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MINISTRY OF AGRICULTURE

# Model Lease Contract



BVVG

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

### *Disclaimer*

*This draft model contract was developed on the basis of international best practices and recommendations regarding the design of contracts for farmland investments. Especially model clauses provided in the document *The IISD Guide to Negotiating Investment Contracts for Farmland and Water* (iisd: International Institute for Sustainable Development) that is posted on the website [www.negotiationsupport.org](http://www.negotiationsupport.org) were used as basis for designing this current draft. Furthermore, experience in lease contract design gained at BVVG Agriforest Privatization Agency reflects in the draft model contract.*

*The draft does not create a blueprint for every situation. The range of detail may also not be relevant to all sizes of investment. Although this draft model contract has been designed with utmost accuracy, it cannot be guaranteed that all relevant issues have been dealt with to the extent necessary since neither the complete legal system of Ethiopia nor the existence and content of bilateral or international investment protection treaties that may influence the content of such a contract are known to the authors of this final draft version. Furthermore, it is impossible to cover all legal contingencies and provisions for each specific context. Therefore, it should not merely be duplicated without consideration of the peculiarities of the particular contract situation. It is not intended to cover each and every situation regarding the lease object and the parties involved, nor can it anticipate specific needs.*

*Therefore, this document only has advisory character. All open questions as mentioned in the 'comment column' as well as the concerns and suggestions of the legal working group at EHAIA should be thoroughly discussed so that EHAIA can draft a final version that serves its needs and fits best to the Ethiopian context.*

*GIZ and BVVG exclude liability for any final model contract coming into effect in Ethiopia.*

<p align="center"><b>Model lease contract for farmland investments (Government – Investor)</b></p>	<p><i>As discussed and to be continued</i></p>
	<p><i>The following draft of a model contract for large scale agricultural investments in Ethiopia is mainly based on topics which have been emphasized in the working group discussions. - After completion optional clauses not chosen and comments-column should be deleted.</i></p>
<p>Contract No. ....</p>	<p><i>No Important for contract management (payments etc.)</i></p>
<p align="center"><b>Land Lease Agreement for Large Scale Agricultural Investment</b></p>	
<p>made between</p>	
<div style="border: 1px solid black; height: 80px; width: 500px; margin: 0 auto;"></div>	<p><i>Insert Name institution leasing out land: e.g. regional authority</i></p>
<p align="center">Hereinafter referred to as <b>lessor</b></p>	
<p align="center">and</p> <div style="border: 1px solid black; height: 80px; width: 500px; margin: 0 auto;"></div>	
	<p><i>Insert name and business address of investor and all</i></p>

Text of Model Lease Contract	Comments
	<i>relevant data (incl. Tax No.) if it is a company insert data below, if not delete</i>
is a _____ company, incorporated in _____ and registered in Ethiopia at the Ethiopian Investment Commission Registration No. _____ with its registered office at _____	
Hereinafter referred to as <b>lessee</b>	
Whereas the lessee, a business organization incorporated to engage in _____ according to the relevant laws of Ethiopia.	<i>Describe investment purpose as stated in the business plan</i>
Whereas the lessor provides the required land on the basis of this lease agreement and in accordance with the terms and conditions provided hereunder.	
Now therefore, the parties agree as follows:	
<b><u>Preamble</u></b>	
The Ethiopian government aims to develop the agricultural sector by increasing production and productivity of the agrarian sector by facilitating agricultural investments that safeguard environmentally sustainable production and enhance rural development to fight food insecurity and poverty in rural areas	
Both parties commit to these objectives.	
<b>Definitions within the context of this agreement:</b>	<i>The list of definitions can be altered or enlarged, depending on the type of production or other factors</i>
<ul style="list-style-type: none"> <li>• <b>Large scale agricultural investments</b> refers to the definition given under the Ethiopian investment regulation 396/2017</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Ethiopian Calendar:</b> The Ethiopian Calendar has twelve months with 30 days each and a thirteenth month called Pagume with five or six days depending on the year.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Responsible authority:</b> is the authority that is assigned with the responsibility and decision power of the issue in question.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Clearance</b> of responsible authorities</li> </ul>	<i>Needs to be defined by Ethiopian experts what type of</i>

