

2020: The expected oil

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The oil and gas sector is finally coming to the take-off stage. With the Final Investment Decision (FID) for the oil pipeline project expected this first quarter of 2020 (between now and March), what is on the minds of several Ugandans are the oil jobs.

According to projections, an estimated 190,000 jobs will be created by the oil and gas development. The projections include the 160,000 jobs that were highlighted in the 2013 Industrial Baseline Survey (IBS), and over 29,000 additional jobs in the Workforce Skills Development Strategy and Plan (WSDSP).

The IBS survey was conducted by China National Offshore Oil Corporation (CNOOC), Total and Tullow Oil on how Ugandans will benefit from the sector.

The WSDSP was developed by both education and energy ministries and funded by the World Bank under the Albertine Region Sustainable Development Project (ARSDP).

The strategy and plan was launched on November 15, 2018 by President Yoweri Museveni at Hoima Booma grounds.

JOB CATEGORIES

According to the IBS, majority of the jobs will go to artisans, accounting for 60%, whereas the skilled workforce will take 40%.

These were classified into four key levels, that is, level four for graduates and level three for experts and two and one for artisanal.

At level four, the oil and gas sector will create opportunities for civil/structural engineers, mechanical engineers, control centre operators, geologists and maintenance engineers.

At level three, mechanical technicians, instrumentation technicians, persons in logistics and supply chain management will be needed.

At level two, the needed skills civil engineers, drivers, welders, scaffolding, mechanical technicians and related trades will be needed.

At level one, they additional jobs will be for civil engineering and related labourers, hospitality and catering personnel, security guards, drilling rig and related labourers.

Sarah Opendi, the Minister of State for Mineral Development, in a recent interview said:

"The sector is going to create employment opportunities for our people. We promise to continue with the negotiations

The oil and gas sector skilled and artisan job opportunities are classified into four key levels



such that the oil and gas deals are concluded."

She urged Ugandans to register on platforms such as the National Oil and Gas Talent Register (NOGTR).

HOW TO GET THE JOBS

Government, through the Petroleum Authority of Uganda (PAU) set up a National Oil and Gas Talent Register (NOGTR) to increase the participation of Ugandan job-seekers in the register.

The NOGTR is an electronic government information management system, which is intended to capture the demand and supply of Ugandan manpower in the oil and gas sector.

In addition, the talent register will create ease for oil companies, contractors and sub-contractors to employ certified oil and gas workforce available in the country.

It was rolled out in February 2019. As of November 2019, a total of 12,020 Ugandans, both locally and those abroad, registered for oil and gas jobs on the NOGTR.

Of the total, only 393 are female whereas the 11,627 are male.

According to a status report obtained by New Vision, the applicants are from over 100 areas of specialties.

These include banking and finance, agriculture, technology, law, engineering, business and commerce, medical and health services, ethnobotany, among others.

Other areas include education, hospitality, wireless route and switch certification, machining and fitting, environmental practitioners, catering and hotel management, among others.

Under the current progress, Muloni said government target is to take the FID during the current first quarter of 2020

In an interview, Betty Namubiru, the National Content Manager at PAU, said the system will make it easy for oil companies and contractors to locate employees.

TRAINING

With these opportunities on board, government tasked the education ministry with addressing the skills gaps

through training, with emphasis on artisans, such welders and technicians.

The education ministry embarked on development of a specialised oil and gas training institute for the country, and this saw Uganda Petroleum Institute

Kigumba (UPIK) becoming a centre of excellence for that purpose.

The institute has not only acquired modern equipment for oil and gas training, but also obtained international accreditations for specialised courses.

In 2018, the institute became the first government institute to be granted approval as a centre to offer City and Guild qualifications.

The new development, which was confirmed on November 21, 2018, allows UPIK to offer 22

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- System aims to increase the participation of Ugandan job-seekers in the register

- Electronic government information management system to capture the demand and supply of Ugandan manpower in the oil and gas sector

- Talent register to help oil companies, contractors and sub-contractors easily find certified oil and gas workforce in the country



jobs are here

City and Guilds programmes from level one to level three of the needed oil and gas skills.

