



PETROLEUM AUTHORITY OF UGANDA

UPSTREAM NATIONAL CONTENT GUIDELINES FOR THE OIL AND GAS SECTOR IN UGANDA



March 2022

OUR VISION

To be a Leading Petroleum Regulatory Agency.

OUR MISSION

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

OUR VALUES

1. Professionalism; Acting the PAU way
2. Responsibility to Society; Serving the PAU way
3. Integrity and ethics; Acting the PAU way
4. Mutual respect and trust; Trusting the PAU way
5. Excellence in execution; Working the PAU way

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PART I: INTRODUCTION, PURPOSE AND SCOPE, AMENDMENT, LEGAL AND REGULATORY FRAMEWORK

1.1 INTRODUCTION

The National Oil and Gas Policy for Uganda, 2008 describes the Country's aspirations for national participation in the Oil and Gas Sector. Specifically, Objectives 7 and 8 of the Policy call for optimum national participation in oil and gas activities and support the development and maintenance of national skills and expertise".

The Petroleum (Exploration, Development, and Production) Act, 2013 ("the Upstream Act") further provides a framework for the regulation of the upstream segment of the oil and gas industry in Uganda. The Act was formulated to, among others; regulate petroleum exploration, development, and production; as well as supporting the development of State participation and National Content in the petroleum industry in Uganda.

The Petroleum Authority of Uganda ("the Authority") was established under section 9 of the Upstream Act with a mandate to enforce and ensure compliance with the statutory requirements stipulated in both the Upstream and Midstream legislation.

To operationalize certain provisions in the said legislation, the Minister responsible for petroleum issued the Petroleum (Exploration, Development, and Production) (National Content) Regulations, 2016 (Upstream National Content Regulations). The Regulations were formulated pursuant to Section 183 of the Upstream Act. The Regulation provides a secondary tier of the National Content legal regime and presents an elaborate framework for compliance with National Content requirements to be fulfilled by the oil and gas industry players.

In line with the stated objectives in the legislation, the Petroleum Authority of Uganda is mandated to facilitate the industry players in understanding the compliance requirements of the National Content legal framework. Therefore, the Authority has developed Guidelines on National Content to enhance this understanding.

1.2 PURPOSE AND SCOPE OF THE GUIDELINES

The Guideline simplifies the process of identifying compliance requirements for the licensees, contractors, and subcontractors in the Upstream segment of the oil and gas industry in Uganda to enhance clarity and promote efficiency in National Content regulation. The Guidelines on National Content give guidance on compliance with the legal requirements that govern National Content. The Guidelines cover and are divided into seven broad areas as described below:

1.2.1 National Content Programme

The National Content programme sets a basis for the implementation of National Content by a licensee. The National Content Regulations, therefore, provide a requirement for its submission for approval by the Authority. The licensee is advised to make use of this Part of the Guidelines to fully understand the content and other submission requirements of the programme.

1.2.2. Utilization of Ugandan goods and services

In order to obtain optimum value for the country from the petroleum activities, the licensee, contractors, and subcontractors are required to utilize the goods and services that are locally produced or available in the country. To this end, the National Content legal framework has provisions that aim at achieving this objective. The licensees, contractors, and subcontractors are encouraged to make use of this Part of the Guidelines in order to understand the regulatory requirements to this effect.

1.2.3. Enterprise Development

Licensees, contractors, and subcontractors are required to develop the capacity of local enterprises to enhance their competitiveness in the oil and gas supply chain for all the petroleum activities. This part of the guideline will help users to be acquainted with the statutory requirements for enterprise development.

1.2.4. Employment of Ugandan Citizens

Employment of Ugandans is one of the key pillars of National Content development in the country. The National Content Regulations, therefore, make provision for recruitment and employment of local human resource. This part of the guideline will therefore be useful in enlisting and understanding the regulatory requirements relating to the employment of Ugandan citizens.

1.2.5. Capacity Building of Human Resources

In order to make Ugandans more employable in the oil and gas sector, the licensees, contractors, and subcontractors are required to implement human resource capacity building initiatives to ensure Ugandans attain skills that are relevant to the oil and gas industry. This part, therefore, provides guidance in relation to the legal requirements regarding capacity building.

1.2.6. Research and Development and Technology Transfer

The legal framework governing National Content provides requirements on research and development and technology transfer. This part of the guideline should help licensees to have a good understanding of the way compliance can be achieved with respect to research and development and technology transfer.

1.2.7. Reporting

The legal framework requires periodical reporting for National Content compliance. The Licensees should make use of this Part of the Guidelines to enhance their understanding of the reports required to be submitted to the Petroleum Authority of Uganda.

Nothing in this Guideline shall exempt or be deemed to exempt the Licensees, operators, contractors and sub-contractors from the requirements of the law.

1.3 AMENDMENT

These Guidelines may be amended by the Authority from time to time.

1.4 LEGAL AND REGULATORY FRAMEWORK

These Guidelines relate to, among others, the following legislation:

- a) The Petroleum (Exploration, Development, and Production) Act, 2013;
- b) The Companies Act, 2012;
- c) Uganda Registration Services Bureau Act, Cap. 210;
- d) Petroleum (Exploration, Development, and Production) (National Content) Regulations, 2016;
- e) The National Content Policy for the Petroleum Subsector 2017;
- f) The Buy Uganda Build Uganda Policy 2014.

