

**Contract**  
**between**  
**the Norwegian Ministry of Petroleum and Energy**  
**and**  
**the Tanzanian Ministry of Energy and Minerals**  
**regarding**  
**Institutional Cooperation in the Upstream Petroleum Sub Sector**

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) and the Government of the Republic of Tanzania have entered into an agreement (the Programme Agreement) dated 12 March 2012 regarding Institutional Cooperation in the Upstream Petroleum Sub Sector (the Programme)

WHEREAS MFA, on the terms and conditions of the Programme Agreement, shall provide a grant (the Grant) to be used exclusively to finance the Programme,

WHEREAS the Norwegian embassy in Dar es Salaam and the Tanzanian Ministry of Finance (the Ministry) shall be competent to represent MFA and Tanzania respectively,

WHEREAS the Tanzanian Ministry of Energy and Minerals (MEM) will be responsible for the implementation of the Programme,

WHEREAS the Norwegian Ministry of Petroleum and Energy (MPE) and MEM as stated in Article IV Clause j) of the Programme Agreement shall enter into a Contract regarding institutional cooperation on the implementation of the Programme (the Contract),

WHEREAS MPE, as stated in Article IV Clause j) of the Programme Agreement, shall cooperate closely with the Norwegian Ministry of Environment (MoE) and ensure coordinated participation of all relevant Norwegian institutions.

NOW THEREFORE MEM and MPE (the Parties) agree as follows:

**Article I Scope and objectives**

This Contract sets forth the terms and conditions of the Parties' institutional cooperation within the Programme, which pursues the following Goal and Purpose:

Goal/Outcome: Contribute to Economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations in Tanzania.

Purpose/Outcome: Contribute to Efficient state administration of the upstream petroleum sector, capable of planning, promoting and monitoring oil company

investments in petroleum exploration and production, and managing state interests and revenues in a sustainable way to the benefit of the economy and people of Tanzania.

The Parties shall cooperate to implement the tasks in the Agreed Programme Summary in Annex I of the Programme Agreement, further detailed in the Programme Document and summarized in Annex I to this Contract. Other tasks/activities may be agreed upon by the institutions as a result of decisions taken by the parties to the Programme Agreement.

The cooperation between the Parties is a result of the Grant under the Programme Agreement. The Agreement shall be interpreted and implemented in conformity with the Programme Agreement.

## **Article II Programme Management – Consultations**

1. The Programme shall be governed through the Annual Meeting between the MFA and MEM on the basis of the Programme Agreement. The Annual Meeting shall normally take place in the 1<sup>st</sup> quarter of the year.
2. The MPE shall work closely with the Ministry of Environment (MoE) on the implementation of the environmental pillar.
3. A Programme Coordination Committee (PCC) for the management of the Programme shall be established. MEM shall chair the PCC. Relevant Tanzanian and Norwegian institutions shall be invited to nominate members to the PCC. The PCC shall follow up the implementation of the Programme and will conduct minimum one meeting per year to recommend the documentation to the Annual Meeting. More meetings, physical or by ICT, may be called by the Chairman as and when needed.
4. MEM in collaboration with MPE or its assignee the Norwegian Petroleum Directorate (NPD) is responsible for the planning, administration and implementation of the tasks referred to in Article I, Clause 2, including adherence to budgets and decisions of the parties to the Programme Agreement.
5. MEM and MPE shall meet once a year prior to meetings stipulated in Article VI in the Programme Agreement to finalize draft annual progress reports, work plans and budgets. MPE will be invited to the Annual Meeting as an advisor to MEM.
6. The meetings shall be called and chaired by MEM, which shall also be responsible for drafting Agreed Minutes from the meetings within two weeks.

## **Article III Obligations and Responsibilities of the Parties**

1. The parties shall keep each other informed about all matters of importance to the overall cooperation and the implementation of the tasks to be performed. Any international travels shall be agreed upon.

2. The Parties shall make available sufficient and qualified personnel. If any problem arise or is expected to arise, the Party concerned shall notify the other Party immediately in writing.

Should it become necessary to replace personnel, the Party concerned shall arrange for replacement with a person with comparable experience.

3. While carrying out the assignment, the personnel and entities engaged by either of the Parties shall comply with the laws of the respective countries. The respective Party shall take prompt corrective action with regard to any violation by such personnel or representative.

