

No. 23070

**DENMARK
and
LESOTHO**

Agreement regarding the establishment of a Co-operative Development Support Programme in Lesotho. Signed at Copenhagen on 27 April 1984

Authentic text: English.

Registered by Denmark on 6 September 1984.

**DANEMARK
et
LESOTHO**

Accord portant création d'un Programme de soutien au développement de coopératives au Lesotho. Signé à Copenhague le 27 avril 1984

Texte authentique : anglais.

Enregistré par le Danemark le 6 septembre 1984.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF LESOTHO AND THE GOVERNMENT OF THE KINGDOM OF DENMARK REGARDING THE ESTABLISHMENT OF A COOPERATIVE DEVELOPMENT SUPPORT PROGRAMME IN LESOTHO

The Government of Denmark, desirous of supporting the economic and social development of Lesotho, has responded positively to the request from the Government of Lesotho for Danish support to the strengthening of the Cooperative Movement in Lesotho. With reference to the Programme Proposal for Lesotho Cooperative Development Support Programme of December 1981, and the negotiations between the two Governments the Government of Denmark and the Government of Lesotho have agreed as follows:

Article 1. In matters regarding the implementation of the Lesotho Cooperative Development Support Programme the Ministry of Cooperatives and Rural Development shall represent Lesotho, and the Danish International Development Agency, DANIDA, shall represent Denmark.

Article 2. a. The objective of the Programme is the establishment of a well structured and efficiently operating cooperative movement and the promotion of agricultural and other rural development on a cooperative basis.

b. The Programme consists of four separate, but mutually supporting projects, i.e.:

- The Cooperative Management and Systems Development Project;
- The Cooperative Training, Education, and Information Project;
- The Cooperative Mobilization and Development Support Project; and
- The Project for the Establishment of the Lesotho Cooperative Centre as an institutional basis for the various activities.

c. The overall responsibility for the implementation of the Programme will rest with the Ministry of Cooperatives and Rural Development. The Ministry will appoint a Programme Steering Committee which shall be responsible to the Ministry for coordination, guidance and monitoring of the Programme. The day-to-day management shall be undertaken by a Management Unit consisting of the Commissioner of Cooperatives, the Director of the Lesotho Cooperative Centre, and the Programme Coordinator.

d. The Commissioner, the Director of Lesotho Co-operative Centre, and the Programme Coordinator shall be permanent members of the Steering Committee.

Article 3. The Government of Denmark shall, subject to the provisions set forth below, make available as a grant an amount of up to thirteen and a half million Danish Kroner (13.5 mill. D.Kr.) during the period 1984–1987. (The above amount is based on price level and currency exchange rate as per November/December 1981.)

The Danish contribution shall, with reference to the Programme Proposal and the subsequent negotiations, be used to cover or contribute to the following:

- a)* Costs for renovation, alteration and expansion of the Airport Hotel to be transformed into the Lesotho Cooperative Centre, construction of five staff houses, furniture for the Centre and staff houses, and vehicles and equipment for the Lesotho Cooperative Centre;

¹ Came into force on 27 April 1984 by signature, in accordance with article 10.

- b) Maintenance and operational costs of the Lesotho Cooperative Centre excluding local personnel costs (cfr. c);
- c) Part of salaries for locally employed personnel of the Programme on a descending scale through the Programme period (cfr. Article 5 f);
- d) An amount of up to 1.8 mill. D.Kr. out of the total grant of 13.5 mill. D.Kr. (1981 level) will be made available as a contribution to the Cooperative Development Fund; the rules, terms and conditions for the Fund will have to be agreed upon by the two parties;
- e) Other implementation costs for training, education and information material, vehicle running, maintenance costs and consultancy services;
- f) Contingencies constituting a reserve in the budget will be available for unforeseen costs after prior agreement with DANIDA.

The Danish contributions indicated above will, with the exception of item *d*, be transferred to the Programme in accordance with the annual budgets subject to DANIDA's approval.

The first instalment is mainly designated to cover the costs of establishing the Lesotho Cooperative Centre, construction of five staffhouses, furniture and equipment, and will be due when the designing and planning of the Lesotho Cooperative Centre and the staff houses have been approved by DANIDA and the Government of Lesotho, and when cost-estimate has been submitted to DANIDA, Copenhagen.

