

**AGREEMENT**

**between**

**THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS**

**and**

**THE ANGOLAN MINISTRY OF PETROLEUM**

**related to**

**INSTITUTIONAL COOPERATION IN THE PETROLEUM**

**SECTOR**

WHEREAS the Government of the Kingdom of Norway (Norway) and the Government of the Republic of Angola (Angola), represented by the Angolan Ministry of Petroleum (MINPET), have been cooperating in the Oil and Gas sector under two separate agreements, dated 31 July 1987 and 19 September 1991;

WHEREAS Norway has supplied technical assistance to MINPET through agreements signed 3 August 2000 and 4 October 2006, amended by an addendum dated 21 April 2011;

WHEREAS Angola has demonstrated its desire to continue cooperating with Norway on the petroleum sector in a letter dated 2 December 2011;

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) has expressed its readiness to continuing providing technical assistance to the Republic of Angola based on the objectives set by the Oil for Development Program;

WHEREAS an institutional cooperation agreement between MINPET and the Norwegian Ministry of Petroleum and Energy (MPE), to be approved by MFA, will regulate the institutional cooperation as such;

NOW THEREFORE, MFA and MINPET (the Parties) have come to the following understanding to sign the present Cooperation Agreement (the Agreement) under the following terms:

**Article I Scope and objectives**

1. This Agreement sets forth the terms and procedures for the MFA's support to the Institutional Cooperation for the Development of the Oil Sector between MINPET and MPE (the Programme) as outlined in the Programme Summary (Annex 1) and further described in the Programme Document dated 24.11.2012.
2. The referred to Programme has as the primary goal to strengthen the institutional mechanisms and technical capacities of MINPET in order to ensure that the management of the petroleum

resources of Angola is done in a properly coordinated and suitable manner, oriented towards the efficient attainment of the intended results.

3. The Parties may include new elements within the Programme and re-allocate funds within the Programme.
4. Any such amendments to the Programme shall be in writing and recorded in the Minutes of the Annual Meeting mentioned in Article VI.

### **Article II Cooperation – Representation**

1. The Parties shall cooperate so as to ensure the primary goal of this Agreement is successfully reached. The Parties further agree to cooperate on preventing corruption during the validity of this Agreement and undertake to take legal measures deemed necessary to stop, investigate and activate all internal mechanisms in accordance with the applicable law in the event of any suspicion of financial irregularities.
2. The Parties also commit to rejecting any reward, offer, gift or payment of benefits which would or could be construed as illegal or corrupt practices.
3. For the purpose of the previous point, the Parties agree to mutually inform in case there is any indication of misuse of the resources made available to the Programme.
4. In matters pertaining to the implementation of the Programme, the Norwegian Embassy in Luanda (the Embassy) shall represent MFA, who should receive all correspondence related to this Agreement.

### **Article III Contribution of MFA**

MFA shall, subject to Parliamentary appropriations, make available to MINPET through MPE, Technical Assistance at a cost not exceeding NOK 40 000 000 (Forty Million Norwegian Kroner) (the Grant) to be used exclusively to finance the Programme during its validity.

### **Article IV Contributions and obligations of MINPET**

MINPET shall be responsible for the implementation of the Programme and shall hereunder:

1. Have the overall responsibility for the planning, implementation, reporting and monitoring of the Programme,
2. Ensure that the Grant is used in accordance with the approved work plans and budgets;
3. Inform MFA of any circumstances that negatively interfere or threaten the successful implementation of the Programme;
4. Defray any customs duties, sales taxes and other taxes, fees and levies on all equipment, materials and supplies imported in the scope of the Programme;
5. Ensure the attainment of permits, import licenses and foreign exchange permissions required;
6. Ensure that representatives of Norway are permitted to visit any part of Angola for purposes related to the Agreement and examine any records, goods, products and documents;

7. Enter into an Institutional Cooperation Contract (ICC) with MPE regarding the management and implementation of activities during its validity. The ICC, as well as any subsequent amendments and implementation instruments of the Agreement, shall be submitted to MFA for approval, before entering into force;
8. Provide the resources required in addition to the Grant, as stated in the ICC.

#### **Article V Disbursements**

All disbursements will be transferred from MFA directly to MPE, based on the financial needs of the Programme, on approved work plans and budgets and in accordance with the requirements expressed in the ICC.