4. MEM shall:

- Provide MPE with access to all available relevant reports and data required to undertake its tasks assist MPE in obtaining all necessary permits, licenses and permissions referred to in Article IV of the Programme Agreement,
- Assist MPE in obtaining all necessary permits and permissions referred to in Article IV of the Programme Agreement
- provide, free of charge, adequately equipped office accommodation for the personnel of MPE. The office facilities shall be equipped with or have easy access to internet, telephone and telefax facilities.
- facilitate undertaking of the obligations set out in the Main Agreement Sections 2 and 3, with regard to personnel provided under this Contract.
- Co-operate and work with the Resident Programme Coordinator and support he/her in the implementation of its duties.

5. MPE shall:

- Cooperate fully with MEM to ensure that the tasks referred to in Article I above are successfully accomplished;
  - Contract a Resident Programme Coordinator who shall report to MEM and who among others shall be responsible for Programme management including: planning; administration; oversee implementation of the Programme components; prepare progress report; and coordinate the activities of various thematic groups and the relevant Tanzanian and Norwegian Institutions participating in the Programme. This contract is to be based on an agreed Terms of Reference and sent to MEM for approval.
  - Provide access to relevant Norwegian institutional experience
  - Procure external consultants as required,
- Assist the personnel of MEM in obtaining accommodation facilities when visiting Norway, including visa and other permissions necessary for their stay in Norway.

6. Each Party may delegate wholly or partly their responsibilities under this Contract to their respective subordinate institutions. The other Party shall in case be informed with no undue delay. MPE will through a separate letter delegate it's rights and responsibilities under this Contract to the Norwegian Petroleum Directorate (NPD).

#### **Article IV Procurement**

1. MEM may request MPE to undertake procurements on its behalf. In such cases the procurements shall be undertaken in accordance with the rules and regulations of Norway. Terms of Reference and Specifications for any services and goods thus procured shall be prepared in cooperation and agreement with

MEM. Contracts and major commitments shall be based on the approved annual work plans.

2. MPE shall observe the highest ethical standards during the procurement and execution of contracts.
3. No offer, gift, payment or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted. Invitations to make offers as well as the procurement contracts shall, respectively, include a clause stating that the offer will be rejected and/or the contract cancelled, in case any illegal or corrupt practices have taken place in connection with the award or the execution of the contract.
4. All Contracts entered by MPE or its assignee shall be submitted to MEM for approval/no-objection and thereafter to MFA for information.

### **Article V Reporting**

The Programme Coordinator shall prepare the reports and documents set forth in the Programme Agreement Art.VII and submit to MEM.

The Parties shall keep each other informed about all matters of importance relevant to the cooperation covered by this Contract.

### **Article VI Remuneration/reimbursement to Norwegian institutions and its personnel**

1. Services by personnel of MPE and NPD carried out in Norway or in Tanzania for less than 6 consecutive months (short term personnel) will be remunerated on the basis of an hourly rate of NOK 930. This will be adjusted annually in line with the Framework Agreement between NPD and Norad. The Cvs and terms of reference for personnel of MPE and NPD providing services to the program shall be submitted to MEM for review and records.

The conditions for MPE and NPD personnel posted for a minimum of 6 consecutive months in Tanzania (long time personnel) will be regulated in an addendum to this Contract.

2. Services of personnel to be subcontracted by MPE or NPD under this contract will be remunerated and reimbursed for costs incurred in accordance with such subcontracts. The subcontracts shall to the extent possible use or be based on MPE's/NPD's existing Framework Agreements or if no such Framework Agreement exist may base itself on MFA's or Norad's Framework Agreement with such entities.
3. MEM shall be provided with Framework Agreements applicable under the Programme and with updates of the hourly rates.
4. Intercontinental journeys entitle to a maximum compensation equaling one working day of seven hours each way. Travel time during field work is billable within the weekly limit of 42 hours pr week. There will be no other compensation of travel time unless otherwise agreed.
5. Travel expenses and per diem in connection with international travels will be covered in accordance with the applicable Norwegian Government Regulations. Economy Class / Business Excursion tickets shall be used when

possible.

6. Personnel posted for minimum 6 consecutive months in the Tanzania (long term personnel) salary and working conditions (including expenses such as salary, allowances, travels, housing facilities, insurance, etc) will be negotiated on an individual basis and covered in separate contracts to be entered into between the Norwegian institution and the employee. Such contracts will be presented to MEM for approval.
7. Other expenses up to the limits set forth in the budget in Annex I or included in budgets approved by the parties to the Programme Agreement shall be reimbursed at cost, upon documentation. The budget line "Unforeseeable expenses" (or similar) may only be utilised upon agreement with the MEM.

## **Article VII Invoicing and Disbursements**

MPE shall submit invoices quarterly to MEM for approval. MEM will forward the approved invoice to MFA within 21 days for payment in accordance with the Programme Agreement. The invoices shall be certified by the person responsible for the Programme in MEM, and shall give opinion the invoiced expenses are in accordance with the agreement. A copy of the invoice will be sent by MPE to MFA.

