

---

# Vote:312 Petroleum Authority of Uganda (PAU)

---

## V1: Vote Overview

---

### 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

To monitor and regulate exploration, development and production of petroleum in Uganda

### III. Major Achievements in 2019/20

Progress (July – December 2019)

The Petroleum Resources report for 2019 was finalized; the 2019 work programs of Exploration Licensees were monitored whereby 95% of the approved work program was implemented; a technical evaluation of the data acquired by the exploration licensees was undertaken and the results used in making key decisions, including advice to the Minister regarding applications for renewal of the exploration licences. In addition, the geological mapping project for the Kaiso-Tonya area using core samples was undertaken. Three Guidelines were developed and approved for use, namely: Guidelines for Seismic Operations and other Geoscientific Surveys and Studies; Guidelines for Drilling and Wellsite Operations; and Guidelines for Submission of Work Programs and Budgets for Approval by the Authority.

The annual 2019 Work Programs and Budgets for Contract Area-1 (Total E&P Uganda B.V), License Area-2 (Tullow Uganda Operations Pty) and Kingfisher Development Area (CNOOC Uganda Limited) were discussed and concluded. The Authority was able to evaluate and make recommendations regarding the proposed plans for the development of the Tilenga and Kingfisher projects including review and validation of the Front End Engineering Designs (FEED), final Basis of the Designs (BOD) and the proposed production volumes. Several engagements were held with the licensees and consultants to develop the most optimal metering strategy. The Authority was able to monitor field activities undertaken during the said period including the campaign to assess the safety or integrity of the suspended wells. The Authority also developed the Field monitoring guidelines to streamline the monitoring of petroleum field activities.

Monitored the ongoing refinery FEED study, Geotechnical and topographic survey for refinery project as well as geotechnical and hydrogeological surveys at water extraction point on Lake Albert and water pipeline corridor. Engagements held with the refinery project developer on the implementation of the Project Framework Agreement. The PAU offered advice to the Minister on the implementation of the refinery Project Framework Agreement. Engagements were held with EACOP project sponsors to discuss the conditions of approval for EACOP FEED; Two guidelines for; (i) engineering design review and approval, (ii) monitoring of midstream activities and operations were developed and approved for use. Monitored early EPCM activities for EACOP and, PAU successfully negotiated and concluded the MOU on cooperation with EWURA awaiting signing.

Quarterly National Procurement Reports for Tullow Uganda and Annual procurements for TEPU, CNOOC & TULLOW were reviewed. In addition, the quarterly National Content reports for Oranto Petroleum Ltd and Total E&P BV were reviewed and the companies were advised to enhance their National content program during the Technical Committee meetings. The data entry exercise of the HGV drivers' information was concluded. The TEPU HR team was trained on the use of NOGTR and attended two (2) HRM meetings for TEPU and CNOOC. In addition, there was participation in the Technical Working Group meeting for the setup of the Industry Enhancement Centre (IEC) where the terms of reference for the IEC operator were reviewed and recommended for adoption.

TEEnvironment and Social Impact assessments (ESIAs) for the major projects [Kingfisher Field Development Area (KFDA), Tilenga and East African Crude Oil Pipeline (EACOP) projects] were successfully undertaken. A certificate of approval was issued for the Tilenga Project Environment and Social Impact Statement. As part of the ESIA process, the PAU organized 5 public hearings in the Districts of Hoima, Kikuube, Kakumiro, Mubende and Rakai. Over 10,000 Project Affected Persons (PAPs) and members of the general public participated in the public hearings.

The PAU has monitored resettlement action plans and livelihood restoration programmes being implemented under EACOP, Tilenga and KFDA projects. 98% of the project affected persons have been compensated in both Tilenga and Kingfisher projects.