#### **Article VI Annual Meetings**

1. The Parties agree to have an Annual Meeting, preferably in the first quarter of each year in order to:
  - Assess the progress of the Programme, including the results and level of fulfillment of the previous year's work plan and budget,
  - Analyze and approve work plans and budgets for the following year;
  - Assess the annual reports and account statements of the Programme;
  - Analyze all issues related to the implementation of the Programme, such as the major risk factors set out in the Agreed Programme Summary (Annex 1), and their management.
2. The Parties may invite third parties to participate in the Annual Meeting, as observers or advisors to their delegations. Representatives from the Norwegian Development Cooperation Agency's "Oil for Development" Secretariat as well as representatives from the Norwegian Petroleum Directorate (NPD) shall also be invited.
3. The documentation specified in Article VII shall form the basis for the consultations and assessment of the Programme.
4. The Annual Meeting shall be called and chaired by MINPET at a location agreed on by the Parties.
5. Conclusions, recommendations and any decisions taken shall be recorded and written up in the minutes prepared by MINPET in cooperation with MFA, within a period of no longer than 8 (eight) days from the date on which the Annual Meeting is held.

#### **Article VII Reports**

MINPET shall submit to MFA the following reports and documentation:

1. Half-yearly progress reports covering the period from 1 July to 31 December and 1 January to 30 June. These documents shall be presented on 1 February (never less than three weeks before the Annual Meeting) and 1 August of each year, respectively;

The progress report shall include the following information:

- a. A description of actual versus planned activities,
- b. A description of disbursements made versus budget,
- c. Description and explanation of any deviations from plans or budget;
- d. Assessments of achievements and description of any possible problems and risks; and
- e. Assessment of the efficiency of the Programme (how efficiently resources/ inputs are converted into outputs).



2. A work plan, three weeks before the Annual Meeting. Activities planned, timeline and respective budgets shall be integral parts of the work plan.
3. Annual financial statements which shall be submitted three weeks before the Annual Meeting, prepared by MPE based on reports from cooperating Norwegian institutions. These financial statements should provide complete and detailed information of the total financing of the Programme.
4. A final report shall be submitted within three months after the termination of the Programme. This report shall include:
  - a. the topics listed in Clause I for the whole Agreement period,
  - b. an assessment of the efficiency of the Programme, i.e. the extent to which the objectives has been achieved,
  - c. an assessment of impact (if possible), i.e. the description of changes and effects, positive or negative, planned and unforeseen of the Programme, seen in relation to target groups and others who are affected,
  - d. an assessment of sustainability of the Programme, i.e. an assessment of the extent to which the positive effects of the Programme will still continue after the external assistance has been concluded,
  - e. a summary of main lessons learned.

MINPET shall ensure, in the ICC, the assistance needed by MPE to prepare all abovementioned reports and documents.

#### **Article VIII Procurement**

The procurement to be made within the Programme shall be agreed upon between MINPET and MPE, before any cooperating institution undertakes such procurements. All procurement shall be performed in accordance with internationally accepted procurement principles and good procurement practices. Contracts entered into and which exceed NOK 1 million shall be submitted to MFA for information and knowledge.

#### **Article IX Audit**

MINPET shall, through the ICC, ensure that the annual financial statements of the Programme are to be audited by the Norwegian Auditor General.

#### **Article X Reviews – Evaluation**

1. The Parties agree to undertake an assessment of the progress and efficiency of the Programme, during its validity, to confirm the level of compliance with the primary goal and the achievement of the targets initially set. The assessment may include a financial analysis and the impact of the Programme. Costs from this activity shall be financed by funds deployed by MFA, over and above the Grant.
2. The Parties have the right to carry out independent reviews or evaluations of the Programme as and when deemed necessary. The cost of such reviews will be covered by funds over and above the Grant.

b

AS

## **Article XI Reservations**

1. MFA reserves the right to withhold disbursements at any time in case:
  - the Programme is not implemented in accordance with its Objectives;
  - substantial deviations from agreed plans or budgets occur;
  - contributions and obligations provided for in Article IV are not complied with as agreed,
  - documentation specified in Article VII does not follow the procedures agreed upon;
  - improper financial management;
  - of the contract referred to in Article IV, Clause 7 is breached or terminated before all obligations therein are fulfilled.
2. MFA reserves the right to reclaim from MPE all or part of the Grant and cancel the Agreement if Programme funds are found not to have been used in accordance with the Agreement or are found not to be satisfactorily accounted for. MINPET shall ensure that MFA has this right in the ICC.
3. MFA has the right to cancel the Agreement or portion of the Agreement, and has the right to demand the cancellation of any contract financed under this Agreement, with immediate effect, if it determines financial irregularities or fraudulent practices by the Parties during the procurement or execution of the Agreement or the ICC.
4. Before MFA withholds disbursements, reclaims funds or cancels the Agreement, the Parties shall consult with a view to reaching a non-litigious solution to the matter.
5. MINPET reserves the right to interrupt or terminate the Agreement if the Grant is not made available in accordance with what is provided for in article III of this Agreement.