PART II: NATIONAL CONTENT PROGRAM

This section provides for the definition of a Ugandan Company and Submission of the National Content Programme under Regulation 4 and 7 respectively.

2.1 DEFINITION OF A UGANDAN COMPANY

Regulation 4 of the Upstream National Content Regulation defines a Ugandan Company as one incorporated under the Companies Act 2012 and which;

- a) *Provides value addition to Uganda.*

Value addition, in this case, refers to where a Company's management and control is exercised within Uganda with participation of Ugandans, and fulfils either of the following;

- i) Established production or processing facilities in Uganda that add value to Ugandan or imported raw materials;
- ii) Established a workshop, operational yard, or premises for the provision of specialised services, and involved in collaboration or partnerships with local entities.

- b) *Uses available local raw materials*

- i) Such a company should have demonstrated that in the course of providing goods and services, it utilises available local raw materials/ inputs or services in its core operations.
- ii) For avoidance of doubt, local raw materials mean inputs in form of goods or services of Ugandan origin.

- c) *Employs at least 70% Ugandans*

- i) For avoidance of doubt, the 70% of the company's employees should be Ugandan Citizens.
- ii) Furthermore, Ugandans should make up at least 30% of management staff, 40% of technical staff, and 95% of the support staff.

- d) *Is approved by the Authority*

- i) This condition is in relation to Joint Venture Partnerships.

2.2 NATIONAL CONTENT PROGRAM

A National Content Programme is required to be submitted by the licensee within twelve months after the grant of the licensee in accordance with Regulation 7 of the Upstream (National Content Regulations), 2016. The contents of the National Content program are well elaborated under the said regulation and will be presented in the format shown in Annex A. However, the following need to be taken into consideration while preparing the National Content programme.

2.2.1 Support to Education Institutions

The Licensees are required under Regulation 7 (1) (i) of the Upstream National Content Regulations to support education institutions. The envisaged support may include;

- a) Training of Trainers;
- b) Provision of technical equipment required for training;
- c) Technical guidance in curriculum development;
- d) Availing internship and industrial training placements for students;
- e) Attachment of industry experts to the education training institution;
- f) Support to the accreditation of institutions.

2.2.2. Research & Development in Uganda

Under regulation 24 in the Upstream National Content Regulations 2016, the Licensees may, where necessary, carry out research and development in Uganda or elsewhere as may be approved by the Authority. The following may be considered in addition to Section 20 of this Guideline:

- a) How the licensee will involve its contractors/subcontractors especially those in specialized fields to carry out research jointly with the corresponding training/research institutions and suppliers in the identified fields of expertise;
- b) Explore the possibility of committing a certain proportion of the annual budget to research and development;
- c) Commitment to the Identification of experts to review research programs for both government ministries and training /research institutions;
- d) Inclusion of government priority areas as per the National Development Plan such as Technology, Renewable energy, Agriculture, Environment and Health in the research and development program.

2.2.3. Any other information as required by the Authority

Under Regulation 7(1) (l) the following could be considered for inclusion in the program;

- a) Time-lines for achievement or implementation of the various activities indicated in the program;
- b) Any determinants/assumptions used for the various activities indicated in the program;
- c) Monitoring and evaluation mechanism to be put in place to ensure the program is achieved.

PART III: UTILIZATION OF UGANDAN GOODS AND SERVICES

3.1 PRIORITY DURING PROCUREMENT.

Licensees, contractors, and subcontractors are required to give priority during procurement to goods locally produced and available in Uganda under Regulation 9 of Upstream National Content Regulations. This is expected to be achieved through first call, unbundling of contracts, promotion of joint ventures, and subcontracting of elements of large contracts to Ugandan companies, entities, and individuals. The regulation provides the requirements and expectation under the law which entails;

3.1.1 Goods produced and are available in Uganda and Services rendered by Ugandan citizens and companies

Under Regulation 9(1) for Upstream National Content Regulations; the goods available in Uganda means all the goods produced in Uganda and those not produced in Uganda but are available in the country and sold by Ugandan citizens and Ugandan companies.

For avoidance of doubt, this includes Ugandan companies which hold Franchises, Licensed agency and retailers who fulfill the parameters for the definition of a Ugandan company as required by the Regulations.

3.1.2. Participating interest in the joint venture

Where goods and services are not produced or available in Uganda, these goods shall be provided by an entity that has entered into a joint venture with a Ugandan Company.

The Ugandan company requires approval from the Authority before entering this joint venture. The process of application for approval of this joint venture should be as follows;

- a) The application for approval should be made at the earliest when the opportunity for such a Joint Venture arises;
- b) The Ugandan company should show the capacity to ably participate in the execution of the contract through contributing financially, technically, or by providing human resource;
- c) The actual or anticipated scope of work to be undertaken, highlighting clearly what each of the Joint Venture Partners will do should be provided;
- d) The Authority shall treat any application for approval of Joint Venture supported by all and complete relevant documentation within fourteen (14) days of submission of application.”;

These requirements apply for both incorporated and unincorporated joint venture partnerships.

The licensee can only use a non-Ugandan company with the approval of the Authority in line with Regulation 9(6) Upstream National Content Regulations. The following should be observed before the approval of the above.