Text of Model Lease Contract	Comments
	<i>clearance has to be provided by the lessee. Please name clearances or attach a list of clearances needed</i>
<ul style="list-style-type: none"> <li>• <b>Good agricultural practice</b> means taking into account environmental, economic and social sustainability for on farm production and post-production processes resulting in safe and healthy food and non-food agricultural products.</li> </ul>	<i>Derived from FAO and EU CAP definition</i>
<ul style="list-style-type: none"> <li>• <b>“Environment impact assessment (EIA)”</b> refers to the definition of the proclamation No 299/2002 for environmental impact Assessment.</li> <li>• <b>“Environmental Management Plan (EMP)”</b> is a plan with a list of activities including a budget for implementation to mitigate negative impacts identified in the EIA.</li> </ul>	<i>add other definitions e.g. “development” if not clearly defined in the business plan</i>
<b>Article 1</b>	
<b>Scope of Agreement</b>	
<b>1.1 Purpose</b>	
<p>The purpose of this agreement is:</p> <p>The scope of this lease agreement is to establish a land lease agreement for rural land for growing/farming/cultivating <input type="text"/> (crop/s) and related activities which vertically or horizontally are integrated into the value chain to add value to the produce.</p>	<i>list one or more of the 5 principle crops as determined in the business plan. If crop rotation with additional crops is planned, list these crops (e.g. referring to the business license</i>
<ul style="list-style-type: none"> <li>• <i>to market, sell and export such crops within Ethiopia and internationally, provided that the lessee shall sell <input type="text"/> percent of production in the local market on an annual basis</i></li> </ul>	<i>Optional clause if product is needed in the local market and 100% export should be prevented Fill in the number of percentage Comment of Ethiopian experts: This is the responsibility of the Ministry of trade, so it</i>

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	<i>cannot be part of the agreement. Result of last discussion: This clause is of importance in the regions. This issue should therefore be discussed with the Ministry of Trade</i>
Details regarding production methods are described in the business plan which is an integral part of this agreement (see annex <input type="checkbox"/> X <input type="checkbox"/> ).	<i>Insert</i>
The lessee is not allowed to engage in other than agricultural production unless determined in the approved business plan or this agreement. The lessee is explicitly not allowed to engage in mining activities. The lessee is also not allowed to engage in deforestation unless approved in the business plan or with prior written approval by the responsible authority.	
The lessee has to accept all easements now existing or which the lessor may grant in the future, such that the usefulness of the property to the lessee is not reduced.	
<b>1.2. Location and Description of the lease object</b>	
<p>The lease object is located in, Regional State, <input type="text"/></p> <p>Zone, <input type="text"/> Woreda <input type="text"/></p> <p><input type="text"/> Kebele <input type="text"/></p> <p><input type="text"/></p> <p>The lease object is found in GPS reading North---- and East -----</p> <p><input type="text"/>.....</p>	<i>Insert regional state, Woreda, Kebele and GPS coordinates (?)</i>
The total size of the lease object is <input type="text"/> ha.	
A map and a table describing and illustrating the location, exact borders of the surveyed parcels their sizes as well as natural features, such as rivers, forests, hills, land marks and cultural sites, right of ways, existing infrastructure and buildings etc. at the time of conclusion of this agreement is attached (see annex <input type="checkbox"/> X <input type="checkbox"/> ) and forms an integral part of this	<i>Map and detailed</i>

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<p>agreement. Unless regulated differently in this agreement the lease object is leased out including all easements, amenities, fittings, fixtures, structures, installations, or other facilities standing thereon.</p> <p>As the total size of the lease object is taken from the land survey and the respective maps have been handed to the lessee, the lessor does not take responsibility for its accuracy.</p>	<p><i>description of the lease object with all specialties, defects, restrictions (to prevent liability issues) has to be annexed - don't promise a condition that has not been verified – lessor will be held liable</i></p>
<p>Maps illustrating the planned changes to be made in the course of the investment are found in the business plan and the EIA Environmental Impact Assessment (Study/Report). Both documents are attached to this agreement and form an integral part of this agreement (see annexes <input type="checkbox"/> X).</p>	
<p>.</p>	
<p><b>Article 2</b></p>	
<p><b>Term of agreement</b></p>	
<p>This agreement takes effect on <input type="text"/> (day/month/year), the Effective Date, and shall remain effective for <input type="text"/> years, as long as this agreement has not been sooner terminated in accordance with its terms.</p>	<p><i>Insert missing data into framed blanks</i></p>
	<p><i>Optional clause: If the lease agreement has a duration of 20 years or less, or if the lease agreement has a</i></p>

