

Institutional Cooperation Agreement
between
The Norwegian Ministry of Petroleum and Energy (MPE)
and
The Sudanese Ministry of Petroleum (MoP)

regarding

Sustainable Development and Management of the Petroleum Sector in Sudan

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) and the Government of Sudan (GoS) – Sudan Ministry of Petroleum (MoP) have signed a Program Agreement on 22. February 2012,

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 Khartoum and MoP shall be competent to represent MFA and Sudan respectively,

WHEREAS MoP will be responsible for the implementation of the tasks set out in the Programme Agreement,

WHEREAS MoP and MPE (the Parties), as stated in the Programme Agreement Article IV clause 11, shall enter into a contract regarding institutional cooperation;

NOW THEREFORE MoP and MPE in Khartoum on April 15 2012 have reached the following understanding which shall constitute an Agreement between the Parties:

Article I Scope and objectives

This Agreement sets forth the terms and procedures for MFA's support to the Cooperation Programme for Sustainable Development and Management of the Petroleum Sector in Sudan (The Programme) as outlined in the Programme Summary in Annex 1 and further detailed in the Programme Document "Cooperation Programme for Sustainable Development and Management of the Petroleum Sector in Sudan" submitted to MFA on 20 February 2012.

The overall objective of the Programme is a developed and strengthened governance system for the petroleum sector in Sudan that fosters efficiency, transparency, anticorruption, and which is in compliance with the principles of Good Governance.

The purpose of the Programme is the establishment of economically, environmentally and socially responsible management of petroleum resources which safeguards the needs of future generations in Sudan.

The Outcomes of the Programme are:

- a) Sudanese policymakers set goals, and define and assign responsibilities in a manner which promotes the overall objective of the programme.

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- b) Sudanese petroleum sector regularly authorises Oil Exploration and Production Authority (OEPA) and General Directorate for Environment and Safety (GDES) carry out their assigned responsibilities.
- c) Sudanese policy makers and regulatory authorities are held accountable for their management of the petroleum sector.

Article II Programme Management – Consultations

MoP is responsible for the planning, implementation, reporting and monitoring of the Programme as referred to in Article IV, Clause 1, including adherence to budgets and decisions of the parties to the Programme Agreement.

In this Programme MPE shall cooperate closely with the Norwegian Ministry of Environment (NMoP) and ensure coordinated participation of all relevant Norwegian institutions. Aggregate summary reports of all planned Programme activities and expenses related to both resource and environmental management shall also be provided to the annual meeting.

MoP and The Norwegian Petroleum Directorate (NPD), representing MPE, shall meet once a year prior to the annual meeting stipulated in Article VI in the Programme Agreement to finalize draft annual progress reports, work plans and budgets. NPD and the NMoP shall be invited to participate in the Annual Meeting as advisors.

The meetings shall be called and chaired by MoP, who shall also be responsible for drafting Agreed Minutes from the meetings within two weeks after the meeting.

Article III Obligations and Responsibilities of the Parties

The Parties shall make available sufficient and qualified personnel, who shall carry out their work with the highest professional standards. 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.

While carrying out the assignment, the personnel and representatives 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.

MoP shall:

- Provide MPE with access to all available and relevant reports and data required to undertake its tasks, subject to relevant confidentiality undertakings, and if necessary, translate data and information into English,
- 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 telephone and internet facilities etc.
- assist MPE with visa and other permissions necessary for their stay in Sudan
- undertake the obligations set out in Annex I with regard to technical assistance personnel and contractors

4. MPE shall:

- Cooperate fully with MoP to ensure that the tasks referred to in Article I above are successfully accomplished,

- Assist the personnel of MoP in obtaining accommodation facilities when visiting Norway, including visa and other permissions necessary for their stay in Norway.

Each party may delegate wholly or partly their responsibilities under this Agreement to their respective subordinate institutions. The other Party shall be informed of such delegations with no undue delay. MPE will delegate her rights and responsibilities under this Agreement to the Norwegian Petroleum Directorate (NPD).

Article IV Procurement

The procurements by MoP shall be performed in accordance with international generally accepted procurement principles, good procurement practices and Sudan public procurement law. MPE may also undertake procurement of goods and resources on behalf of MoP. In such case, the procurement will be carried out in accordance with Norwegian public procurement law, and the Norwegian Institutional frame agreements may be used. Terms of Reference for any goods and services thus procured shall be prepared in cooperation and agreement with MoP. Contracts and major commitments shall be based on the approved annual work plans.

MoP and MPE, or its representatives, shall observe the highest ethic standards during the procurement and execution of contracts.

Article V Reporting

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

Article VI Remuneration/reimbursement to MPE

Services by personnel of MPE carried out in Norway or in Sudan for less than 6 consecutive months (short term personnel), will be remunerated on the basis of the following hourly rates:

NOK 930 per hour.

The rates are identical to the ones in MPE's Framework Agreement with Norad. They are flat, and will not be raised in case of work overtime, but is adjusted annually by Norad. For the subcontractors which have a Frame Agreement with NPD, the rates of the Frame Agreement shall normally be used.