## **Article XII Distribution of the Agreement**

The Parties shall distribute copies of the Agreement to the respective Ministries, authorities and other institutions involved in the Programme and which have a justified need for the information related to its content.

## **Article XIII Entry into force – Termination – Disputes**

1. This Agreement shall enter into force on the date of its signature, and shall remain in force until all obligations arising from it have been fulfilled. However, it should be determined through consultations between the parties if the obligations have been fulfilled or not.
2. The Parties may terminate the Agreement upon three months written notice.
3. If any dispute or litigation arises relating to the implementation or interpretation of the Agreement, the Parties shall consult with a view to reaching an amicable solution.

**IN WITNESS WHEREOF**, the plenipotentiaries, duly authorized by their respective Governments, sign this Agreement, in two original copies, in the Portuguese language and two in the English language, both texts authenticated and witnessed.

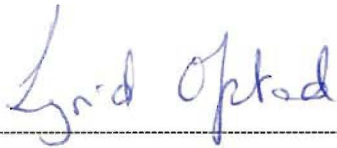
Signed in the Republic of Angola, on 29 July 2014.

*b*

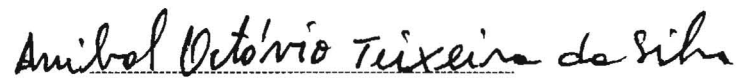
*AS*

**For the Norwegian Ministry  
of Foreign Affairs**

**For the Angolan Ministry  
of Petroleum**



Ingrid Ofstad  
Ambassador



Anibal Silva  
State Secretary

Attachments:  
Annex 1 – Agreed Programme Summary

## Annex 1 – Agreed Programme Summary

Programme Title:	AGO-13/0001 NPD-MINPET Cooperation 2013-2017 Phase 3
Implementing institution:	Ministry of Petroleum of the Republic of Angola (MINPET)
Norwegian partner institutions:	Ministry of Petroleum and Energy (MPE) and Norwegian Petroleum Directorate (NPD)

### 1. Description of the Programme

*Goal: The Goal of the Programme is to strengthen the institutional mechanisms and capacities of MINPET in order to ensure a more effective management of the Angolan petroleum resources, properly coordinated and results-oriented.*

There are six main activity areas of the Programme of which each, as described in the Programme Document, has several sub activities. The main activity areas are:

1. Legal framework,
2. Data and Information management,
3. Resource Management,
4. Health, Safety and Environment (HSE), Supervision and management systems, emergency preparedness and contingency plans,
5. Strengthening human and organizational capabilities and increase of scientific capabilities,
6. Establish and coordinate Committees/ Forums between Ministries of Petroleum, Fishery, Environment and Transport.

b

## 2. Programme Budget

Total budget of the Programme: NOK 40 million over a five-year period.

<b>Projects</b>	<b>Total</b>	<b>Year 1</b>	<b>Year 2&amp;3</b>	<b>Year 4&amp;5</b>
Legal framework	6 mill	1,5	2,5	2,0
Data and Information management	6 mill	2,0	2,2	1,8
Petroleum Resource Management	5 mill	1,0	2,0	2,0
Health, Safety and Environment (HSE) supervision and management systems, emergency awareness and contingency plans	7 mill	1,5	3,0	2,5
Strengthening human and organizational capabilities and increase of scientific capabilities.	8 mill	1,0	3,5	3,5
Establish and coordinate Committees/ Forums between ministries of Petroleum, Fishery, Environment and Transport	2 mill	0,2	0,7	1,1
Programme management	4 mill	0,8	1,6	1,6
Programme flexibility	2 mill	0,5	1,0	0,5
<b>Total</b>	<b>40 mill</b>	<b>8,5</b>	<b>16,5</b>	<b>15,0</b>

## 3. Tentative disbursement plan

<b>Period</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Norway	NOK 8 mill	NOK 8 mill	NOK 8 mill	NOK 8 mill	NOK 8 mill
Angola	Human resources	Human resources	Human resources	Human resources	Human resources

## 4. Other issues

Appropriate attention should be taken to enhance and promote gender equality, transparency, and environment concerns in the Programme.

*b*