The PAU has continued to ensure compliance by all licensees to statutory requirements related to health, safety and environment

---

## **Vote:312** Petroleum Authority of Uganda (PAU)

---

management. This has been as a result of compliance monitoring undertaken by the PAU in collaboration with the respective District Local Governments and other relevant Government Ministries, Departments and Agencies. The oil and gas operations did not register any major Health, Safety, Security and Environment incident

Amendments to the Upstream legal framework were prepared and approved by the Minister and submitted to UPPC for gazetting. Proposals were made for amendment to the Midstream Regulations following the consent agreement for the Midstream Statutory Instrument. Seven (7) legal opinions were developed between July and December 2019. PAU successfully concluded a matter that was before the high Court of Uganda; a consent agreement was signed and filed in court. A zero draft of the service charter and stakeholder engagement Plan was developed; and there was participation in radio talk shows with the Civil Society Coalition.

Three (3) Board meetings and Eleven (11) committee meetings were held. The PAU draft Strategic Plan 2020/21-2024/25 and PAU Records Management Strategy were developed. Fifty-four staff were recruited since July 2019, bringing the number of staff in the PAU to one hundred forty-four. A total of thirty-one (31) staff participated in capacity building activities. Final Accounts for FY 2018/19 were submitted in time as per the requirements of the PFM Act 2015 timelines. A Risk Register was developed, and three out of eight audits were completed.

### **IV. Medium Term Plans**

In the medium term, the PAU will focus on improving her capability (manpower, processes, guidelines and systems, modern IT infrastructure) and building a strong regulatory regime. The investment priorities for 2020/2021 are linked to the Strategic Plan 2020/2021 -2024/2025 of the PAU, the Energy and Mineral Development Sector Development Plan and the National Development Plan (NDPIII). and NDP III.

# Vote:312 Petroleum Authority of Uganda (PAU)

## V. Summary of Past Performance and Medium Term Budget Allocations

Table 5.1: Overview of Vote Expenditures (US\$ Billion)

	2018/19 Outturn	2019/20		2020/21	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec		2021/22	2022/23	2023/24	2024/25	
<b>Recurrent</b>									
Wage	11.983	18.331	8.539	20.687	20.687	20.687	20.687	20.687	
Non Wage	18.027	31.868	10.451	25.115	30.138	36.166	43.399	52.078	
<b>Devt.</b>									
GoU	0.000	0.000	0.000	4.397	4.397	4.397	4.397	4.397	
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>GoU Total</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>	
<b>Total GoU+Ext Fin (MTEF)</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>	
Arrears	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Total Budget</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>	
<b>A.I.A Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Grand Total</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>	
<b>Total Vote Budget Excluding Arrears</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>	

## VI. Budget By Economic Classification

Table V6.1 2019/20 and 2020/21 Budget Allocations by Item

<i>Billion Uganda Shillings</i>	2019/20 Approved Budget				2020/21 Draft Estimates		
	GoU	Ext. Fin	AIA	Total	GoU	Ext. Fin	Total
<b>Output Class : Outputs Provided</b>	<b>50.199</b>	<b>0.000</b>	<b>0.000</b>	<b>50.199</b>	<b>48.579</b>	<b>0.000</b>	<b>48.579</b>
211 Wages and Salaries	18.331	0.000	0.000	18.331	20.737	0.000	20.737
212 Social Contributions	2.281	0.000	0.000	2.281	2.403	0.000	2.403
213 Other Employee Costs	5.222	0.000	0.000	5.222	5.088	0.000	5.088
221 General Expenses	12.268	0.000	0.000	12.268	8.553	0.000	8.553
222 Communications	0.558	0.000	0.000	0.558	1.336	0.000	1.336
223 Utility and Property Expenses	0.692	0.000	0.000	0.692	0.879	0.000	0.879
224 Supplies and Services	0.424	0.000	0.000	0.424	0.481	0.000	0.481
225 Professional Services	1.450	0.000	0.000	1.450	1.617	0.000	1.617
226 Insurances and Licenses	1.660	0.000	0.000	1.660	0.660	0.000	0.660
227 Travel and Transport	6.228	0.000	0.000	6.228	5.542	0.000	5.542
228 Maintenance	0.964	0.000	0.000	0.964	1.021	0.000	1.021
282 Miscellaneous Other Expenses	0.120	0.000	0.000	0.120	0.262	0.000	0.262
<b>Output Class : Capital Purchases</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.620</b>	<b>0.000</b>	<b>1.620</b>
312 FIXED ASSETS	0.000	0.000	0.000	0.000	1.620	0.000	1.620