The invoices shall be certified by the person responsible for the Programme in MPE, and shall give opinion the invoiced expenses are in accordance with the Contract.

The time sheets and the original documentation will remain at MPE, but copies will be submitted to MEM on request. In respect of travels the invoices shall, in addition to the total costs, provide names of persons, duration and purpose for each trip.

MFA shall effect payments directly to the bank account designated by MPE within 30 days after receiving the invoice from MEM.

If any item or part of an invoice rendered by MPE is disputed or subject to question by MEM, the payment by MFA of the remainder of the invoice shall not be withheld on these grounds.

## **Article VIII Sub-contracts**

Any sub-contracts to be entered into by MPE and/or MEM shall be made with duly qualified entities and MPE and/or MEM shall retain full responsibility for all services it is committed to render under the Contract.

All sub-contracts shall be submitted to MEM for approval and MFA for information.

## **Article IX Liability**

MEM shall not be liable – economically or in other ways – to companies or individuals engaged by MPE or its sub-contractors. MPE shall not be liable - economically or in other ways - to consequences of their technical advice or decisions made by Tanzania.



## **Article X Copyright**

The copyright of all documents, etc. prepared by the MPE under the Contract shall stay with MEM. However, MPE and MFA shall have the right to use any documents free of any royalties.

For sensitive documents and studies confidentiality clauses will be agreed as needed.

## **Article XI Corruption**

The Parties declare their commitment to counteract corrupt practices in the execution of the Contract. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Contract, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. Any such practice will be grounds for cancellation of the Contract.

The Parties undertake to take rapid legal measures in their respective countries to stop, have investigated and prosecuted in accordance with applicable law any person suspected of corruption or other intentional misuse of resources, and shall inform each other of any matters in this respect.

## **Article XII Entry into Force – Duration – Amendments**

This Contract shall enter into force when signed by both Parties and approved by the parties to the Programme Agreement. The Contract shall remain in force as long as the Programme Agreement remains in force.

Any amendments to this Contract shall be in writing and be signed by the Parties. Such amendments will become effective when approved by the parties to the Programme Agreement.

## **Article XIII Termination**

Each Party may terminate this Contract by giving three months' written notice to the other Party and a copy to the Parties to the Programme Agreement.

Upon receipt of such notice of termination both Parties shall exert their best efforts to bring the work to an end in a rapid, orderly and economical manner, and shall deliver to each other any plans or documents completed as part of the Contract.

In the event of termination MPE shall be entitled to payment for contract services satisfactorily performed and expenses properly incurred prior to the date of termination.

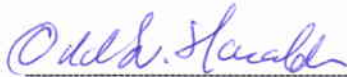
## **Article XIV Settlement of Disputes**

If any dispute arises relating to the implementation or interpretation of the Contract, there shall be mutual consultations between the Parties with a view to secure a successful implementation of the activities referred to in this Contract.

Any disputes which cannot be solved amicably shall be referred to the parties to the Programme Agreement with a view to reaching a solution.

IN WITNESS WHEREOF, the undersigned, acting on behalf of their respective institutions, have signed this Contract in two originals in the English language.

Oslo, <sup>February</sup> 13 January 2013  
For Ministry of Petroleum and  
Energy



Odd Sverre Haraldsen  
Director General

Dar es Salaam, <sup>February</sup> 13 January 2013  
For Ministry of Energy and  
Minerals



Eliakim C. Maswi  
Permanent Secretary

PERMANENT SECRETARY  
MINISTRY OF ENERGY  
AND MINERALS

## Annex I

### **Terms of Reference**

Tasks to be performed under this Contract include:

- Provision of Norwegian experiences and international best practice to support the development of an appropriate policy, legal, regulatory and institutional framework to ensure efficient and effective governance of the petroleum subsector.
- Coordination, facilitation and remuneration of all Norwegian institutions participating in the Programme in close cooperation with the NMoE.
- Assist MEM in coordination and facilitation of all Tanzanian institutions participating in the Programme in close cooperation with the VPO
- Procurement of external expertise according to Article IV
- Programme management support, including:
  - o Contracting a Resident Programme Coordinator
  - o Work planning and budgeting
  - o Reporting
  - o Facilitation of the Programme Coordination Committee
  - o Facilitation of the Thematic Working Groups and the Petroleum Policy Committee

The task shall be reflected in agreed work plans and budgets, and carried out in accordance with relevant provisions in the Programme Agreement and this Contract.