- a) Where goods, works, or services cannot be provided by a Ugandan company or by a joint venture with a Ugandan company in line with sub-regulation 1 and 2 respectively.
- b) The licensee should write to the Authority requesting for approval to use a non-Ugandan company and attach the following:
 - i) Sourcing evaluation report that may include as applicable the list of companies that participated in the tender;
 - ii) The justification for failure by the winning company to provide the goods, works, or services in a joint venture with a Ugandan company;
 - iii) The scope of work under the contract that will be subcontracted to the Ugandan companies and the names of the companies that will be subcontracted;

- iv) The period for which the non- Ugandan company will be providing the goods, works, or services.

3.2 RINGFENCED GOODS AND SERVICES

The goods, works, and services listed under the schedule for the Upstream National Content Regulations are to be exclusively provided by Ugandan citizens, companies, and registered entities. In observing this, the licensee, contractors, and subcontractors should put the following into consideration;

3.2.1 Reservation of ringfenced goods and services.

The following should be taken into consideration during the procurement of the ringfenced goods and services stipulated under Regulation 10 of the Upstream National Content Regulations.

- a) The procurement process is only limited to the companies that fit the definition of a Ugandan company under regulation 4 of the National Content Regulations. For avoidance of doubt, non-Ugandan companies are not expected to participate in the procurement process for ring-fenced goods and services.

3.3 REDUCTION OF CONTRACT PERIODS AND FREQUENCY OF PAYMENT

3.3.1 Contract period

Regulation 12(3) of the Upstream National Content Regulations provides guidance of maximum contract durations, whenever possible, as 5 years for the capital-intensive contracts and 3 years for the low-cost contracts. In implementing this requirement of the law, the licensee should consider the following thresholds;

- a) Contracts above one million United States dollars – Capital-intensive contracts
- b) Contract below one million United States dollars – Low-cost contracts

3.3.2. Payment terms

Regulation 12(4) of the Upstream National Content regulation, 2016 requires the licensee contractor and subcontractors to provide payment terms that feature more frequent milestones, shorter duration, and where possible upfront payments.

In meeting this objective, the companies may consider the following;

- a) Payment of full contract value not later than one month from the time of complete execution of the contract;
- b) Advance payment for contracts with guarantees;
- c) Payments after every delivery with each delivery schedule.

3.4 PRINCIPLES OF BID EVALUATION FOR NATIONAL CONTENT

3.4.1 Under regulation 13 of the upstream National Content Regulations, the licensee is required to allocate at least ten percent (10%) of the total evaluation score to National Content.

In the distribution of the minimum percentage awarded to National Content, three areas are spelt out to be considered including; employment and training of Ugandan citizens, utilization of local goods and services, and proposals for technological transfer. The 10% could be distributed among the following parameters;

- a) Employment and training of Ugandans citizens.
 - i) Number of Ugandans to be employed

- ii) The percentage value of the wage bill allocated to Ugandans
- iii) Proposed training initiatives for Ugandan employees
- b) Utilization of Ugandan local goods and services.
 - i) Estimated Local goods and services to be utilized during the execution of the contracts
- c) Technology transfer initiatives
 - i) Enterprise Capacity Development initiatives.

For avoidance of doubt, the National Content bid evaluation criteria applies to all companies including those that are wholly owned by Ugandan citizens.

PART IV: ENTERPRISE DEVELOPMENT

4.1 QUARTERLY TENDER WORKSHOPS

Regulation 12(2) requires every Licensee, contractor, and subcontractor to hold quarterly tender workshops to educate Ugandan citizens and companies about the procurement process, requirements, performance standards, and lessons from previous bidding processes.

In meeting the above objective, the following should be considered;

- a) Location: At least one workshop shall be held in an area near the project site.
- b) Content: The workshops should discuss in detail the tendering requirements, standards and quality expected, and schedules for any upcoming activities and tenders among others.

4.2 SUPPLIERS' DEVELOPMENT PLAN

Under Regulation 9(7) of the Upstream National Content Regulations of 2016, Licensees may put in place a suppliers' development plan. Such a plan should be aimed at building technical and financial capacity of Ugandan Companies to be able to provide those services, works or goods not available in-country. This Suppliers' Development Plan shall include;

- a) Initiatives that the licensee will put in place to enable Ugandan Citizens and Companies to obtain international certifications;
- b) Initiatives to improve business HSE and management practices for the supplier;
- c) Capacity building and training & collaboration initiatives for suppliers;
- d) Initiatives to support Ugandan companies to become global suppliers;
- e) Initiatives for support to the Industry Enhancement Centre as required under regulation 18(3) (b) of the Upstream National Content regulation;
- f) Initiatives & strategies to encourage domiciliation of valuable activities that will be required over a relatively long period of time.

PART V: EMPLOYMENT OF UGANDAN CITIZENS

5.1 EMPLOYMENT AND TRAINING OF UGANDAN CITIZENS

Regulation 16 of the Upstream National content Regulations, 2016 requires the licensees to develop and submit to the Authority for approval a transparent policy and plan on training and employment of Ugandans specifying the minimum required qualifications. In providing a plan for employment of Ugandans, the licensee shall include the following;

- a) A detailed organization structure indicating the positions to be occupied by Ugandans.
- b) Job descriptions with clear reporting lines.
- c) The opportunities for career growth for all Ugandan citizens employed.