# Vote:312 Petroleum Authority of Uganda (PAU)

Grand Total :	50.199	0.000	0.000	50.199	50.199	0.000	50.199
Total excluding Arrears	50.199	0.000	0.000	50.199	50.199	0.000	50.199

## VII. Budget By Programme And Subprogramme

Table V7.1: Past Expenditure Outturns and Medium Term Projections by Programme and SubProgramme

Billion Uganda shillings	FY 2018/19 Outturn	FY 2019/20		2020-21 Proposed Budget	Medium Term Projections			
		Approved Budget	Spent By End Dec		2021-22	2022-23	2023-24	2024-25
<b>07 Petroleum Regulation and Monitoring</b>	<b>5.191</b>	<b>26.907</b>	<b>10.101</b>	<b>27.520</b>	<b>33.881</b>	<b>36.750</b>	<b>41.767</b>	<b>47.646</b>
03 Petroleum Exploration	0.683	3.267	1.268	2.790	3.295	3.864	4.464	5.464
04 Development and Production	0.947	5.803	2.298	5.439	5.718	5.773	6.273	7.823
05 Refinery, Conversion, Transmission and Storage	0.818	3.218	1.085	3.160	4.777	4.748	5.248	6.248
06 Environmental and Data Management	1.047	9.300	3.123	3.639	4.945	4.341	4.841	7.341
07 Technical Support Services	1.696	5.320	2.328	6.176	5.432	6.938	7.438	9.198
08 ICT and Data Management	0.000	0.000	0.000	3.539	6.147	8.741	11.048	9.127
1612 National Petroleum Data Repository Infrastructure	0.000	0.000	0.000	2.777	3.567	2.346	2.456	2.446
<b>49 Policy, Planning and Support Services</b>	<b>24.819</b>	<b>23.292</b>	<b>8.888</b>	<b>22.679</b>	<b>21.341</b>	<b>24.500</b>	<b>26.715</b>	<b>29.517</b>
01 Finance and Administration	23.471	17.665	6.834	10.760	5.791	6.985	4.955	13.246
02 Legal and Corporate Affairs	1.349	5.627	2.054	5.461	7.719	7.463	10.819	2.463
09 Executive Director's Office	0.000	0.000	0.000	4.839	7.000	8.000	9.000	11.856
1596 Retooling of Petroleum Authority of Uganda	0.000	0.000	0.000	1.620	0.830	2.051	1.941	1.951
<b>Total for the Vote</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>
<b>Total Excluding Arrears</b>	<b>30.010</b>	<b>50.199</b>	<b>18.989</b>	<b>50.199</b>	<b>55.222</b>	<b>61.250</b>	<b>68.483</b>	<b>77.162</b>

## VIII. Programme Performance and Medium Term Plans

Table V8.1: Programme Outcome and Outcome Indicators ( Only applicable for FY 2020/21)

<b>Programme :</b>	07 Petroleum Regulation and Monitoring				
<b>Programme Objective :</b>	To enable more exploration to increase the resource base; facilitate commercialization of the oil & gas resources; and enhance the impact & sustainability of the petroleum sector.				
<b>Responsible Officer:</b>	Executive Director, Ernest N. T Rubondo				
<b>Programme Outcome:</b>	Efficient and Sustainable Petroleum Resource Management				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Transparency in the oil and gas sector</b>					
<b>Outcome Indicators</b>			<b>Performance Targets</b>		
			<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>