Article 4. In addition to the above contributions DANIDA will endeavour to provide as technical assistance five experts. Furthermore, two volunteers will be recruited to work as trainers for the animators. The cost for the experts and the volunteers will be covered by Danish funds over and above the grant for the Programme.

Article 5. The Government of Lesotho agrees to:

- a) Transfer the Airport Hotel, Maseru, free of charge to the Programme for the establishment of the Lesotho Cooperative Centre (cfr. Article 7);
- b) Provide suitable plots for the construction of the five staffhouses;
- c) Appoint, after consultation with DANIDA, an architect who will draw up designs and cost-estimates for the expansion, renovation and alteration of the Airport Hotel and the construction of staffhouses and supervise the work to be carried out by contractors (the architect will be paid by DANIDA);
- d) Arrange and finance the site works necessary for the construction of the staffhouses and the expansion and alteration of the Airport Hotel up to a maximum of 20,000 maloti;
- e) Appoint, in consultation with DANIDA, the necessary qualified local staff;
- f) Ensure the payment of salaries to all locally employed in the Programme. With reference to Article 3, c, DANIDA will reimburse the Ministry of Cooperatives and Rural Development part of the above salaries;
- g) Provide housing facilities free of charge for the Programme Coordinator, or alternatively the first arriving expert until one of the five staffhouses has been constructed;
- h) Assist in establishing a separate account in the Lesotho National Development Bank for the contributions from DANIDA;
- i) Ensure the resources from DANIDA be utilized for the purpose and objectives of the Programme;

- j) To permit and assist in importation of equipment and materials and supplies for the Programme, and to exempt such imports, including vehicles, from payment of customs duties, fiscal levies, sales tax, etc., and other import taxes, or to pay such charges itself;
- k) To permit importation of any reasonable amount of personal and household effects, including one motor vehicle per expert; provided importation of the items within a period of six months after the arrival of the expert in question, these imports shall be exempted from customs duties, fiscal levies, sales tax, etc.; reference is made to Article 3, B, section 3, *a, b, c*, and 4 in the Agreement on technical cooperation between the Government of the Kingdom of Denmark and the Government of the Kingdom of Lesotho, dated 1 November 1978;¹
- l) Endeavour without unnecessary delay to approve candidates for the posts as experts and volunteers in the Programme; the conditions as well as the legal and institutional framework concerning experts and volunteers are specified in the Agreements on technical cooperation between the Government of Denmark and the Government of Lesotho, dated 1 November 1978 and 26 [28] December 1976;²
- m) Permit representatives from Denmark to visit the Programme and inspect all relevant work, records and documents;
- n) Ensure that terms and conditions for the Cooperative Development Fund are presented to DANIDA for approval.

Article 6. As early as possible after the Agreement has been approved and signed by the two parties, the Ministry of Cooperatives and Rural Development shall establish the Steering Committee and the names and designation of the members shall be sent to DANIDA. The Steering Committee shall request the Management Unit to work out a Plan of Operation for the Programme as well as a Budget for the Programme to be submitted to the Ministry of Cooperative and Rural Development and DANIDA for approval.

Article 7. The Government of Lesotho will ensure that the Lesotho Cooperative Centre with all accessories at a time agreed upon by the parties, is handed over to the Cooperative Movement free of charge of any kind as property of the Movement.

Article 8. A joint evaluation shall be undertaken by representatives of DANIDA and the Government of Lesotho at a time agreed upon by the parties.

Article 9. This Agreement may be amended by mutual consent.

Article 10. This Agreement shall enter into force on the date of signature and shall remain in force until both parties have fulfilled their obligations in regard to the implementation of the Programme.

The Agreement may be terminated at any time by either party given six months' notice in writing to the other party.

¹ United Nations, *Treaty Series*, vol. 1156, p. 311.

² *Ibid.*, vol. 1040, p. 119.

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

DONE in duplicate in English in Copenhagen on the twenty-seventh day of April 1984.

For the Government
of the Kingdom of Lesotho:

[Signed]

JOSEPH K. MOLLO

For the Government
of the Kingdom of Denmark:

[Signed]

ERNO OLSEN