5.1.1 Labour Clause

- a) Regulation 15 requires that for contracts exceeding USD 1,000,000 and executed in Uganda, a percentage consideration of Ugandan labour in specific categories is stipulated by the Authority. The categorization shall, where possible be in line with Regulation 17(4) of the Upstream National Content Regulation.

5.1.2 Employment targets

Regulation 17 (4) of the Upstream National Content Regulations respectively provides employment targets expected under different categories including; management, technical, and others. These categories shall be defined as follows;

a) Management Staff

The Licensee may categorize an employee as management staff if they are responsible for overseeing a department or function, participate in recruitment, supervision of staff and management of budgets, and make departmental decisions.

b) Technical Staff

The licensee may categorize an employee as a Technical staff if they are skilled and semi-skilled staff certified under a technical scheme and with verified competency including petroleum engineers, petroleum geoscientists, technicians, health, safety and environment personnel, petroleum economists, and cost engineers among others.

c) Other staff

The licensee may define an employee to belong to other staff category provided they are support staff, and those not categorized as management or technical staff.

5.2 TRANSPARENCY POLICY AND PLAN ON EMPLOYMENT OF UGANDANS

The licensee, contractors, and subcontractors are required to establish a transparent policy and plan on employment as per Regulations 16 of the Upstream Regulations. This policy should specify the following;

- a) The company recruitment processes from identification of talent, placement, remuneration, retention, and termination for all categories of staff in the company.
- b) Plan for the advertisement of employment opportunities in different mediums including; widely read newspapers, National Oil and Gas Talent Register (NOGTR), and PAU website, among others.
- c) Consideration for employment of people in the operation areas including the recruitment process.
- d) Consideration for employment of female and persons with disabilities

5.3 SUCCESSION PLAN

A succession plan shall be submitted annually by a licensee for approval under Regulation 20 for the upstream Regulations. This plan will be presented in a format as prescribed in Annex C.

In fulfillment of Regulation 20(3), the Licensee shall submit on an annual basis the details of all employees (nationals and expatriates) including, the date of commencement of work, positions held, salaries, nature of the assignment (contract or permanent), other benefits (relocation/mobilization expenses, vacations education, medical transport, housing, among others) and training programs for Ugandans achieved.

5.4 RECOMMENDATION OF WORK PERMITS FOR EXPATRIATES

This section aims at enhancing clarity and promotion of efficiency in the implementation of Regulation 21 of the Upstream National Content Regulations, 2016 that requires the licensee, contractor, and subcontractor to apply for a recommendation from the Authority prior to making any application for work permits for expatriates to the Government ministry, department or agency responsible for immigration. The following are the different categories of work permits and requirements under each.

5.4.1 Special pass

This category relates to expatriate employees who are required to execute an assignment that does not exceed a period of six months.

5.4.1.1. Short-term support from the affiliates and associated entities (Maximum one (1) month)

This category relates to expatriates who are employees of the affiliates or associated entities and are required to provide short-term technical support to the operations of the licensee, contractor, and sub-contractor. It also includes personnel required to provide a short-term solution to a technical problem encountered during execution of the project, for example, emergency requirement for maintenance of equipment. This category will apply to only those individuals whose expertise is required for no more than one month.

An application for recommendation of a work permit under this category shall require submission of the following;

- a) The job title and the justification for the expatriate;
- b) Copy of the passport (bio-data page) with at least 6 months validity;
- c) Certified or notarized academic transcripts and the curriculum vitae;
- d) A detailed description of the job responsibilities;
- e) Letter of good conduct;
- f) The proposed contribution to National Content Development in the country.

The application shall be submitted at least two (2) weeks prior to commencement of the assignment.

5.4. 1.2. Expatriates required for more than one month but not exceeding three (3) months

These employees are normally required on a contract basis to execute a specific task.

An application for recommendation of a work permit under this category shall require submission of the following;

- a) The job title and the justification for the expatriate;
- b) Copy of the passport (bio-data page) with at least 6 months validity;

- c) Proof of a short-term non-renewable contract (where applicable) with specific start and end dates;
- d) Certified or notarized academic transcripts;
- e) Curriculum vitae accompanied by recommendations validating the experience and job history referenced;
- f) A detailed description of the job responsibilities;
- g) Proof that the required skills are not available on the National Oil and Gas Talent Register (NOGTR);
- h) Letter of good conduct;
- i) The proposed contribution to National Content Development in the country directly from the employment of the expatriate in question;

The application shall be submitted at least two (2) weeks prior to commencement of the assignment.

5.4.2. Long term employment (Work permits)

This category is divided into two;

5.4.2.1. Expatriates required for a maximum period of six (6) months

These may include;

- a) Experts required to conduct technical studies;
- b) Supervisors of ongoing operations among others.

An application for recommendation of a work permit under this category shall require submission of the following;

- a) The job title and the justification of the expatriate;
- b) Copy of the passport (bio-data page) with at least 6 months validity;
- c) Proof of a short-term non-renewable contract with specific start and end dates;
- d) Certified or notarized academic transcripts;
- e) Curriculum vitae accompanied by recommendations validating the experience and job history referenced;
- f) A detailed description of the job responsibilities;
- g) Proof that the required skills are not available on the NOGTR (selection and interview report);
- h) Advertisement of the role on the company and the PAU website for a period of seven (7) days;
- i) Letter of good conduct;
- j) The proposed contribution to National Content Development;

The application shall be submitted at least one (1) month prior to commencement of the assignment.

