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AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

THE NORWEGIAN WATER RESOURCES AND ENERGY DIRECTORATE

REGARDING

TECHNICAL ASSISTANCE TO
THE ANGOLAN MINISTRY OF ENERGY AND WATER
BY
THE NORWEGIAN WATER RESOURCES AND ENERGY
DIRECTORATE

IN

ANGOLA
2013-2015

Revision 6
Date: 29.01.2013

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PREAMBLE

WHEREAS the Angolan Ministry of Energy and Water, (“**MINEA**”), requested assistance in the electricity and water sectors in a letter to the Royal Norwegian Embassy in Luanda (the “**Embassy**”) dated 28 February 2011;

WHEREAS in the period 1996 – 2006 an agreement for institutional cooperation between the Secretariado do Estado da Energia e Aguas (SEEA), Empresa de Distribuição de Luanda (EDEL) and NVE was in force;

WHEREAS MINEA and NVE have jointly developed and agreed on a technical assistance programme titled “Technical Assistance to the Angolan Ministry of Energy and Water by the Norwegian Water Resources and Energy Directorate in Angola 2013 - 2015” (the “**Programme**”) for technical assistance in the energy and water sectors, described in the programme document with attached budget dated January 2013 (the “**Programme Document**”);

WHEREAS MINEA and NVE will enter into a contract for the institutional and technical cooperation (the “**Technical Assistance Contract**”);

WHEREAS no country agreement between Norway and Angola for cooperation in the energy and water sector exists; and

WHEREAS MFA has decided to comply with the request;

NOW THEREFORE MFA and NVE (the “**Parties**”) have agreed as follows:

1. SCOPE AND OBJECTIVES

1.1 Programme description

This agreement (the “**Agreement**”) sets forth the terms and conditions for MFA’s funding of the Programme described in Annex 1 to this Agreement (Agreed Programme Summary).

The Goal of the Programme is to develop the country’s renewable energy resources and to promote efficient use of electricity.

The Purpose of the Programme is to increase the capacity and knowledge base within MINEA and its daughter institutions in the areas selected for the technical assistance.

The Parties may agree on extending existing or including new Programme elements within the Programme, as well as on re-allocating funds within the Programme. Any such agreement shall be in writing, e.g. recorded in the Agreed Minutes from the Annual Meeting mentioned in Paragraph 4.

2. ADMINISTRATIVE PROVISIONS

2.1 Competent representative

The Embassy is, as part of MFA, competent to act on behalf of MFA with regard to all aspects of this Agreement, while the International Section is authorized to act on behalf of NVE. All communication with regard to this Agreement shall be directed to the addresses given in Annex 3.

2.2 Programme Coordination Unit

The work in MINEA will be coordinated by its Office of International Cooperation and the work in NVE will be coordinated by its International Section. MINEA and NVE will both nominate a

programme coordinator. The coordinators, assisted by any resident advisers, will form a “**Programme Coordination Unit**”.

The Programme Coordination Unit will, inter alia:

- Discuss and agree on all matters relating to the implementation of the Programme as set forth in the Programme Document and Annual Meetings (see section 4).
- Advise MFA on issues relating to the implementation of the Programme.

2.3 Amendments to the Agreement

Any changes to the Agreement or its Annexes shall be approved by the Parties in writing and signed. Such changes may be proposed by MFA, NVE or MINEA and must be in line with the Goal and Purpose of the Programme and, if applicable, be accompanied by revised work plans and budgets. Changes shall be incorporated in the Agreement as well as the Technical Assistance Contract as annexes.

2.4 Assignment

NVE shall not in any way assign or transfer its obligations under this Agreement or the Technical Assistance Contract, unless explicitly approved in writing by MFA.

3. CONTRIBUTION OF FUNDS

3.1 The Grant

MFA shall, subject to Parliamentary appropriations, make available to the Programme a financial contribution not exceeding NOK 24 000 000 (Norwegian Kroner twentyfour million) (the **Grant**), and the Grant is to be used exclusively to fund the Programme during the planned period, 36 month from the effectiveness of this Contract, or as necessary to comply with section 15.1.

