

**No. 14484**

---

**DENMARK  
and  
KENYA**

**Agreement on extended support for the Rural Industrial  
Development Programme. Signed at Nairobi on 20  
September 1974**

*Authentic text: English.*

*Registered by Denmark on 23 December 1975.*

---

**DANEMARK  
et  
KENYA**

**Accord relatif à la continuation de l'assistance destinée au  
Programme de développement industriel rural. Signé à  
Nairobi le 20 septembre 1974**

*Texte authentique : anglais.*

*Enregistré par le Danemark le 23 décembre 1975.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF DENMARK AND THE GOVERNMENT OF KENYA ON EXTENDED SUPPORT FOR THE RURAL INDUSTRIAL DEVELOPMENT PROGRAMME

The Governments of Denmark and Kenya, desiring to continue their co-operation for the promotion of social and economic development in Kenya, particularly in the field of rural industrial development, have agreed as follows:

*Article 1.* The two Governments will co-operate in furthering the Rural Industrial Development Programme (hereinafter called “the Programme”) and the development of the Rural Industrial Centres (hereinafter called “the Centres”) in Kakamega, Machakos, Nyeri and Embu.

The purpose and the activities of the Centres are laid down in the Agreement between the Government of Denmark and the Government of Kenya signed on 12th January 1972.<sup>2</sup>

*Article 2.* To further promote the activities of the Programme Denmark will finance within a total of 7.65 million Danish kroner the following additional activities in connection with the Centres:

- (a) Additional equipment, etc., for the Centres to a value of up to 510,000 Danish kroner.
- (b) Additional funds for the existing revolving loan fund up to a maximum of 2.55 million Danish kroner.

Release of this amount is subject to agreement between the two Governments on a Plan of Operation for the loan scheme.

- (c) The building of low-cost worksheds with the necessary infrastructure up to a total of 2.55 million Danish kroner to be given as grants to local authorities or as loans to individual clients. The workshops shall be distributed throughout the areas covered by the Centres.
- (d) Within a maximum of D.kr. 340,000 the establishment of a product development unit at the Centre at Machakos. Of this amount D.kr. 125,000 will be used for machinery, tools, and equipment. The remaining amount will be used for the procurement of prototypes and components.
- (e) Additional expatriate assistance for a total of 19 man-years.

*Article 3.* The Government of Kenya will:

- (a) procure suitable sites for the worksheds mentioned above;
- (b) provide up to the sites public utilities such as water, electricity, sewerage, roads, footpaths, and telephones for official use;
- (c) recruit and pay salaries for the Kenyan staff necessary for the Programme;
- (d) pay all other expenses necessary for the operation of the extended Programme;

<sup>1</sup> Came into force on 20 September 1974 by signature, in accordance with article 7 (a).

<sup>2</sup> United Nations, *Treaty Series*, vol. 901, p. 3.

(e) exempt:

- (i) all supplies, equipment, materials, etc., needed for the Programme from import duties, fiscal levies, sales taxes, etc.,
- (ii) the sites for the workshops from any property tax and other charges; or pay such charges itself.

*Article 4. (a)* The funds necessary for the activities mentioned in article 2, paragraphs (a-d), will be transferred from the Danish International Development Agency (DANIDA) to a separate bank account in the name of the Kenya Industrial Estates Ltd. (KIE) in annual instalments on the basis of budgets worked out by the Programme management. The budget will be forwarded from KIE through the Ministry of Finance and Planning to DANIDA each June and the money will be transferred in July.

(b) The finances for the revolving loan fund will be transferred to the Kenyan Ministry of Finance and Planning in three equal instalments. The first instalment will be transferred immediately or soon after the Plan of Operation mentioned in article 2 (b) has been approved. Thereafter instalments will be transferred on a 12-month basis. The Ministry will ensure that the relending of the funds to the Programme is arranged at interest rates normally applicable in these circumstances.

(c) The funds mentioned in article 3, paragraph (d), will be transferred each year in July from the Government of Kenya to a separate Kenya Industrial Estates bank account in the name of the Programme.

(d) Audited accounts for each Kenyan financial year for the activities of the Programme and the Centres shall be forwarded to the Danish Government not later than the month of December following immediately thereon.

*Article 5.* For the purposes of this Agreement the Programme management will consist of the Programme Manager and the Danish Senior Technical Adviser.

Decisions to incur expenditure for the purposes of this Agreement shall be made by the Programme management. Authority shall be delegated to centre level wherever practicable.

*Article 6. (a)* The Government of Kenya will ensure that Danish staff working under the Programme will always be treated in a manner no less favourable than that enjoyed by technical assistance personnel assigned to Kenya by other countries.

(b) The status of the Danish personnel shall be in accordance with the Agreement of 25th February 1971<sup>1</sup> between Denmark and Kenya on Technical Co-operation.

(c) The Government of Kenya undertakes to hold harmless the Government of Denmark against any and all liability from damage caused in connection with assistance provided. In the event that the Government of Kenya shall make any payment under the terms of this clause the said Government shall be entitled to exercise all the rights, claims, and immunities which Denmark could have exercised against third Parties. This clause shall not apply with respect to any claim against Denmark for injuries incurred by Danish staff members.

<sup>1</sup> United Nations, *Treaty Series*, vol. 814, p. 45.

*Article 7. (a)* This Agreement shall enter into force on the date of its signature and shall remain in force until 11th January 1977. It may be terminated before the end of this period by either Party, subject to six months' notice of termination in writing addressed to the other Party.

*(b)* This Agreement may be amended by an exchange of letters between the two Governments.

*(c)* The two Governments shall consult on any matter concerning this Agreement, at the request of either Government.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

20th September 1974  
HANS KÜHNE  
For the Government of Denmark

20th September 1974  
NICHOLAS NGANGA  
For the Government of Kenya

---