5.4. 2.2. Expatriates required for one year and more

This category includes permanent expatriate employees of the Companies.

An application for recommendation of a work permit under this category shall require submission of the following;

- a) Curriculum vitae with a clear description of similar assignments undertaken before;
- b) Copy of the passport (bio-data page) with at least 6 months;
- c) Translated and certified academic documents;
- d) Job descriptions (job title, required responsibilities);
- e) Proof that there is no Ugandan that can take up the job (Advert in print media, company and PAU websites, and the NOGTR) with evidence of a recruitment report¹;
- f) Duration of proposed employment in Uganda;
- g) Letter of good conduct;
- h) List of Ugandans identified for training;
- i) Individual training plan for replacement of the Ugandans.

The application shall be submitted at least one (1) month prior to the commencement of the assignment.

5.4.3. Application on the e-work permit system

To increase the efficiency in work permit processing; the following will be observed:

- a) All applications under the different categories will apply for the recommendation of a work permit online;
- b) The Oil Companies shall apply directly on behalf of their expatriates but can share the link with their potential expatriates for the purposes of them following up on the progress of their applications;
- c) The application shall be per individual and not per group;
- d) Applicants shall do a self-assessment before proceeding to apply for a recommendation of a work permit;
- e) The checklist shall be in line with requirements under the different categories and in line with Regulation 21 of the National Content Regulations, 2016;
- f) All job descriptions shall be submitted prior to the application;
- g) The applicant shall have all the requirements as per the category to be considered before application;

¹A recruitment report provides the details of the solicitation process, the names of the applicants, their qualification, previous experience and justification for not being suitable for the role.

- h) The applicant shall specify the required work permit.

PART VI: CAPACITY BUILDING OF HUMAN RESOURCES

6.1 TRAINING OF UGANDANS

6.1.1 Plan for recruitment and training of Ugandans

In order to ensure that Ugandans are competently employed in the petroleum activities, the licensee is required under Regulation 17 of the Upstream National Content Regulations, 2016 to submit a detailed plan for recruitment and training of Ugandan citizens in the petroleum activities on an annual basis after 12 months of being granted a license.

For avoidance of doubt Major Contractors as referred to in Regulation 17(3) (a) (i) is a Contractor who is oil and gas oriented or whose core business is servicing the oil and gas sector.

The plan referred to in Regulation 17 shall be presented in the format under Annex B

Under the plan referred to in Regulation 17 of the Upstream National Content Regulations, the licensee, may consider training of other Ugandans aside from their employees, offer support to training institutions among others.

6.2 IMPLEMENTATION OF A PLAN TO RECRUIT AND TRAIN UGANDANS

Regulation 18; sub-regulation 3, provides other means in which the licensee shall provide training and knowledge transfer. The following may be considered:

a) Train a Trainer program

The program shall be approved by the Authority and may be guided by the following:

- i. The Ministry of Education and Sports and ascertain the intervention needed which shall be shared with the Authority for approval;
- ii. The intervention should be in line with the industrial needs and the government skills development plan as well as the studies carried out in the industry;
- iii. Priority of selecting institutions may be based on institutions located in or near districts where oil activities are taking place;
- iv. The selected intervention should be agreed upon with the participants/ beneficiaries;
- v. The training may lead to certification/accreditation based on those recognized internationally;
- vi. It should be gender-sensitive and take into consideration the disability concerns;
- vii. A training report shall be shared with the Authority including the names of the participants, institution, training intervention, cost, accreditation/certification status, location among others.

b) Training of students from accredited and certified institutions

- i. The training to be offered to the students should be in line with the industrial need and specifically the requirements of the operational phase in question.
- ii. The selection of the students may be guided by the institutions and the selection criteria put in place by the licensee, contractor, or sub-contractor.
- iii. The training shall where applicable lead to certification/accreditation. But in any case, trainings that lead to certification should constitute the highest percentage.
- iv. The licensee, contractor, or subcontractor may consult other stakeholders before implementing the activity.

- v. Issues of gender and disability shall be put into consideration.
- vi. Students may be attached to the licensees' projects for on-job training.
- vii. A training report shall be shared with the Authority including the names of the participants, institution, training intervention, cost, accreditation/certification status, location among others.

c) Internship placements

- i. The licensee, its contractors, and sub-contractors may inform the Authority of the availability of internship opportunities for students.
- ii. Licensees, Contractors, and Sub Contractors shall ensure that internship assignments given to students relate to their academic fields.
- iii. The Authority may receive requests for internship placements from institutions or students and may inform the licensee, its contractors, and sub-contractors of the internship requests received.
- iv. Institutions may apply directly for internship placements of their student to the licensees, contractors, and sub-contractors.
- v. The licensee, its contractors, and sub-contractors may put in place periodic assessment logs to assess the progress of the internship. This may translate into a report that should be part of the quarterly National Content reports or available upon request by the Authority.

d) Attachment

- i. For the licensee's employees, contractors and sub-contractors; considerations may factor in Ugandans identified to replace expatriates on the Nationalization Plan to be attached to their affiliates.
- ii. The employees' assignments under attachment should be in line with their career progress.
- iii. The licensee, its contractors, and sub-contractors shall update the Authority about the progress of the attachment, and this shall be considered under the quarterly National Content report.