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	<i>duration of more than 20 years but the investor has been obliged to make major investments into construction and/or infrastructure, the lessee gets the option to apply for a renewal. In this case insert the following paragraph, otherwise delete.</i>
<p><i>One year before this agreement ends, the lessee can apply in writing for renewal of this agreement for additional <input type="text"/> years, if</i></p>	<i>insert no. of years (10 recommended)</i>
<ul style="list-style-type: none"> <li>• <i>the lessee has fulfilled all his contractual obligations as determined in this agreement</i></li> <li>• <i>the lessee has settled all relevant tax payments regarding the lease object.</i></li> </ul>	
<b>Article 3</b>	
<b>Lease payments</b>	
<b>3.1 Annual lease rate</b>	
<p>The annual lease rate for the lease object as determined in § 1 of this agreement is <input type="text"/> birr per ha and year, in total <input type="text"/> birr per year.</p> <p>The lease rate per ha is an average price that reflects the average quality and potential land use of the whole lease object, irrespective of varying conditions within the object.</p>	<p><i>Insert missing data into framed blanks</i></p> <p><i>Choose this clause or the clause in the box depending on how the lease price is set</i></p>
	<p><i>If different lease prices will be charged for different areas, types/quality of land insert the clause in the box and delete clause above</i></p>
<p>The annual lease rate for the lease object as determined in § 1 of this agreement is laid down in the table annex <input checked="" type="checkbox"/>. The total lease sum per</p>	<i>Insert</i>



Text of Model Lease Contract	Comments
year is <input type="text"/> birr.	
<b>3.2 Due date</b>	<i>Two or four yearly installments can be chosen</i>
Payment is due in two yearly installments. The first installment is due on <input type="text"/> the following installment on <input type="text"/>	<i>Insert day and month add boxes and text if more installments are chosen (could be linked to the harvest period / cultivation cycle) (Installments, account and interest [to be discussed with tax authorities (e.g. revenue office)</i>
Timely payment requires that the lease price has been credited to the account of the Revenue office/responsible institution on the due date.	
If the lessee fails to pay on the due date the lessee is obliged to pay default interest of <input type="text"/> % p.a. on the amount due and amended according to the interest rate laid down by the regulation of the revenue office.	<i>Insert missing data into framed blanks</i>
In addition, the lessor is entitled to terminate the contract according to the provisions as set forth in Art.16 of this agreement.	
In case of exceptional and unforeseen hardship on the side of the lessee, the lessor may agree in writing on prior written request of the lessee to extend the term of payment. The lessor reserves the right to charge interest.	
<b>3.3 Down payment</b>	
The first installment of the annual lease rate is due one month after the Effective Date as determined under Article 2.	
<b>3.4 Payment details</b>	
Payments are directed to:	
Name of recipient (authority)	

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Address (of authority)	
Name of bank	
Bank account no.	
Payment reference: Name of business and contract no.	
The lessor reserves the right to change the above listed payment details.	
<b>3.5 Adjustments</b>	
Adjustment of the yearly payment rate will be made every <input type="text"/> year counting from the effective date.	<i>Insert number of years - not more than <b>three</b> years are recommended due to inflation</i>
The increase of the lease price due to inflation will be made on the basis of the average inflation rate of the previous calendar year.	<i>To be discussed and added as optional clause, if the increase due to inflation should be limited to a maximum amount</i>
The lessor reserves the right to adjust the lease price due if and in relation to increase of costs i.e. utilities, tax, kebele/state charges. Adjustments of the lease price can also be made on the basis of findings resulting from an on-site visit of the lease object.	
	<i>If the ministry plans to develop a lease market with leasing out by tender procedure this clause could be inserted:</i>
If the lease price in the region <input type="text"/> has changed more than 10% with regard to the lease price agreed upon in this agreement, both parties reserve the right to demand an adjustment of the lease price. This demand can only be made every two years.	<i>Fill in the name of the region</i>
	<i>Optional: An additional indicator for an increase of the lease rates is a substantial rise of the world market price of the major crop cultivated as determined in § 1 of this agreement (this has to be defined in (more detail)).</i>
<b>Article 4</b>	

