

# Regional agreement template

The following is a translation of a contract template (original in Amharic) that was given to the research team in Benishangul. This contract would apply to all domestic investments in Benishangul and all foreign investments in Benishangul under 5000ha. Regional contracts that we viewed in Gambella region were very similar to this template contract.

## Lease Contract for \_\_\_\_\_ Landholding

In accordance with the Federal Proclamation No. 175/2003 that is proclaimed to encourage, promote and coordinate investment opportunities and the Region's Agricultural and Rural Development Bureau Proclamation No. 3/1988 of article 7 that is proclaimed to provide agricultural license to domestic investors; this contract shall be deemed as a lease agreement to produce \_\_\_\_\_.

### 1. Establishing a Lease Contract

This lease contract is hereby entered between the Benshangul Gumuz National Regional State (hereinafter collectively known as "Lessor") and \_\_\_\_\_ (hereinafter collectively known as "Lessee").

### 2. Location of the Lease Contract

The location of this lease agreement is a \_\_\_\_\_ Hectares of government owned \_\_\_\_\_ landholding found in \_\_\_\_\_ Kebele \_\_\_\_\_ Zone \_\_\_\_\_ Wereda (District) of the Benshangul Gumuz National Regional State.

### 3. Terms of the Lease Contract

This lease contract will be in effect from \_\_\_\_\_ AD until \_\_\_\_\_ AD for \_\_\_\_\_ years.

### 4. Payment for the \_\_\_\_\_ Lease

- a. The lessee, before transporting any of its products, shall pay a nonrefundable royalty to the Wereda's Agriculture and Rural Development Office which will be determined according to the quantity of products produced.
- b. In accordance with Article 7 of Proclamation No. 3/1988, the annual rental payment of this lease contract shall be \_\_\_\_\_ Eth Birr per Hectare.
- c. Any lessee who has been granted the right to benefit from producing \_\_\_\_\_ shall pay a fixed amount of royalty per hectare that will be decided by the Region's Administrative Cabinet. However, until the decision is made, the lessee shall pay \_\_\_\_\_ Eth Birr.

### 5. Rights and responsibilities of the Lessee

#### 5.1 Rights of the lessee:

- a. To manage and develop by himself/herself or by a legal representative the landholding leased for \_\_\_\_\_ production.
- b. To construct infrastructures such as irrigation, roads, bridges, houses, etc beneficial for the operation of the lease agreement.
- c. To decide the type of \_\_\_\_\_ products to be produced, pursuant to sub-article 5.1/b above.

#### 5.2 Responsibilities of the lessee

The lessee shall have the following responsibilities:

- a. To dispose and organize the \_\_\_\_\_ landholding for production of specific agricultural and natural resource products.
- b. To begin the work on the leased landholding right after the contract is signed and to expand it accordingly.
- c. To pay the royalty that is required by this lease agreement.
- d. To inform the lessor whenever a dispute arises regarding the lease agreement by a third party or others.
- e. To return back the landholding leased or to renew the lease agreement upon term expiration or cancellation.
- f. To keep natural balance of the landholding leased until the lease expires.
- g. To protect soil erosion by applying terrace farming and creating windbreaks.
- h. To maintain the ecological balance of the area and to conduct studies and obtain necessary permits before expanding any work on the leased landholding.
- i. Pursuant to the Proclamation to amend the use of Rural Landholding No.29/2001, article 13, sub article 3; the owner of forest and forest products shall be the local Wereda Administration.

## **6. Rights and responsibilities of the lessor**

### **6.1 Rights of the lessor**

- a. To follow up, control and evaluate the performance of the lessee.

### **6.2 Responsibilities of the lessor**

The lessor shall have the following responsibilities:

- a. To deliver the \_\_\_\_\_ landholding according to the lease agreement.
- b. To guarantee the resolution of any conflict that may arise due to the interference of third parties with regards to the allocation of landholding to the lessee so that the lessee shall make a good use of the landholding leased.
- c. To perform control and evaluation of the landholding leased, pursuant to sub article 6.1, but not affecting the operational activities of the lessee.

## **7. Delivery of \_\_\_\_\_ product**

- a. Any investor who has obtained an investment certificate shall bring the permit in addition to the \_\_\_\_\_ license obtained from the Region and submit it to the Wereda administration.
- b. Having submitted the document to the regional office, the investor shall receive the landholding from the local administration allocated for the investment.
- c. Before engaging in any investment activities, all investors shall receive an investment license from the respected authority.
- d. Within 15 (fifteen) days of the signing of the lease contract, the delivery of the \_\_\_\_\_ landholding should be effected.
- e. The delivery of \_\_\_\_\_ landholding should be performed up on verification of assigned professionals.
- f. The delivery of the landholding assigned for \_\_\_\_\_ production shall be done in the presence of the professional team and the Wereda's investment committee. Minute of the delivery shall be kept with the lease agreement.
- g. During the delivery of the landholding assigned for \_\_\_\_\_ production, a committee comprising of the following shall be present: the Wereda's Administration Office, the Wereda's Agricultural and Rural Development Office, Office of the Revenue, Bureau of Justice, Office of Economic Development, and the local Kebele Administration.
- h. In addition to all stated under article 7 of this lease agreement, the duties and responsibilities of the Wereda's Investment Committee shall be decided in the future by specific regulations.
  1. In accordance with this lease agreement, the lessor shall deliver the landholding assigned for production of \_\_\_\_\_ to the lessee.
  2. If there are any other possessions (assets) in the landholding that is to be leased for \_\_\_\_\_ production, they shall be listed before the lease agreement is signed and be kept with the lease agreement.