The Grant is subject to agreed contributions from MINEA, EDEL and Instituto Nacional de Recursos Hídricos (**INARH**) as described in Annex I. If these institutions fail to fulfil their obligations as agreed in the Technical Assistance Contract, NVE shall immediately inform MFA, and the Parties shall consult with MINEA and/or other relevant entities with the aim of agreeing upon appropriate action.

3.2 Unutilized funds

Upon completion of the Programme, any unutilized funds from the Grant, including accrued interests, shall be repaid to MFA immediately.

4. ANNUAL MEETINGS

Representatives from MFA, MINEA and NVE shall have a meeting within the first quarter of each calendar year (the “**Annual Meeting**”). The above mentioned Annual Meeting will be held together with the annual meeting described in the Technical Assistance Contract. The Annual Meeting will constitute the highest management level of the Programme and shall take place in order for the representatives to:

- Discuss the progress of the Programme, including results and fulfillment of agreed obligations,
- discuss and, if feasible, approve annual work plans and budgets for the following calendar year,

- discuss issues of special concern for the implementation of the Programme, such as the major risk factors set out in the Agreed Programme Summary in Annex 1, and how to manage such risks/issues,
- Discuss issues related to the fulfilment of the Technical Assistance Contract.

Each of the representatives may invite others to participate as observers, or as advisors to their delegations.

The documentation specified in Articles 7 and 10 shall form the basis for the Annual Meeting.

The Annual Meeting shall be called by MINEA and chaired by MFA.

Main issues discussed and points of view expressed as well as any decisions shall be recorded in Agreed Minutes. The Agreed Minutes shall be drafted by NVE and be submitted to MINEA and MFA for comments no later than two weeks after the Annual Meeting.

5. OBLIGATIONS OF NVE

5.1 Implementation

NVE shall have the overall responsibility towards MFA for the planning, implementation, reporting and monitoring of the Programme.

According to the Technical Assistance Contract, MINEA is the implementing agency for the Programme. NVE shall, in close cooperation with MINEA, ensure that the Programme is executed according to the Technical Assistance Contract, its Annexes and approved work plans and budgets, and undertake to provide technical and professional support to the Programme as described in these documents.

NVE shall carry out the assignment according to generally accepted professional standards and exercise the services with due diligence and efficiency, and contribute to a positive dialogue and good cooperation with MFA and MINEA as well as any third parties involved. NVE shall provide necessary professional and supporting staff from NVE itself and, when required, externally recruited professional and supporting staff to meet the requirements laid down in the Programme work plans. The obligations of NVE are further detailed in Technical Assistance Contract.

5.2 Subcontracting

Subcontracts entered into by NVE shall be made with duly qualified specialists and entities. NVE shall retain full and irreversible responsibility for all services it is committed to render under this Agreement.

5.3 Information

NVE shall maintain accounts and make financial statements covering all Programme expenditures covered by the Grant. The accounts and statements shall be done in accordance with standard accounting procedures of NVE and be audited by the Norwegian Auditor General according to standard procedures for NVE accounts.

NVE shall inform MFA in writing of any deviation or anticipated deviation from agreed plans and budgets, as well as of any condition which interferes or threatens to interfere with the successful implementation of the Programme, and immediately take steps to reduce possible losses resulting from such deviations and to recover funds.

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NVE is responsible for all payments, statements and reports required by the authorities in Norway in connection with discharge of its operations and the implementation of the Programme. The same applies to registration and reporting to public registers.

6. DISBURSEMENTS

6.1 NVE's invoices

NVE will invoice MFA the fees and expenditures associated with the Programme. Expenditures will be according to cost with no mark-up, fees will be according to rates in NVE's framework agreement with Norad, and travel expenses according to Norwegian Government Regulations. If practical, discounted tickets shall be sought.

Disbursements from the Grant shall be made as reimbursements of expenditures incurred during the preceding period. NVE shall submit invoices quarterly to MFA, with a copy to MINEA for approval. The invoices shall be certified by the Programme focal point at NVE and shall state that the invoiced expenses are in accordance with the Programme budget.