Text of Model Lease Contract	Comments
<b>Transfer and hand over of lease object</b>	
The lease object is handed over latest one month after the down payment has been credited to the lessors account. The lessor will inform the lessee about the date for handing over the lease object.	
The lessee takes over the lease object as visited and inspected before and during the transfer date.	
If the hand-over cannot be affected within the above period due to reasons caused by the lessee, the lessor will not be held responsible for any consequences arising thereof. The lessor will send a written warning letter to the lessee setting a deadline of 15 days for the hand over. If the lessee does adhere to this deadline for handing-over, the lessor reserves the right to withdraw from this lease agreement.	
The land transfer will be protocolled on the site and signed by both parties.	
<b>Article 5</b>	
<b>Rights of the lessor</b>	
The lessor has the right to visit and inspect, during normal business hours on any day, all sites, plants, facilities, warehouses, offices and records of the lessee and to visit and question personnel associated with those activities, to ensure that all operations regarding the lease object are carried out in accordance with this agreement and the provisions of Applicable Law. See Art. 12	
The lessor has the right to inspect the accounting documents and audit the investors bookkeeping with regard to the contractual obligations as determined in the business plan and this agreement. See Art. 12	
The lessor/the responsible authority reserves the right to construct infrastructure within the lease object. If the lessor intends to construct infrastructure within the lease object, the lessor shall first inform the lessee by notice six months in advance. This right of the lessor shall not unreasonably or materially interfere with lessee's activities or rights.	
The lessor reserves the exclusive right to explore for and develop mineral, gas and oil resources within the leased area and to grant such exclusive rights to any other person upon permission from the appropriate government organ. If the lessor intends to explore for, develop or exploit mineral, gas and oil resources in the leased area the lessor shall first give notice to the lessee six months in advance. This right	

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of the lessor shall not unreasonably or materially interfere with lessee’s activities or rights.	
<b>Article 6</b>	
<b>Obligation of the lessor</b>	
The lessor supports the lessee in receiving special investment privileges as governed by the Ethiopian Investment law.	
If there are unforeseen legal impediments hindering production that cannot be solved within a reasonable time frame, the lessor is obliged to provide substitute land of the same size as the parts of the lease object affected by the impediment in the area where land is available.	<i>Other possibility: if land is not available compensation has to be paid.</i>
The lessor by executing his right of on-site inspection shall not unduly interfere with Lessee’s activities or production.	
<b>Article 7</b>	
<b>Rights of the lessee</b>	
The lessee can use the lease object for the purposes and in accordance with this agreement, the documents attached to it which are forming an integral part thereof and the related laws of Ethiopia.	
In the case that the lease object consists of scattered parcels, the lessee can temporarily (until consolidation took place) exchange parcels with neighbors on the basis of a mutual agreement and provided that the exchange is reversible to the end of each lease year and cannot be deemed as sub-lease.	
The lessee is allowed to:	
<ul style="list-style-type: none"> <li>• hunt and/or fish on the lease object provided that the lessee has received a respective permit of the responsible authority in advance,</li> </ul>	
<ul style="list-style-type: none"> <li>• use water for agricultural production in the specified quantity as determined in a valid water-use permit issued by the responsible authority,</li> </ul>	
<ul style="list-style-type: none"> <li>• construct, install, maintain and/or repair, at his own expense, infrastructure, buildings, machinery and other facilities within the lease object for operational purpose, provided that:</li> </ul>	<i>Allowing to construct on leased land is risky. It has to be decided whether this should be a right or part of the lessee’s investment obligations</i>

