

Energy Governance and Capacity Initiative



U.S. Department of State, Bureau of Energy Resources (ENR)

The Energy Governance and Capacity Initiative (EGCI) is a U.S. Department of State, Bureau of Energy Resources (ENR)-led effort that provides U.S. interagency and expert independent advisory services in countries across the globe on a wide range of capacity-building related to hydrocarbon and mineral sector oversight and governance. Countries receiving EGCI assistance have world-class hydrocarbon and mineral resources and the potential to receive sizable financial windfalls from the development and export of these resources. Through EGCI, the Department of State works closely with governments to build the institutional and human resource capacity needed to manage resources responsibly for the benefit of long-term national economic development.

EGCI utilizes the U.S. government's considerable expertise and capabilities, as well as highly-specialized and flexible skill sets obtained through direct contracting and agreements with top U.S. academic institutions. Assistance is tailored to the specific needs of individual countries. EGCI supports a broad range of U.S. foreign policy and mutual diplomacy objectives and is coordinated with ENR's overall bilateral energy relationships.

ACTIVITIES INCLUDE

- Workshops and seminars on leasing, revenue management, and regulatory best practices for oil, gas, and mining sectors
- In-country advisor support for regulatory agencies to provide independent energy sector oversight and management
- Legal and technical guidance on implementing reforms and policies to create sustainability in the energy sector, as well as a commercial environment conducive to attracting responsible large scale investment
- Specialized assistance and expert guidance in oil and gas revenue sharing and distribution, as well as in related financial and tax management
- Financial tracking systems and other measures to reduce corruption
- Technical training in oil and gas resource identification and resource assessment methodology
- Best practices related to modern geological/geophysical data analysis and management
- Capacity-building on technical and management skills within energy-related ministries and other governmental entities
- Petroleum engineering, financial advisory services, and environmental studies
- Interagency and public review/comment for oil, gas, and mining sector decision-making

CAPABILITIES

Capacity-building areas:

- **Technical:** Building expertise in resource assessment and development optimization
- **Financial:** Responsible management of government revenues from the sector
- **Legal:** Embedding international best practices into laws and regulations
- **Environmental and Social:** Protecting people and the environment from sector impacts

U.S. federal agency partners:

- Department of the Interior (DOI)
 - U.S. Geological Survey (USGS)
 - Bureau of Ocean Energy Management (BOEM)
 - Bureau of Safety and Environmental Enforcement (BSEE)
 - Bureau of Land Management (BLM)
- Department of Treasury Office of Technical Assistance (OTA)
- Department of Commerce Commercial Law Development Program (CLDP)
- U.S. Coast Guard (USCG)

Academic cooperative agreement partners:

- West Virginia University
- University of Texas at Austin
- Pennsylvania State University
- Colorado School of Mines



Energy Security, Ukraine

As part of broader U.S. government support for Ukraine’s energy sector reform efforts, the Department of State is working with the Ukrainian government to improve the country’s energy security through a combination of diplomatic engagement and foreign assistance strengthening energy sector governance and increasing domestic gas production. Since 2014, EGCI has provided expert advisors to assist Ukraine’s national oil and gas company, Naftogaz, and its upstream gas production subsidiary, UkrGazVydobuvannya (UGV), in building capacity in corporate governance, increasing domestic gas production, undertaking sound strategic planning, and assessing critical sub-surface and above-ground technical issues that impact UGV’s core business functions. EGCI-funded technical consultants are advising on ways that near-term gas production increases can be achieved through infrastructure upgrades, field rehabilitation, reservoir optimization and management, and operational improvements. UGV’s leadership is making transformative organizational changes and incorporating reform recommendations in the company’s procurement processes. This may allow for increased capital re-investment and spur creation of a modern, transparent, and competitive domestic upstream gas sector.



Technical Training For International Regulators and Oil & Gas Officials

EGCI-funded work includes collaboration with U.S. academic institutions to provide technical support that features in-depth discussions, workshops, lectures, briefs, and hands-on site visits with U.S. federal and state regulators and top-tier academics. These engagements occur both in the United States and in other countries. Topics include conventional and unconventional resource characterization, technical challenges to ensuring optimized development, sound regulations, project decision-making and best practices, environmental and social impacts, and responsible fiscal regimes. Courses have been conducted through partners in Colorado, Pennsylvania, Texas, and West Virginia. Workshops reach a broad audience of technical and working-level government officials and provide timely knowledge and applicable U.S. experience to regulators and policy makers. Workshops have included participants from Brazil, Chile, Colombia, India, Indonesia, Jordan, Lithuania, Mexico, Mongolia, South Africa, Ukraine, Vietnam, and other countries.

Upstream Oil & Gas Sector Development, Guyana

Since 2010, EGCI has supported Guyana’s government in its efforts to manage its upstream oil and gas sector effectively and responsibly. EGCI engagement increased in 2015, when a major offshore oil discovery was made that dramatically changes the future of the country’s energy landscape, as well as its long-term economic prospects. Offshore oil and gas development entails sizable risks, and substantial revenues are achieved only after years of development. Guyana’s government is making positive changes in the time available during the early stages of the ongoing field development to put into place necessary regulatory, legal, and policy structures to ensure sound governance and sustainability in the emerging upstream sector. The Department of State and EGCI’s implementing partners at the U.S. Department of the Interior and Treasury have conducted workshops and provided technical support to introduce cutting-edge practices in the regulation and management of deep water oil exploration and production. EGCI is also providing financial advisory support to help prepare for managing anticipated oil sector revenues, and is engaging on oil spill response planning. EGCI will continue to support Guyana’s government as the country develops and regulates a new offshore domestic industry and manages sizable oil sector revenue streams.