Invoices will be based on accrued fees and expenditures and accompanied by supporting documentation as necessary and a Quarterly Progress Report according to the requirements in Annex 2.

Time sheets and original documentation will remain with NVE, but copies will be provided to MINEA upon request. Costs related to travel shall be accompanied by specification of the names of travellers and purpose of the trip.

MINEA shall, within 21 calendar days, approve or dispute the invoice. The communication shall be sent to MFA with copy to NVE. Failure to issue a communication regarding an invoice shall be deemed to imply approval.

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

Funds will be transferred to NVE's bank account as specified in Annex 3.

7. REPORTING

NVE shall submit to MFA the following reports and documentation, all according to the requirements in Annex 2:

- quarterly progress reports
- annual reports including work plans and budgets
- annual financial statement
- a final report

MFA shall give its views, questions and comments in writing within one month after the receipt of the reports and documentation.

8. PROCUREMENT

All procurements shall be performed in accordance with generally accepted principles and good procurement practices, and in accordance with Norwegian procurement regulations. Invitations to tender or to make offer as well as procurement contracts shall, respectively, include a clause

stating that the tender/offer will be rejected and the contract cancelled, in case any illegal or corrupt practices have been connected with the award or the execution of the contract. Copies of all contracts shall be submitted to MFA for information.

No offer, gift, payment or benefit of any kind, which would or could be construed as an illegal or corrupt practice shall be accepted either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts. Any such practice will be grounds for cancellation of the Agreement and/or the procurement contract concerned.

9. COPY AND PROPERTY RIGHT

MINEA shall be the sole owner of the copyright of documents etc. prepared by NVE and others under the Technical Assistance Contract. However, NVE and MFA shall have the right to free use of any document etc. prepared under the Programme.

10. AUDIT

10.1 Annual audit

NVE will carry out cost control to check that budgets and contracts are followed. In compliance with Norwegian accounting regulations NVE will remain with the originals of documentation of cost. The general accounts of NVE are audited by the Auditor General of Norway according to Norwegian Government procedures.

If MFA desires, it may request a separate audit of the Programme, carried out by independent chartered auditors. The cost for such an audit will be covered by MFA over and above the Grant

11. REVIEWS

11.1 External review

MFA reserves the right to review or evaluate the progress and results of the Programme through evaluators appointed by MFA. Such reviews or evaluations will be financed by funds over and above the Grant. A review shall also consider any related assistance outside of the Programme, if such assistance exists.

MINEA and NVE shall issue a no objection to the ToR for reviews or evaluations.

12. LIABILITY

MFA shall not be liable – economically or in other ways – to companies or individuals engaged by NVE under this Contract.

13. 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.

The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Programme, and then to take rapid legal action to initiative investigations of and prosecution against, in accordance with applicable law, any person suspected of corruption or misuse of resources related to the Programme.

14. BREACH OF AGREEMENT

If there is suspicion of corruption and/or other financial irregularities, MFA may withhold all or part of the Grant.

If any major organisational changes to NVE are found to be contradictory to the Goal and Purpose of the Programme, MFA may, upon consultations with NVE, cancel this Agreement.

MFA has the right to cancel the whole or parts of this Agreement and have the right to demand the cancellation of any contract financed under this Agreement with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of NVE or of a beneficiary of Programme funds during procurement or during the execution of the Agreement without NVE having taken timely and appropriate action satisfactory to MFA to remedy the situation.

MFA reserves the right to reclaim all or part of the Grant and/or cancel the Agreement if Programme funds are found not to have been used in accordance with the Agreement and/or are found to be not satisfactorily accounted for. Before withholding any disbursement or claiming repayment, the Parties shall consult with a view to reaching a solution in the matter.

NVE shall receive remuneration for services having been carried out in accordance with the Agreement unless funds are withheld by MFA due to suspicion corruption and/or other financial irregularities.

15. ENTRY INTO FORCE – TERMINATION - DISPUTES

15.1 Agreement period

This Agreement shall enter into force on the date of its signature, subject to the signature of the Technical Assistance Contract, and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled, shall be determined in consultation by the Parties.

