

TERMS OF REFERENCE FOR PROCUREMENT OF A CONSULTAT FOR DEVELOPMENT OF A STRATEGIC PLAN FOR ENHANCING NATIONAL PARTICIPATION IN THE OIL AND GAS INDUSTRY

1.0 Background

Over the last twenty years, Uganda has implemented a successful effort to promote its petroleum potential. This effort has led to intensified exploration work being undertaken in the Albertine Graben as a result of licensing oil companies in the country. The exploration effort culminated in confirmation of the existence of substantial Oil and Gas resources in the Country during 2006. Fifty eight (58) out of sixty four (64) wells drilled in the country since 2002 have encountered oil and/or gas. The appraisal drilling and well testing done so far shows over 2.5 billion barrels of oil in place in three Exploration Areas to date. It is now apparent that petroleum will be produced in the country, with a possible start up in 2012.

These developments occasioned the formulation of a National Oil and Gas Policy (NOGP) for Uganda to supplement the country's Energy Policy in aspects of petroleum exploration, development and production. This policy was approved by Cabinet in 2008 and is designed to maximize the benefits and meet the challenges by providing for appropriate resource management systems and procedures. Implementation of the policy shall be in line with the National Development Plan (NDP).

The goal of this policy is "to use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society". The policy seeks to achieve this by providing for; the setting up of relevant institutions and capacity building in the country; attraction of companies to invest in the development of the country's petroleum sector; adequate and commensurate return on the companies' investments; ensuring the country's receipt of appropriate share and benefits from any oil and gas

resources and activities; and ensuring efficient and effective resource management and utilization together with the revenues accruing there from”.

In line with objective vii) and viii) of the National Oil and Gas Policy; optimum national participation in oil and gas activities, and support to the development and maintenance of the national skills and expertise respectively, the Ministry of Energy and Mineral Development through the Petroleum Exploration and Production Department, commissioned a study on Enhancing National Content in the Oil and Gas Industry in Uganda with the objective of assess the capability of Ugandan and Ugandan firms and propose practical measures to enhance participation of Ugandans in the Oil and Gas Industry. <http://www.petroleum.go.ug/page.php?k=curnews&id=25>

The study highlighted among other things the recommended measures that Uganda should follow to enhance national participation in the oil and Gas industry. The recommendations are summarized into five major thematic areas including:

1. Establishment of an Institutional Framework;
2. Capacity Building in people;
3. Enterprise Development;
4. Facilitating National participation and
5. Establishment of a monitoring framework for National Content achievement.

In each of the above thematic areas, several measures are suggested, however there is need for specific, clear and attainable interventions for effective implementation of national content initiatives by all stakeholders.

Accordingly, the Ministry of Energy and Mineral Development requires a consultant or consulting firm to formulate a Strategic implementation Plan for

enhancing National participation in the Oil and Gas Sector. The Plan should be quantitative with specific and clear implementation strategies.

2.0 Objectives

The overall objective of the assignment is “***to formulate a Strategic Plan for enhancing national participation in the oil and gas industry.***”

2.1 Specific Objectives

The Specific Objectives of the assignment are:

- a) Propose an achievable target for Local Content Development.
- b) Participate in the development of a Local Content Policy
- c) Develop implementation strategies for the measures recommended to enhance National Participation in the Oil and Gas industry.
 - i. Define the measures will be implemented in the short, medium and long term.
 - ii. Define a timeframe for their implementation
 - iii. Prepare a cost outlay of all the identified activities for the promotion of Local Content Development
 - iv. Identify which Government and or private Sector institutions will be involved in their implementation.
- d) Develop a results framework for National Content.
- e) Develop a monitoring and Evaluation framework for tracking progress for National Content
- f) Develop a framework and guidelines for creation of a data base (Petroleum exchange) to facilitate information exchange on procurement in the Oil and Gas Industry.

3.0 Scope of the work

In order to develop implementation strategies for enhancement of Local Content in the Petroleum industry, the following works shall be undertaken;

- a) Review of the Report for enhancing National Participation in the Oil and Gas Industry in Uganda.
- b) Prepare a draft National Content Policy.
- c) Develop a long term Plan for achievement of recommended measures in the report and document ways of achieving them; timeframe and resources.
- d) Other than the recommendation in the study, propose other achievable measures to enhance national participation in the Oil and Gas industry.
- e) Prepare a draft framework and guidelines for creation of a data base (Petroleum Exchange) in the Oil and Gas Industry.
- f) Develop a Results Framework for National Content Development
- g) Develop a monitoring and evaluation framework for the Strategic Investment Plan
- h) Lead the process of consultations with key stakeholders.
- i) Benchmark all the above on what has been done internationally in regard to National Content.

4.0 Qualification and experience of the Consultant

The consultant should have requisite experience in formulation of Strategic Plans and a broad understanding of National Content Development, community participation in Development Planning, Procurement, Monitoring and Evaluation of programs/projects and Engineering, Economics, Finance and Budgeting among others.

5.0 Timeframe for the assignment and reporting arrangements

The assignment should be completed in 6 months and the Consultant shall be required to provide specific timelines on when to achieve the following key outputs;

Key outputs

- a) An inception report indicating the detailed approach to the assignment**
- b) Policy framework for National Content Development**
- c) A draft Strategic Plan presented to the technical team for discussion and building consensus**
- d) A framework and guidelines for development of a data base(Procurement exchange) for the Oil and Gas Sector**

The consultant should conduct a workshop to disseminate the findings at the end of each key output.

6.0 Key deliverables

The following are the expected results from the assignment;

- a) Base line Report**
- b) Policy framework for National Content Development**
- c) Strategic Plan for implementation of National Content Development**

7.0 Funding arrangements

The assignment will be executed under the Norwegian-funded project for
“Strengthening the management of Oil and Gas in Uganda