Text of Model Lease Contract	Comments
<ul style="list-style-type: none"> <li>- it complies with applicable laws,</li> </ul>	
<ul style="list-style-type: none"> <li>- the work is part of the original approved business plan, unless it is subject to approval of change in the business plan, and</li> </ul>	
<ul style="list-style-type: none"> <li>- the lessee has obtained prior written approval of the respective authority concerning the design, location, size, and environmental and social impact of any construction;</li> </ul>	
<ul style="list-style-type: none"> <li>• construct, install and maintain infrastructure, at his own expense, outside the lease object, provided that:</li> </ul>	
<ul style="list-style-type: none"> <li>- it complies with applicable laws,</li> </ul>	
<ul style="list-style-type: none"> <li>- the work is part of the original approved business plan, and</li> </ul>	
<ul style="list-style-type: none"> <li>- the lessee has obtained prior written approval of the responsible authority concerning the design, location, size, and environmental and social impact of any construction.</li> </ul>	
<p>Such infrastructure shall, upon completion and after <input type="text"/> years, become public property, but the lessee shall have the right to use such infrastructure until the end of the lease contract. The lessee shall be responsible for all maintenance and repairs to the infrastructure for the time the lessee uses it unless the repairs exceed <input type="text"/> birr per year.</p>	<p><i>Optional: regulate instead that the lessor/responsible authority shall solely be responsible after it became public property; Another option would be to compensate the lessee at the end of the lease period.</i></p>
<ul style="list-style-type: none"> <li>• Construct and maintain houses, buildings, amenities and incidental facilities for the use of the lessee, its contractors, agents and its employees and dependents, provided that it complies with applicable laws and the lessee first obtained prior written approval of the responsible authority in accordance with the Applicable Laws concerning the design, location, size, and environmental and social impacts of any construction.</li> </ul>	<p><i>Could be deleted if in detail part of the business plan or exchange: Construct .... incidental facilities as laid down in the business plan.</i></p>
<p><b>Article 8</b></p>	
<p><b>Obligation of the lessee</b></p>	
<p><b>8.1 General obligations</b></p>	

Text of Model Lease Contract	Comments
Counting from the effective date of this agreement latest from the date when the last required clearance of responsible authorities is issued the lessee shall:	<i>(Note: what clearance is needed? Should be mentioned/defined here or in definitions above)</i>
<ul style="list-style-type: none"> <li>start developing the lease object within 6 months</li> </ul>	<i>It is recommended to have a clear table of development obligations with timetable</i>
<ul style="list-style-type: none"> <li>develop <input type="text"/> percent of the lease object within the first year in compliance with the business plan.</li> </ul>	
<ul style="list-style-type: none"> <li>develop the entire lease object within a period of not more than <input type="text"/> years as specified in the business plan.</li> </ul>	<i>Fill in the number of years</i>
<p>The non-compliance with the development obligations constitutes a material breach of this agreement.</p> <p>Whereas developing refers to the implementation of investment activities as laid down in the business plan such as clearing of land, construction of buildings and infrastructure, cultivation. The development activities have to be visible and proven by adequate documentation. See Art. 12</p>	
The lessee is obliged to engage in sustainable production by taking good care and conserving the leased land and natural resources thereon by implementing good agricultural practices.	
The lessee is obliged to apply appropriate working methods to prevent soil erosion in sloping areas (see also 8.3)	
The lessee commits to preserve tree plantations on the lease object.	
<b>8.2 Obligations according to the Business Plan</b>	
All business activities have to be implemented according to the time frame, the action plan and the management plan as determined in the business plan (see annex <input ).<="" td="" type="text" value="X_1"/> <td data-bbox="1211 1402 1435 1537"><i>Insert</i></td>	<i>Insert</i>
This refers in particular to the following measures:	
<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<i>list the activities laid down in the business plan that are of vital importance for the success of the investment project, for example: clearing of land, building of infrastructure or processing facilities,</i>

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	<i>measures supporting food security</i>
<p>The lessee is obliged to comply with the business plan, a significant failure to comply with the business plan constitutes a material breach of the agreement. An amendment of the business plan is subject to prior written approval by the lessor.</p>	
<p><b>8.3 Environmental obligation</b></p>	
<p>The lessee is obliged to comply with Ethiopian Environmental laws, legislation providing for natural resource conservation, as well as the Environmental Impact Assessment (EIA) and additional conditions imposed by the environmental authorities constituting an integral part of this agreement (see annex <input checked="" type="checkbox"/>).</p>	<p><i>Note: the “additional conditions imposed by the environmental authorities” refer to conditions under which the responsible environmental authority has approved the EIA</i></p>
<p>This refers in particular to the following measures:</p>	
<p>..... ..... ..... .....</p>	<p><i>determine and list the activities laid down in the EIS that are of vital importance for environmental protection within the specific project context, for example: soil conservation measures, anti-erosion measures, water preservation measures, waste management measures, crop rotation to prevent monoculture, use of chemicals.</i></p>
<p>The lessee is obliged to implement measures to mitigate adverse environmental impacts according to the Environmental Management Plan in the EIA.</p> <p>This refers in particular to the following measures:</p> <p>..... ..... ..... .....</p>	<p><i>determine and list the activities laid down in the Environmental Management Plan that are of <b>vital</b> importance in order to mitigate negative impacts on the environment</i></p>
<p>The lessee commits to continuously improving his production methods with the aim of facilitating environmentally sustainable production.</p>	