15.2 Termination

Notwithstanding the previous clause, each Party may terminate the Agreement upon three months' written notice.

In case of termination of the Agreement NVE shall exert its best efforts to bring the Programme to an end in a rapid, orderly and economical manner as regard to the use of the Grant. NVE shall not commit the Programme financially as regard to the use of funds from the date of the receipt of the notice of termination.

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

15.3 Dispute settlement

If any dispute arises relating to the implementation or interpretation of this Agreement, the Parties shall consult with a view to reaching a solution.



This Agreement is drawn in duplicate with one copy for NVE and one for MFA.

Luanda

Date: 1.2.2013

For the Norwegian Ministry of
Foreign Affairs:

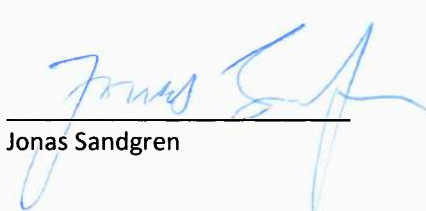


Ingrid Ofstad

Luanda

Date: 1.2.2013

For the Norwegian Water Resources and Energy
Directorate:



Jonas Sandgren

Annexes:

Annex 1 Agreed Programme Summary

Annex 2 Reporting Requirements

Annex 3 Addresses for Correspondence and Payments

Annex 1. AGREED PROGRAMME SUMMARY

Identification of the Programme

The name of the programme is: **Institutional Strengthening of the Energy and Water Resources Sectors in Angola**

Implementing institution: **Ministry of Energy and Water of the Republic of Angola**

Norwegian Partner institution: **Norwegian Water Resources and Energy Directorate**

Description of the Programme

Goal (development objective)

The goal is to **develop the country's renewable energy resources and to promote efficient use of electricity.**

Purpose

The purpose of the Programme is to increase the capacity and knowledge base within MINEA and its daughter institutions in the areas selected for technical assistance.

Appropriate attention should be taken to enhance gender equality and the environment

Outputs

The Programme is structured in three separate activities, with the following outputs:

Activity 1: Renewable Energy & Rural Electrification

- Comprehensive strategy and action plan for use of renewable energy solutions in rural areas.
- Necessary amendments to legal framework.

Activity 2: Energy Efficiency

- An investment programme for pre-payment meters presented for funding.
- Energy efficiency campaign(s) implemented.
- Energy efficiency strategy and action plan.

Activity 3: Support to DNHR & National Water Resources Institute

- National Institute of Water Resources staff competent.
- Hydrometric network effectively managed.
- National Hydrometric Data Base re-established

Inputs

- Funds
- Staff time
- Training courses
- Logistical support
- Equipment
- Data from other work

The Programme shall benefit from the contribution of man-power and logistic support from MINEA as described in the Technical Assistance Contract. The utility Empresa de Electricidade de Luanda (**EDEL**) shall also provide man-power to the Programme.



Main indicators

Activity 1: Renewable Energy & Rural Electrification

<u>Outcome</u>	<u>Indicators</u>
Pilot programmes for dissemination of renewable energy solutions implemented and replicated.	Pilot programmes funded and implemented.
Regulatory framework adapted to needs of dissemination programmes.	Plans for replication adopted and included in budget.
	Regulatory barriers to programmes absent.

Activity 2: Energy Efficiency

<u>Outcome</u>	<u>Indicators</u>
Reduced power consumption in areas where meters are introduced.	15 - 25% reduction in peak power consumption at substation level in targeted urban supply points.
Better understanding of power consumption in the domestic and commercial sectors in MINEA and EDEL	Informed, fact based policy

Activity 3: Support to DNHR & National Water Resources Institute

<u>Outcome</u>	<u>Indicators</u>
Hydrometric data base available and regularly kept up to date.	Outcome itself
	Other institutions using hydrometric data.