PART VII: RESEARCH, DEVELOPMENT AND TECHNOLOGY TRANSFER

7.1 TECHNOLOGY TRANSFER PLAN.

The annual plan referred to in Regulations 23 of the Upstream National Content regulation, 2016 shall highlight the annual implementation of the proposed initiatives aimed at promoting the effective transfer of technology, technical know-how, and skills relating to petroleum activities from the licensee to the Government of Uganda, Ugandan Companies, citizens and registered entities in the National Content program and further expound on the proposed initiatives of the Contractors and Sub-contractors of the licensee for the duration. Any deviations in the plans submitted to the Authority will require express approval.

For avoidance of doubt, the in-country events and trade fairs will involve linking of the local and international players in the oil and gas sector with the view of creating linkages to facilitate the required Technology and skills transfer.

7.2 PLAN FOR RESEARCH AND DEVELOPMENT

Where a licensee intends to carry out research and development regarding petroleum operations as per the prevailing contractual framework, the provisions of regulation 24 of Upstream National

content Regulations will apply. For avoidance of doubt, Research and Development (R&D) is a process by which a Licensee or contractor works to obtain new knowledge that it might use to create new technology, products, services, or systems that enable creation of new applications.

The following shall be considered:

- a) The licensees, contractors, and sub-contractors may together with research institutions and universities in the Country, undertake research that has a direct relation to petroleum activities.
- b) The licensees, contractors, and sub-contractors may consider partnering with international research institutions for specific specialized research areas scheduled to be carried out with institutions in the country.
- c) Research may also be considered in the oil gas linkages.

PART VIII: REPORTING

8.1 QUARTERLY NATIONAL CONTENT REPORT

The Quarterly National Content Report referred to under Regulation 25 of the Upstream National Content Regulations, shall be submitted within one month of the following quarter in the format prescribed in Annex D.

In addition to the information required under Regulation 25(3), the licensee may provide the following:

- a) The current and cumulative cost to the date of reporting incurred on National Content initiatives. National Content expenditure, in this case, refers to spend on procurements awarded to Ugandan companies, technology transfer initiatives i.e., capacity building of individuals, enterprises, educational institutions, donation of resources, among others;
- b) The headcount of Ugandan personnel in relation to the total company headcount;
- c) The annual human resource statutory contributions such as NSSF, taxes, Salaries, and total value attached to employment of Ugandans during that quarter;
- d) Progress on training towards nationalization;
- e) Other trainings carried out by the Oil companies and their contractors;
- f) Knowledge and technology transfer initiatives;
- g) Employment monitoring sheet including an update of people employed by the IOC per month as well as those of their contractors and sub-contractors working on contracts held with the IOC. The monitoring sheet shall be presented as in Annex E;
- h) The compliance of the contractors and subcontractors to the National Content contractual commitments;
- i) Progress of implementation of approved Annual National Content work program.

8.2 CONSOLIDATED ANNUAL NATIONAL CONTENT PERFORMANCE REPORT FOR THE YEAR UNDER REVIEW

Regulation 25(2) for the Upstream National Content Regulations requires the licensee to submit a consolidated annual National Content performance report. The report may take into consideration the requirements highlighted in Regulation 25 (3) (a-e), h), and the update on the status and progress of the Nationalization plan and the Guidance in 21 above.

8.3 REPORT ON MONITORING AND ENFORCEMENT OF NATIONAL CONTENT COMPLIANCE BY CONTRACTORS AND SUBCONTRACTORS

Under Regulation 28 (2) of the Upstream National Content Regulations, the Licensees are required

to report to the Authority, on a quarterly basis, in respect of their monitoring and enforcement of compliance of National Content by their contractors and subcontractors. This report should relate to the National Content proposals and targets stipulated in the approved bids and signed contracts as well as compliance to these Regulations as prescribed in Regulation 32(1). Key among these are;

- a) The number of Ugandan Citizens employed and trained, the value attached(salaries) their job titles, type of training, and type of qualification or certification obtained;
- b) A list of local goods and services utilized or procured during the contract together with the value and respective suppliers;
- c) Technology transfer initiatives undertaken during the contract and their results.

8.4 ANNUAL TECHNOLOGY TRANSFER REPORT

The Regulations provide for the submission of an annual report on the results of the technology transfer initiatives under 23 (6) aimed at promoting the effective transfer of technology, technical know-how, and skills relating to petroleum activities from the licensee to the Government of Uganda, Ugandan companies, Ugandan citizens and registered entities as per the annual Technology Transfer Plan.

The report shall be submitted in line with the submitted plan.

ATTACHMENTS/ANNEXURES

Annex A: National Content Program

Annex B: Format for the Annual Recruitment and Training Plan

Annex C: Format of the Succession/Nationalization Plan

Annex D: Format for the quarterly National Content report

Annex E: Format for the Employment Monitoring Sheet

Annex A: PROPOSED TEMPLATE OF THE NATIONAL CONTENT PROGRAM

Introduction

Regulation 7 of the Petroleum (Exploration, Development and Production) (National Content) Regulations & The Petroleum (Refining, Conversion, Transmission and Midstream Storage) (National Content) Regulations, , 2016 requires the licensee to submit to the Authority for approval, a national content programme. The Authority has developed a template to guide the Industry on the required National Content Program as indicated here below.