## **8. Transferring Rights**

- a. Any investor who has been given the right to lease landholding for production of \_\_\_\_\_ cannot transfer any of its rights to any another person before the project starts production. However, according to the stated law, the investor can work in collaboration with another investor.
- b. Once the project starts production, any investor can transfer its rights to another having informed the concerned authorities and pursuant to their decisions. However, if the concerned authorities find the investor to whom the rights are to be transferred unable to fulfill the necessary criteria, they can reject the transfer. The concerned authorities may reserve the right of approving this transfer of rights to any qualifying investor, without any compensation to the original investor, unless the original investor collects its investment within 6 (six) months time.
- c. With prior notice to the lessor and upon the approval of the lessor, the lessee can transfer the permit for agricultural and natural resources investment and the landholding leased for production of \_\_\_\_\_ to any third party of choice.

## **9. Repair and maintenance**

It is the responsibility of the lessee to repair and maintain the landholding leased for the production of \_\_\_\_\_.

## **10. Incapacity of the lessee**

- a. In case of death of the lessee, beneficiaries of the lessee shall proceed working on the lease, pursuant to the lease agreement.
- b. In case the beneficiaries want to cancel the lease, they can do so and inform the lessor within 6 (six) months of time.

## **11. Cancellation/Termination of lease agreement**

- a. Having notified the Agriculture and Rural Development Office and the Regional Administration 6 (six) months ahead, the lessee has the right to terminate the lease and leave the landholding allocated for the production of \_\_\_\_\_.
- b. At times when sub article (a) above is not properly followed, the lessee has the obligation to pay a one year royalty fee that is stated according to the lease.
- c. If the location that is leased for \_\_\_\_\_ is needed for public purpose, in accordance with the amended Investment Proclamation, the lessor shall give a 3 (three) month prior notice to the lessee so that the lease shall be amended. Once the lease is amended, pursuant to this Proclamation article 16/3 the lessor reserves the right to cancel the lease and evict the lessee.
- d. In accordance with this article, a lessee whose lease agreement is cancelled and evicted from the landholding shall be accountable for all the responsibilities stated on the lease agreement until the last day of the lease agreement is effected. The following shall be some of the grounds for the lease to be cancelled/terminated:
  1. Expiration of the lease agreement and its non renewal/non extension thereof.
  2. Failure of the lessee to launch the project without any acceptable reason within 6 (six) months of the lease agreement.
  3. Inability of the lessor to deliver the landholding, according to the lease agreement, to the lessee assigned for \_\_\_\_\_ production.
  4. Revocation of the agricultural and natural resources license of the lessee by relevant authorities.
  5. Unwarranted exploitation of the landholding by the lessee; contrary to the lease agreement and in a way that affects the lessor.
  6. Loss of interest by the lessee to continue in agricultural and natural resources investment.

## **12. Amendment and Renewal**

- a. Upon the agreement of both the lessee and lessor, this \_\_\_\_\_ lease agreement shall be renewed or amended in writing.
- b. The lessee shall notify the lessor the need to renew the lease, in writing, 6 (six) months prior to the expiration of the lease agreement.

**13. Procedures of cancellation/termination of the lease**

- a. In accordance with article 11 of this lease, whenever the lease is cancelled or expired, the lessee shall deliver the \_\_\_\_\_ landholding to the lessor no more than 6 (six) months time.
- b. Up on cancellation or expiration of the lease agreement, the lessor, having paid a reasonable compensation for all the possessions of the lessee, shall keep any possession that are found on the \_\_\_\_\_ landholding. Or the lessee shall dismantle the possession in a way that wouldn't jeopardize the future usability of the landholding.

**14. Registration**

Once signed by the two parties, the lease shall be registered by a court of justice or by any legal authority that has power to do so. A copy of the this lease agreement shall be submitted to: the lessor, the lessee, the Regional Bureau of the Agricultural and Rural Development, the Revenue Authority, Bureau of Justice, Wereda Administration, Revenue Office of the Wereda, and Investment Office.

**15. Duration of the lease agreement**

This lease agreement shall enter into force on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Lessor**

Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Lessee**

Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Witnesses:**

Name:	Address:	Signature:
1. _____	_____	_____
2. _____	_____	_____