Text of Model Lease Contract	Comments
<p>The lessee is obliged to comply with the Ethiopian Social and Environmental Code of Practice for Agricultural Investment and introduce an Environmental Management System as described in the code.</p>	
<p>Non-compliance with the regulations and/or failure to implement the described measures laid down in the EIA and additional conditions imposed by the environmental authorities constitutes a material breach of the agreement.</p>	
<p><b>8.4 Social obligations</b></p>	
<p>The lessee shall:</p>	
<ul style="list-style-type: none"> <li>• respect existing tenure rights including customary rights of the local population. This includes the acknowledgement and protection of land-use rights of pastoralists and nomads as well as of cultural and religious sites of the community,</li> </ul>	
<ul style="list-style-type: none"> <li>• recognize the rights of land owners to continue utilizing land within the lease object for subsistence purposes, including grazing livestock, using water, cultivating crops, hunting game, collecting fruits and wood etc., provided that such subsistence use would not be unsafe and does not substantially interfere with operations of the lessee.</li> </ul>	
<ul style="list-style-type: none"> <li>• prevent or minimize the potential adverse impacts of the investment project on the individuals and community's resident in and around the lease object and other areas affected by the production, processing or transport of agricultural products whether using lessee-owned infrastructure or infrastructure provided by the state or third parties.</li> </ul>	
<ul style="list-style-type: none"> <li>• prevent or minimize unreasonable interference with the living conditions of the population lawfully settled within the investment area and surroundings, and to cause the lessee's employees and contractors to respect the customs of the local population.</li> </ul>	
<p>The lessee is obliged to fulfill all social obligations as determined by the EIA (see annex <input checked="" type="checkbox"/>) and additional conditions imposed by the responsible environmental/social authorities.</p>	<p><i>Insert</i></p>
<p>This refers in particular to the following measures:</p>	



Text of Model Lease Contract	Comments
<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p><i>Insert the activities laid down in the EIA that are of vital importance for safeguarding social protection within the specific project context, for example: employment of local population, educational services for the community, and health measures for the local population.</i></p>
<p>Non-compliance with the regulations and/or failure to implement the described measures laid down in the EIA and additional conditions imposed by the environmental authorities constitutes a material breach of this agreement.</p>	
	<p><i>If, with the consent and in the interest of the local community, the lessee shall be obliged to contribute to rural and community development by building schools, hospitals, infrastructure, providing training and education to small scale farmers this should be determined by inserting respective clauses that specify the obligation in terms of purpose, size, costs for construction, obligation regarding maintenance etc.</i></p>
<p><i>Optional</i></p>	<p><i>If the lessee is obliged to build social facilities on community or state land outside lease object the following clause should be inserted:</i></p>
<p>The lessee will construct a <input type="text"/> (object, e.g. school, hospital, well, other infrastructure) in kebele <input type="text"/> (name of local community) on</p>	<p><i>Insert missing data</i></p>

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<p><i>the premises of the local community as agreed with its representatives and recorded by protocol of <input type="text"/> (date) annexed to this agreement (see annex <input checked="" type="checkbox"/> X).</i></p>	
<p><i>A document determining purpose, size, construction plan, location, investment plan including financial calculation and time schedule is attached to this agreement (see annex <input checked="" type="checkbox"/> X).</i></p>	
<p><i>The Lessee will not be responsible for administering the facility which will remain the responsibility of <input type="text"/>.</i></p>	<p><i>Responsibility to be defined: the Ethiopian State / the region?</i></p>
	<p><i>If the lessee is obliged to build social facilities on the investment site (on the lease object) for the workers and local community the following clause should be inserted:</i></p>
<p><i>The lessee will construct a <input type="text"/> (object, e.g. school, hospital, well, infrastructure) on the lease object as illustrated in the business plan / or as agreed with the lessor during contract negotiations.</i></p>	
<p><i>A description determining purpose, size, construction plan, location, investment plan including financial calculation and time schedule is attached to this agreement (see annex <input checked="" type="checkbox"/> X).</i></p>	<p><i>If not already determined in the business plan add:</i></p>
<p><i>The Lessee will not be responsible for administering the facility which will remain the responsibility of local government.</i></p>	<p><i>responsibility to be defined: the Ethiopian State / the region?</i></p>
	<p><i>If the lessee has made verbal concessions to the local community before signing the contract in the cause of public consultation, such as building or contributing financial aids, the commitments shall form part of his social obligations, therefore insert respective paragraph, for example:</i></p>