FORMAT OF THE NATIONAL CONTENT PROGRAM

- a) Cover Page
- b) Table of Contents
- c) List of acronyms
- d) Fore word
- e) Executive summary

1. Chapter one: Introduction

1.1 Local content Context.

The company's understanding of the local market capabilities and readiness of Ugandans to supply the industry requirements.

1.2 Proposed theory of change.

The company's overall strategy/approach to achieve the desired level of participation of Ugandans in petroleum activities

2. Chapter two: Employment and training of Ugandans;

2.1 Status of employment by the company disaggregated by level; Management, Technical and other support staff.

2.2 Company strategy to achieve maximum employment of Ugandans

Objective(s)	Strategies	Activities to be undertaken	Time frame ¹

This section should clearly highlight the;

- ◊ Estimated number of Ugandans to be employed in the upcoming projects
- ◊ Total expected expenditure on Ugandan employees against the planned human resource expenditure

¹Time frame should include both the required time of implementation and the period when the proposed activity will be undertaken.

- ◊ The specific training programs to be undertaken based on the existing gaps identified

2.3 The plans for succession of expatriates by Ugandan citizens;

3. Chapter 3: Procurement of goods and services obtainable in Uganda;

3.1 Analysis of the capability of the Local Market to supply the industry

3.2 Company strategy to maximise utilization of goods and services obtainable in the country

Objective(s)	Strategies	Activities to be undertaken	Time frame

3.3 Estimated values of the contracts to be sourced locally by service category

Category of service	Total Investment	Estimated Local Investment	%age
Geology & Geophysics			
Drilling Rigs			
Well Drilling, completion and assessment			
Basic Engineering and Detailing			
Management & Construction			
Oil and Gas Pipelines			
Civil works			
etc			

- ◊ The estimated value of the overall contract to be spent locally e.g. out of the Tilega/Kingfisher project expected expenditure, how much do you anticipate to contract to Ugandan companies using your previous knowledge of the local market and the preliminary proposals submitted by the FEED contractors

3.4 Services to be provided by Ugandan companies, Ugandan citizens and registered entities;

This section should clearly spell out those services, including the list of the reserved services but also those that are not on the reserve list but the company has experience that they can be undertaken by Ugandans.

4. Chapter 4: Local supplier development

Based on the analysis of the local market, this chapter should provide the planned supplier development initiatives.

4.1 Specific initiatives e,g

- ◊ Packaging and unbundling of contracts
- ◊ Joint ventures; partnership with Ugandan companies, Ugandan citizens and registered entities;
- ◊ support to partnerships and collaborations;
- ◊ Technology transfer mechanisms

Objective(s)	Strategies	Activities to be undertaken	Time frame

5. Chapter 5: Certification, quality, health, safety and environment standards for goods and services to be procured:

5.1 the status of certification and quality standards in the country

5.2 the company's certification, quality, HSE requirements for both people and goods and services

5.3 strategy to address the certification and quality challenges;

Objective(s)	Strategies	Activities to be undertaken	Time frame

6. Chapter 6: Transfer of technology, knowledge and skills to Ugandan companies, Ugandan citizens and registered entities;

- ◊ Company strategy for technology transfer

Objective(s)	Strategies	Activities to be undertaken	Time frame

7. Chapter seven: Support to local education institutions;

This section should present planned initiatives geared towards;

- ◊ Support to research and development
- ◊ Industrial Placement and internships
- ◊ Training of Trainers
- ◊ Provision of Master Crafts trainers in Institutions

8. Chapter eight: Support to Domiciliation

The Company is encouraged to pursue domiciliation of services & works by its contractors/suppliers. This is so especially for services, goods or services that will be required over a long period of time. The Company is required to indicate;

Services/works/goods planned to be domiciled in Uganda.

Strategy to be employed to ensure domiciliation is achieved

Time frame for achievement of domiciliation.

Service/Works/ Goods planned to be domiciled	Strategies to achieve domiciliation	Activities to be un- dertaken	Time frame

Appendix B: Annual Recruitment & Training Plan

No.	Position	Name of Position Holder	Employee Status	Staff Category (Managerial, Technical or Others)	Function	Department	Minimum Required Academic Qualification	Required Certifications/ accreditations	Name of Possible replacement	Current Qualification of Position Holder	Current Certifications/ Accreditations of Position Holder	Proposed Training Program	Actual Training Taken	Name of Trainer	Training Period	Course Duration	Location of the training	Planned man-hours for the required period	Actual man-hours for the reported period	Training Budget/ Cost	Actual Spent	Remarks
1																						
2																						

Submitted and Signed by: Approved by:

Name : _____
 Title: _____
 Signature:
 Date:
 Name: _____
 Title: _____
 Signature:
 Date:

Annex C: Format of the Succession/Nationalization Plan

Operator:	Contract Area: CA-1	Year: 1	Phase:
Percentage of Uganda Management Staff:		Tech Other Staff:	

Submitted by:	Approved by:
Name:	Name: Ernest N. T. Rubondo
Title:	Title: The Executive Director, Petroleum
Date:	Date:

Notes

NANO-Ernest

Name: _____

Name: Ernest N. T. Rubondo
The Executive Director, Petroleum Authority of Uganda
Project 27.