# Vote:312 Petroleum Authority of Uganda (PAU)

	Baseline	Base year	Target	Projection	Projection
• Level of oil and gas operators compliance (upstream and midstream)	80	2018	100% Compliance of oil and gas operators	100% Compliance of oil and gas operators	100% Compliance of oil and gas operators
<b>SubProgramme: 03 Petroleum Exploration</b>					
<i>Output: 01 Petroleum Monitoring and Evaluation</i>					
Proportion of Petroleum basins evaluated			14%	16%	18%
<b>SubProgramme: 04 Development and Production</b>					
<i>Output: 02 Oil Recovery</i>					
Percentage of exploration activities monitored			100%	100%	100%
Number of approved field development plans incorporating new technologies			3	3	3
<b>SubProgramme: 05 Refinery, Conversion, Transmission and Storage</b>					
<i>Output: 03 Refinery, Pipeline and Storage</i>					
Number of advisory reports submitted			4	4	3
Number of monitoring reports on pre-FID and EPC activities			12	12	12
<b>SubProgramme: 07 Technical Support Services</b>					
<i>Output: 05 Promotion and Enforcement of Local Content</i>					
Number of Ugandan Firms and Nationals that have benefitted from the involvement in the Sector			482	535	590
<b>Programme :</b>	49 Policy, Planning and Support Services				
<b>Programme Objective :</b>	Create a fully functional institution with efficient structures, systems & procedures; enforce & review the policy, legal & regulatory frameworks; and attract, develop & retain the most competitive talent.				
<b>Responsible Officer:</b>	Executive Director, Ernest N. T Rubondo				
<b>Programme Outcome:</b>	Efficient and Effective Service Delivery				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Transparency in the oil and gas sector</b>					
Outcome Indicators	Performance Targets				
			2020/21	2021/22	2022/23
	Baseline	Base year	Target	Projection	Projection

# Vote:312 Petroleum Authority of Uganda (PAU)

• Level of Institutional efficiency	High efficiency	2008	High efficiency	High efficiency	High efficiency
<b>SubProgramme: 01 Finance and Administration</b>					
<b>Output: 15 Financial Management Services</b>					
Financial Statements prepared and are in compliance with statutory obligations and generally accepted practice			100% Compliance	100% Compliance	100% Compliance
Effective Management of PAU financial liability			Strong	Strong	Strong
<b>Output: 16 Procurement and Disposal Services</b>					
Percentage of compliance with PPDA Act Regulations			100%	100%	100%
No. of contracts implemented in accordance with contract terms			6	8	10
<b>Output: 17 Estates and Transport</b>					
Percentage of service expectation met			85%	90%	95%
<b>Output: 19 Human Resource Management Services</b>					
Percentage of the recruitment plan met			100%	100%	100%
Number of staff retention initiatives undertaken			4	5	6
<b>Output: 20 Records Management Services</b>					
Percentage of implementation of document control management system			50%	70%	100%
<b>SubProgramme: 02 Legal and Corporate Affairs</b>					
<b>Output: 12 Policy and Board Affairs</b>					
Number of advice on matter of policy, laws regulations and agreements			4	4	4
<b>Output: 13 Litigation</b>					
Success rate of cases represented by PAU Legal team in court			100%	100%	100%
<b>Output: 14 Stakeholder Management</b>					
Level of effective communication between PAU and Stakeholders			Strong	Strong	Strong
<b>SubProgramme: 09 Executive Director's Office</b>					
<b>Output: 11 Planning, Budgeting and Reporting</b>					
Timely preparation of annual workplans and Budget			30th May, 2020	30th May, 2021	30th May, 2022
<b>Output: 12 Policy and Board Affairs</b>					
Number of advice on matter of policy, laws regulations and agreements			4	4	4
<b>Output: 14 Stakeholder Management</b>					
Level of effective communication between PAU and Stakeholders			Strong	Strong	Strong
<b>Output: 18 Audit and Risk Management</b>					
Percentage implementation of Audit Plans			100%	100%	100%
Number of Audits carried out per functional area			2	2	2

## IX. Major Capital Investments And Changes In Resource Allocation

# Vote:312 Petroleum Authority of Uganda (PAU)

**Table 9.1: Major Capital Investment (Capital Purchases outputs over 0.5Billion)**

FY 2019/20		FY 2020/21
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Dec	Proposed Budget and Planned Outputs
Vote 312 Petroleum Authority of Uganda (PAU)		
Program : 03 49 Policy, Planning and Support Services		
Development Project : 1596 Retooling of Petroleum Authority of Uganda		
Output: 03 49 76 Purchase of Office and ICT Equipment, including Software		
		ICT Equipment, ERP and other systems implemented
<b>Total Output Cost(Ushs Thousand)</b>	<b>0</b>	<b>1,500,000</b>
Gou Dev't:	0	1,500,000
Ext Fin:	0	0
A.I.A:	0	0

## X. Vote Challenges and Plans To Improve Performance

### Vote Challenges

The PAU lacks adequate funding to do the following

- Set up of the National Petroleum Data Repository infrastructure
- Acquiring additional critical software required for regulation of licensed oil companies
- Acquiring a retooling budget to secure additional computer hardware, furniture and motor vehicles
- Adequate funding to fill the approved structure of 281 staff to full support the PAU planned operations

### Plans to improve Vote Performance

Filling up the existing staff structure and enhancing the capacity of the staff.