Founded in 1878, the City and Guilds of London Institute is the awarding body for City & Guilds and ILM qualifications, offering a large number of accredited qualifications mapped onto the Regulated Qualifications Framework (RQF).

Again in 2019, UPIK became an Engineering Construction Industry Training Board (ECITB) assessment centre.

STATUS ON DELAYS

There have been uncertainties concerning when the oil and gas developments will commence.

There are four key agreements delaying the signing of the oil pipeline deal, Eng. Irene Muloni, the former energy and minerals minister, said.

These include, the harmonisation of the Host Government Agreement (HGA) between Uganda and Tanzania, Shareholding Agreement and the Tariff and Transportation Agreements.

The above, alongside the conclusion on the Capital Gains Tax between government and the International oil companies, she said, are yet to be realised.

Currently, Muloni said, nine meetings for negotiations on the Host Government Agreement have been held with the pipeline project team.

On the harmonisation of the Host Government Agreement, she said four meetings have been held and that harmonization stands at 90%.

Once this is concluded, Muloni said it is expected that negotiations for the Shareholding Agreement and the Tariff and Transportation Agreement will commence.

"It is expected that the Final Investment Decision for the East African Crude Oil Pipeline (EACOP) will be undertaken following conclusion of these key project agreements. She made the remarks recently while handing over office to incoming energy minister Dr Mary Goretti Kitutu.

NEW TARGET FOR FID

For the pipeline's Final Investment Decision to be signed, Muloni said international oil companies have demanded the Host Government Agreements are concluded.

The HGA will also pave way for the signing of the Share Holding Agreement and the Tariff and Transportation Agreements for the project.

"The realisation of FID is pegged on the progress in the above negotiations," she said.

This implies that the shorter the negotiations, the closer the deal, and the longer the negotiations, the further the delays.

Under the current progress, she said, government target is to take the FID during the current first quarter of 2020.

With this development, it means, the deal is likely to be signed between now

and March 2020.

Just like oil deals, the signing of the HGA has dragged for years.

In May 2017, Uganda and Tanzania signed the Inter-Governmental Agreement (IGA) for the pipeline project.

The IGA provided a foundation for other project agreements, including HGA, Shareholders' Agreements and other financing agreements. However, three years later, none of the above agreements has been realised.

Earlier, both Tanzania and Uganda had promised to sign HGA before end of 2018, however, the targets were moved to 2019 and now 2020.

The HGA will ensure the two countries benefit from the Oil Pipeline project.

PROGRESS ON THE PROJECT

In her handover report, Muloni said the Front-End Engineering Design (FEED) was concluded in April 2018, and that it is currently under review by the government.

According to Unitel Technologies, FEED is an engineering design approach used to control project expenses and thoroughly plan a project before a fix bid quote is submitted.

In addition, she said an engineering procurement construction management (EPCm) contractor, Worley, was identified and started on the EPCm for the project early works.

"The detailed design work for the pipeline and its Above Ground Installations will commence as soon as the FID is taken," Muloni said.

On the resettlement action plan, she told New Vision that the land acquisition process had started on November 2018 and that data collection in the 10 pipeline-affected districts has been completed.

"Valuation of affected properties is ongoing. The right of way was demarcated and the cadastral, asset valuation and socio-economic surveys were completed for the pipeline corridor," Muloni noted.

According to the cadastral, asset valuation and socio-economic surveys, which New Vision has seen, over 4,500 persons will be affected by the pipeline project.

In 2019, Muloni said the energy ministry requested the lands ministry to gazette the pipeline corridor and that this was achieved on November 29, 2019.

Much as there is a stalemate, Robert Kasande, the energy and minerals ministry permanent secretary, explained that a lot more has been achieved on the development of the oil pipeline.

2008

The year land acquisition process for the pipeline route in Uganda and Tanzania started

2019

Energy ministry requested the lands ministry to gazette the pipeline corridor. This was achieved on November 29.

90%

Percentage at which harmonisation of the Host Government Agreement stands

Jobs

Majority of the oil and gas jobs will go to artisans, accounting for 60%, whereas the skilled workforce will take 40%

The sector if going to create employment opportunities to our people. We promise to continue with the negotiations such that the oil and gas deals are concluded," said Sarah Opendi, the Minister of State for Mineral Development.

