleum activities/ operations and the environment
Issue of Concern	Poor enforcement of compliance with environmental policies, laws, and regulations leads to the degradation of the environment.
Planned Interventions	<ol style="list-style-type: none"> 1) Develop and implement standards on climate change. 2) Environmental and Safety compliance enforcement and management.

VOTE: 139 Petroleum Authority of Uganda (PAU)

Budget Allocation (Billion)	0.300
Performance Indicators	<ol style="list-style-type: none"> 1) 16 Environmental reports reviewed and responses made. 2) 01 Environment and Social Annual report of the oil and gas sector produced. 3) 04 Quarterly environment compliance monitoring reports produced.

iv) Covid

OBJECTIVE	Promote a health and safety culture for the protection of human life and assets in the oil and gas industry
Issue of Concern	Implementing Standard Operating Procedures for COVID -19 Pandemic, slowing down petroleum operations and activities.
Planned Interventions	<p>Procurement of medical insurance for all the staff of the Authority to enable them to access treatment and advice through the medical service providers.</p> <p>Procurement of COVID-19 prevention equipment and materials.</p>
Budget Allocation (Billion)	0.000
Performance Indicators	<ol style="list-style-type: none"> 1) 200 Staff enrolled in Medical Insurance. 2) Resident Doctor acquired. 3) Assorted COVID-19 prevention equipment and materials procured.

VOTE: 139 Petroleum Authority of Uganda (PAU)

IX. PERSONNEL INFORMATION

Table 9.1: Staff Establishment Analysis

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
Director	PAU2	8	7
Driver	PAU10	39	32
Executive Director	PAU1	1	1
Manager	PAU3	25	19
Office Attendant	PAU11	9	9
Officer	PAU5	129	85
Personal Secretary	PAU9	12	12
Senior Officer	PAU4	52	36
Technician/Assistants	PAU7	2	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 FY2023/24	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Director	PAU2	1	0	1	1	26,000,000	312,000,000
Driver	PAU10	31	24	7	4	1,750,000	84,000,000
Manager	PAU3	15	9	6	5	105,000,000	1,260,000,000
Officer	PAU5	97	61	36	15	45,000,000	1,620,000,000
Senior Officer	PAU4	15	10	5	5	30,000,000	900,000,000
Total					30	207,750,000	4,176,000,000