## XI Off Budget Support

**Table 11.1 Off-Budget Support by Sub-Programme**

<i>Billion Uganda Shillings</i>	2019/20 Approved Budget	2020/21 Draft Estimates
<b>Programme 0307 Petroleum Regulation and Monitoring</b>	<b>0.00</b>	<b>0.50</b>
<i>Recurrent Budget Estimates</i>		
<b>06 Environmental and Data Management</b>	<b>0.00</b>	<b>0.50</b>
<i>535-Norway</i>	<i>0.00</i>	<i>0.50</i>
<b>Total for Vote</b>	<b>0.00</b>	<b>0.50</b>

## XII. Vote Cross Cutting Policy And Other Budgetary Issues

**Table 12.1: Cross- Cutting Policy Issues**

# Vote:312 Petroleum Authority of Uganda (PAU)

**Issue Type: HIV/AIDS**

<b>Objective :</b>	Mitigate the impact of HIV/AIDS on staff health and productivity
<b>Issue of Concern :</b>	Reduced productivity of employees
<b>Planned Interventions :</b>	a) PAU provides medical care for HIV staff and family members b) Sensitization of young staff on the dangers of HIV/AIDS
<b>Budget Allocation (Billion) :</b>	0.739
<b>Performance Indicators:</b>	Number of employees accessing Insurance services

**Issue Type: Gender**

<b>Objective :</b>	Gender Sensitivity & Responsiveness  To ensure gender equity and social inclusion in Oil and Gas Sector
<b>Issue of Concern :</b>	Gender imbalances in the Oil and Gas Sector Rural - Urban population Drift
<b>Planned Interventions :</b>	Sensitisation during National Content Workshops
<b>Budget Allocation (Billion) :</b>	0.704
<b>Performance Indicators:</b>	Number of Youths, Women & PWDs participating in the O&G Sector  Enhance participation of local suppliers and use of locally produced/ available goods and services by the oil and gas industry

**Issue Type: Environment**

<b>Objective :</b>	To reduce the impact of Oil & Gas activities on the environment
<b>Issue of Concern :</b>	Environmental degradation as a result of Oil & Gas activities
<b>Planned Interventions :</b>	A whole directorate was created to be in charge of regulating the Health, Safety, Social, Security and environment aspects of the country's upstream and midstream petroleum activities
<b>Budget Allocation (Billion) :</b>	0.400
<b>Performance Indicators:</b>	Number of sensitization workshops conducted on environmental management

## XIII. Personnel Information

**Table 13.1 Staff Establishment Analysis**

Title	Salary Scale	Number Of Approved Positions	Number Of Filled Positions
Executive Director	PAU1	1	1
Driver	PAU10	45	29
Office Attendant	PAU11	9	8
Director	PAU2	8	8
Manager	PAU3	23	19

**Vote:312** Petroleum Authority of Uganda (PAU)

Senior Officer	PAU4	46	24
Officer	PAU5	126	63
Executive Assistant	PAU6	1	1
Technician/Assistants	PAU7	10	0
Personal Secretary	PAU9	12	12

**Table 13.2 Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No Of Filled Posts	Vacant Posts	No. of Posts Cleared for Filling FY2020/21	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Driver	PAU10	36	21	15	4	7,000,000	84,000,000
Manager	PAU3	5	3	2	2	42,000,000	504,000,000
Office Attendant	PAU11	1	0	1	1	1,400,000	16,800,000
Officer	PAU5	83	31	52	25	225,000,000	2,700,000,000
Senior Officer	PAU4	44	22	22	20	300,000,000	3,600,000,000
<b>Total</b>		169	77	92	52	575,400,000	6,904,800,000