Major risk factors (internal and external)

- A. Inadequate political focus
- B. Changes in top management in MINEA, leading to loss of political focus.
- C. No funding for pilot projects.
- D. Keeping trained staff.
- E. Inadequate capacity to implement.
- F. Inadequate private sector involvement.
- G. Inadequate regulatory framework not rectified.
- H. Poor acceptance of metering of electricity consumption.
- I. Inability to staff INARH.
- J. Other programmes not taking off. Activity 3 counts on basin studies being carried out and relies on other programmes for rehabilitation of the hydrometric network.
- K. Inadequate funding of INARH.
- L. Friction in MINEA related to the reorganization of the water sector.

Template:	Foreign governmental entities	Revision no.:	3
Amendment/Addendum	Grant Management Regime I, II and III	Date:	14.08.2019

ADDENDUM NUMBER 2 TO AGREEMENT BETWEEN THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS AND the Norwegian Water Resources and Energy Directorate CONCERNING Technical Assistance to the Angolan Ministry of Energy and Water, AGO-2573, AGO-09/025

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) and the Norwegian Water Resources and Energy Directorate (NVE) (jointly referred to as the Parties) have entered into an agreement dated 1st February 2013 (the Agreement), concerning technical assistance to the Angolan Ministry of Energy and Water, AGO-2573, AGO-09/025 , Clean Energy 2013-2015.

WHEREAS a no-cost extension until the end of 2017 was granted by the MFA on 22nd September 2016 and a no-cost extension until the end of 2020 was granted by the MFA on 17 March 2020,

WHEREAS NVE in a letter dated 5 September 2019 had requested additional financial support to the Programme and an extension of the Support Period, with which MFA decided to comply, to which an addendum no 1 was signed on October 8 2019.

Whereas NVE in a letter dated 10 June 2020 has requested additional financial support for an exit phase of the Programme, and an extension of the Support Period, with which MFA has decided to comply,

NOW THEREFORE the Parties have reached the following understanding, which shall constitute Addendum number 2 to, and be an integrated part of, the Agreement:

1 EXTENSION OF THE SUPPORT PERIOD

1.1 The Support Period set forth in the Agreement shall hereby be extended to 1 July 2022.

2 ADDITIONAL GRANT

2.1 MFA shall, subject to Norwegian parliamentary appropriations and on the terms and conditions of the Agreement, Addendum no 1 and this Addendum no 2, provide an additional grant not exceeding NOK 5 000 000 (Norwegian Kroner five million) (the Additional Grant).

2.2 The Additional Grant shall be used exclusively to finance/complete new components of the Programme as specified in the budget and the revised result framework included as Annex A and Annex B to this Addendum, and in the Application, during the Support Period.

2.3 The Additional Grant shall be disbursed upon written request as described in the Agreement

3 ADDITIONAL <AND REVISED> CONDITIONS

[Specify any additional terms regarding this addendum]
[Specify any changes to existing provisions in the Agreement]>

4 REMAINING CONDITIONS OF THE AGREEMENT

4.1 All other provisions of the Agreement shall remain unchanged and in force.

5 ENTRY INTO FORCE AND DURATION

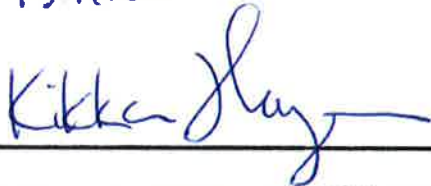
Template:	Foreign governmental entities	Revision no.:	3
Amendment/Addendum	Grant Management Regime I, II and III	Date:	14.08.2019

5.1 The Addendum shall enter into force on the date of the last signature, and remain in force until all obligations arising from it have been fulfilled.

IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Addendum no 2 in two -2- originals in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Luanda, Oslo

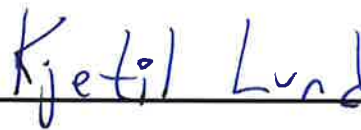
Date: 13.11.20



for the Norwegian Ministry of Foreign Affairs,

Kikkan Marshall Haugen

Ambassador



~~_____~~

for

the Norwegian Water Resources and Energy
Directorate

Kjetil Lund

Director General