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Date:

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Notes

1. The IOC/contractors are required to identify the identified Ugandans in line with gaps identified
2. The Authority expects the detailed report on what every after 3 months, for the period under study.

Notes

Identified Ugandans in line with gaps identified
2. The Authority expects the detailed report on what the identified National would have learnt
every after 3 months, for the period under study.

Annex D: QUARTERLY NATIONAL CONTENT REPORT

Operator:	Contract Area:	Year:	Quarter:
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1. National content expenditure;

- a) Current National Content expenditure
- b) Cumulative National Content expenditure.

2. Employment achievement;

a)	Employment achievements in terms of hours and numbers worked by Ugandans and their current status (permanent or contract)
b)	Employment achievements in terms of hours and numbers worked by foreigners and their current status (permanent or contract)
c)	Head count report for each month for the quarter for both expatriates and nationals
d)	Status of Nationalisation including the status trainings for Ugandan staff understudying the expatriates
e)	Update of employment by classification (Managerial, Technical and Others)
f)	Status of recruitment, promotion and termination
g)	Status on employees attached to other IOC affiliates
h)	Status of employment from the host communities
i)	Human resource statutory contributions (NSSF, taxes), salaries and total value attached to employment of Ugandans.

3. Ugandan citizens trained;

a)	List or attach a list of Ugandan Citizens trained indicating their names, job and level/type of training, cost and location of the training by both Licensees and their Contractors.
-	IOC employees
-	Government employees
-	Host communities
-	others
b)	Report on internship placements

4. Procurement achievement.

a)	Achievements in terms of quantity and value of locally manufactured materials.
b)	Achievements in terms of quantity and value of materials of foreign origin
c)	Achievements in terms of quantity and value of goods and services sourced from host communities
d)	Procurements awarded to entities that have entered into a Joint Venture
5. Names of companies, citizens and registered entities contracted within the quarter,	
a)	List or attach a list of Companies, Citizens and registered entities contracted indicating;
-	Contracts awarded,
-	Value of each contract,
-	Duration of the contract,
-	Classification of the contract (Framework contract, call off, or a one-off contract)
-	Category of the supplier (Locally owned Ugandan company; Foreign owned Ugandan company and Foreign owned company)
-	National Supplier Database number

6. Technology transfer initiatives, research and development programs undertaken by the licensee during the quarter;

a)	Describe any technology transfer initiatives undertaken within the quarter, beneficiaries/transferees, cost and the progress/outcome
b)	Describe any research and development programs undertaken with the quarter, indicating the parties involved, progress and expected outcome.

7. Progress of other National Content activities under the approved work program

a)	Indicate other approved National Content activities and their progress/status among which include;
-	Quarterly Supplier development workshops (Report indicating participants; content of the training, emerging issues from the discussion and way forward)
-	Enterprise development trainings
-	Train the trainer program
-	Support to institutions
-	Status and progress of Contractors' implementation of national content commitments.

Annex E: Employment Monitoring Sheets

i. MANPOWER MONITORING SHEET FOR IOCs

NAME OF IOC

REGISTERED ADDRESS

PROJECT TITLE

DETAILS OF SERVICES

PERIOD OF SUBMISSION (Quarter & Year of Reporting)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Personnel												
Expatriates												
Permanent												
Contractors												
Others												
Ugandans												
Permanent												
Contractors												
Others												
Total personnel												

Notes

1. IOC should fill in this monthly requirement including an appendix of those employed classifying the level of employment(managerial/technical) and their detailed names
2. Permanent staff shall mean direct employees of the IOC
3. Contractors shall mean IOC employees that are outsourced staff to recruitment agencies

Appendix E: Employee records contractor/sub-contractor

ii. EMPLOYMENT RECORDS FOR CONTRACTORS/SUB-CONTRACTORS

NAME OF IOC

NAME OF CONTRACTOR/SUBCONTRACTOR

REGISTERED ADDRESS

PROJECT TITLE

DETAILS OF SERVICES

PERIOD OF SUBMISSION

Personnel	2019	2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Ave-20
Expatriates																
Permanent																
Contractors																
Others																
Ugandans																
Permanent																
Contractors																
Others																
Total personnel																

Notes

1. Contractors and Sub contractors should fill in this monthly requirement including an appendix of those employed classifying the level of employment and detailed names
2. The reports should be submitted to the IOCs who will then update the Authority during the NC quarterly submissions
3. The contractors are those who offer services to the IOCs for example Newplan. The details needed are those who directly work on oil related projects
4. Each contractor/subcontractor should fill in the matrix independently
5. Permanent staff shall mean direct employees of the Contractor
6. Contractors shall mean Contractor employees that are outsourced staff to recruitment agencies

Notes

For more Information, Contact:

Head Office: Petroleum House (Block A), Plot 21-29 Johnston Road
P.O. Box 833 Entebbe - Uganda

Tel: +256 313 231 600 +256 417 896 600

🌐 www.pau.go.ug 📧 ed@pau.go.ug 🐦 [@PAU_Uganda](https://twitter.com/PAU_Uganda)



Petroleum Authority of Uganda