Field work shall be remunerated up to a limit of 42 hours per week.

For intercontinental journeys MPE shall be entitled to a compensation equaling one working day of seven hours each way. Travel time during field work is billable within the weekly limit of 42 hours per week. There will be no other compensation of travel time unless otherwise agreed.

Travel expenses, per diem and night allowances 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 practicable.

For personnel posted for minimum 6 consecutive months in Sudan (long term personnel), MPE and MoP will agree on the terms for remuneration for such personnel.

Other expenses up to the limits set forth in the budget in Annex I in the Programme Agreement or included in budgets approved by the parties to the Programme Agreement shall be reimbursed at cost. The original documenting vouchers will remain at MPE.

Article VII Invoicing

The time sheets and the original documentation will remain at MPE, and will be subject to audit by the Norwegian Auditor General. Copies can, however, be submitted to MoP 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.

MPE shall submit invoices quarterly to MoP for approval. The invoices shall be certified by the person responsible for the Programme in MPE, and shall state that the invoiced expenses are in accordance with the Agreement.

MoP shall, within 14 days of receipt, forward an electronic copy of the approved invoice to MFA for payment. MFA shall effect disbursement directly to a bank account designated by MPE within 14 days of receipt of the approval from MoP.

If any item or part of an invoice rendered by MPE is disputed or subject to question by MoP, the approval by MoP 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 shall be made with duly qualified entities and MPE shall retain full responsibility for all services it is committed to render under the Agreement.

All sub-contracts whose value exceeds NOK 300,000 shall be submitted to MFA for information.

Article IX Liability

MoP 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 Sudan.

Article X Copyright

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

Article XI Corruption

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

The Parties undertake to take 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.

Annex XII Entry into Force – Duration - Amendments

This Agreement shall enter into force when signed by both Parties and approved in writing by MFA. The Agreement shall remain in force as long as the Programme Agreement remains in force, or as long as agreed by the Parties.

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

Article XIII Termination

Each Party may terminate this Agreement 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 Agreement.

In the event of termination, MPE shall be entitled to payment for 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 Agreement, there shall be mutual consultations between the Parties with a view to secure a successful implementation of the activities referred to in this Agreement.


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 Agreement in two originals in the English language.

Khartoum
Place: _____ Date: 15.4.2012
For the Ministry of Petroleum and
Energy, Norway


Name: ERIK J. OLSEN
Title: Senior Adviser

Place: _____ Date: _____
For the Ministry of Petroleum,
Sudan


Name: SALAH AL-MOHAMED
Title: Director General/GDES

Annex I – Obligations with regard to Norwegian personnel/consultants

Permissions, taxes

MoP shall provide or cause to be provided:

to the personnel/consultants provided (hereinafter the personnel) by MPE and their families, free of charge, necessary entry, re-entry, exit and other permits including employment permits and ID-cards for the personnel;

exemption from professional registration and license requirements;

exemption from income taxes and any other direct taxes on emoluments paid to the personnel for services in Sudan under the Agreement;

exemption from payment of import and export duties, taxes and other fees on equipment imported to Sudan in connection with the services performed under the Agreement;

exemption from any currency or foreign exchange controls on financial resources brought into Sudan by the personnel for the purpose of the Agreement;

exemption from payment of import and export duties and taxes on used household goods and personal effects brought into Sudan from Norway by the personnel or their families within six months of their first arrival in Sudan

Indemnity – Arrest

MoP shall indemnify MPE and the personnel serving in Sudan under the Agreement and hold them harmless against any liability, suits, actions, demands, damages, costs or fees claimed by third parties on account of death, injuries to person or property, or any other losses resulting from or connected with words spoken or written or any act performed or omission made in the execution within the territory of Sudan of assistance under the terms of the Agreement, short of acts amounting to gross negligence or willful misconduct of such personnel. In case of gross negligence or willful misconduct, MoP will be liable to third parties to the same extent as it would be in respect of its own employees. In all cases MoP shall be entitled to exercise and enforce the benefit of any defense or right of set off, counterclaim, insurance, indemnity, contribution or guarantee to which such personnel become entitled.

If claims arise in a case where gross negligence or willful intention on the party of the personnel provided through this Agreement has been established by a court of law in Sudan, MoP may hold the person concerned liable according to applicable law.

In the event of arrest or detention, for any reason whatsoever, of any personnel, or of any member of his/her family, or criminal proceedings being instituted against them, MPE shall immediately be notified by MoP. Representatives from MPE shall be entitled to visit the arrested or detained person.

Recall

MoP shall have the right to request the recall of any personnel whose work or conduct is deemed unsatisfactory. Before exercising such right MoP shall consult with MPE.

MPE shall have the right to recall any person at any time. In case of such recall, MPE shall, unless exceptional circumstances demand that the person be recalled immediately, give one month's notice to MoP.

MPE shall make every effort to obtain a replacement for the recalled person if MoP so requests.

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