The Oil for Development Programme

*Sharing the Norwegian Experience*

Petter Stigset, 22nd September 2015

INTOSAI WGEI

2nd Meeting, Oslo 21 – 23 September 2015
Outline

Introduction: the OfD Programme

Relevance of OfD to the Supreme Audit Institutions

The OfD Approach to Responsible Resource Management

Two Country Programmes

Concluding Remarks
Sharing the Norwegian Experience

• Strategic ownership by the state
• Strong and competent institutions
• Continual accumulation of technical knowledge
• A regulatory system with high respect for the environment, health and safety
• A determination to secure national control over the petroleum resources
Outline

Introduction: the OfD Programme

Relevance of OfD to the Supreme Audit Institutions

The OfD Approach to Responsible Resource Management

Two Country Programmes

Concluding Remarks
Synergies and complementarity

• Same goal: a rule based, competent transparent and accountable public sector

• OfD cooperates with the institutions you audit

• Our efforts are complementary

• We probably share some of the same challenges and dilemmas
Country Programmes, September 2015

Angola
Cuba
Ghana
Iraq
Lebanon
Mozambique
Myanmar
Sudan
South Sudan
Tanzania
Uganda

Candidate Countries
Kenya
Somalia
Bolivia
Outline

Introduction: the OfD Programme

Relevance of OfD to the Supreme Audit Institutions

The OfD Approach to Responsible Resource Management

Two Country Programmes

Concluding Remarks
The OfD Theory of Change

Poverty reduction

Responsible management of petroleum resources

- A political and legal framework
- The authorities have the required capacity
- The authorities are held accountable
The Four Components

Managing the Petroleum Resources

➢ Legal frameworks for the petroleum sector,
➢ Mapping of resources,
➢ Data management
➢ Resource extraction, enhanced recovery
➢ Strategic environmental impact assessments.

Managing the Revenues

Managing the Environment

Managing the Safety
The Four Components

- Managing the Petroleum Resources
- Managing the Revenues
- Managing the Environment
- Managing the Safety

- Petroleum fiscal regimes
- Sovereign Wealth Fund issues
- Macroeconomic and fiscal frameworks,
- Revenue administration
- Initiatives to promote transparency
- Production and publishing of petroleum related statistics
The Four Components

- Managing the Petroleum Resources
- Managing the Revenues
- Managing the Environment
- Managing the Safety

- Legal frameworks,
- Environmental sensitivity mapping,
- Environmental impact assessments,
- Emergency preparedness and oil spill response plans,
- Compliance monitoring
- Issues related to climate change.
The Four Components

- Managing the Petroleum Resources
- Managing the Revenues
- Managing the Environment
- Managing the Safety

- Safety legislation and non-legal safety standards
- Disaster prevention,
- HSE legislation and institutionalization
- Three-party cooperation between trade unions, employer unions and the authorities
Min. of Foreign Affairs
Min. of Petroleum & Energy
Min. of Climate & Environment
Min. of Finance
Min. of Labour & Social Affairs
Min. of Transport

Embassies
Norwegian Petroleum Directorate
Norwegian Environment Agency
Oil Taxation Office
Petroleum Safety Authority
Norwegian Coastal Administration
Norad / OfD Secretariat
Consultants
Statistics Norway
Consultants

Local NGOs
Norwegian NGOs
International NGOs

The Tax Administration
IMF
Consultants

Auditor General of Norway
EITI
Basic Criteria for Selection of Partner Countries

- A formal request for an OfD Programme
- OECD / DAC Country
- Significant petroleum production or potential
- Norwegian relevance
- Identified need for capacity development
- Commitment to implementation
Outline

Introduction: the OfD Programme

Relevance of OfD to the Supreme Audit Institutions

The OfD Approach to Responsible Resource Management

Two Country Programmes

Concluding Remarks
OfD in Ghana since 2008

• Main focus: legislation and capacity development

• 2013: a new Petroleum Exploration and Production Bill to Parliament for approval.

• Comprehensive training to the new Petroleum Commission, the new upstream regulator

• Completion of an SEA after three years of support from the Norw. Environmental Agency

• Support to a number of civil society initiatives, incl. the Public Interest and Accountability Committee (PIAC).
25 years of OfD in Nicaragua

• Experts from Norwegian institutions have assisted with Nicaragua in five phases of the programme.

• Design and implementation of a new regulatory framework

• Collection and processing of old data, analysis of new seismic data, creating a petroleum database

• Implementing a monitoring system for HSE for offshore operations.

• Updating of the National Contingency Plan for Emergencies.
Outline

Introduction: the OfD Programme

Relevance of OfD to the Supreme Audit Institutions

The OfD Approach to Responsible Resource Management

Two Country Programmes

Concluding Remarks