Text of Model Lease Contract	Comments
<p>The lessee has committed himself to [ ] (type of commitment) during the public consultation [ ] (date and venue) and therefore is obliged to fulfill these commitments [ ] (accomplishment time frame/until/number years after the effective date).</p>	<p><i>Insert missing data into framed blanks</i></p>
<p><b>Article 9</b></p>	
<p><b>Employment and Labour Criteria</b></p>	
<p>Employment practices of the lessee shall conform to applicable laws of Ethiopia.</p>	
<p><b>9.1 Employment</b></p>	
<p>The lessee commits himself to employ an average of a minimum of [ ] (no. of staff) of employees for implementing his investment project on the lease object as determined in the business plan.</p>	<p><i>To be inserted if this is already a part of business plan obligations?</i></p> <p><i>Additionally, a percentage for women and young farmers / start up farms could/should be defined</i></p>
<p>In addition, the lessee shall give preference for employment at all levels of financial, accounting, technical, administrative, supervisory and senior management positions and other skilled positions to qualified citizens or residents of [ ] (the Ethiopian State / the region).</p> <p>The lessee shall exclusively hire citizens or residents from [ ] (the local community) for unskilled labour positions.</p>	<p><i>Insert area in detail</i></p>
	<p><i>If the investment project is labour intensive and requires a larger management board, insert the following paragraph:</i></p>
<p>Subject to availability of qualified applicants, the lessee shall ensure that citizens or residents of [ ] (the Ethiopian State) hold at least [ ] per cent of the [ ] (no.) most senior management</p>	<p><i>Insert missing data and date</i></p>

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positions during the term of this agreement. This has to be accomplished latest three years after the effective date.	
<b>9.2 Training and Education</b>	
The lessee shall also provide on-the-job training, utilize vocational training facilities in <input type="text"/> (the Ethiopian State / the region), and undertake whatever other measures are necessary and reasonable to achieve the objectives stated in Section 9.1.	<i>Name the region considering transportation to the training facilities</i>
The lessee shall prepare (and revise when necessary) detailed plans and programs for meeting training obligations, including schedules as determined in the business plan and the EIA.	
	<i>If the lessee shall be obliged to cover all costs for education of children living in the household of the employees, insert the following paragraph:</i>
<i>The lessee shall ensure the availability of education free of charge or at affordable rates for each child of the employees living in their household. This includes if necessary providing of books, equipment and supplies.</i>	<i>Optional clause: delete half sentence (at affordable rates) if should be free of charge</i>
<b>9.3 Labour Standards</b>	
The lessee shall adhere to provisions of Applicable Ethiopian Law on labour.	
The lessee including the affiliates, contractors and subcontractors of his farm business shall observe guidance provided by internationally recognized labour standards in relation to all International Labour Organization (ILO) agreements and/or any other international agreement to which Ethiopia is or shall be a party of.	
The lessee including the affiliates, contractors and subcontractors of his farm business shall not utilize forced labour, nor shall the lessee, his affiliates, contractors and subcontractors utilize child labour.	
The lessee shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination, or retirement based on race, national or social origin, caste, birth, religion, disability, gender, family responsibilities, marital status, union membership, political opinions, or age.	

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<b>9.4 Health and Safety</b>	
The lessee shall adhere to applicable laws and observe good agricultural practice for the protection of the general health and safety of his employees, other persons contracted by the lessee on the lease object, and all other persons near the lease object whose health and safety are affected by investment activities, in particular:	
<ul style="list-style-type: none"> <li>• The lessee shall install and utilize recognized modern safety devices and observe recognized modern safety precautions.</li> </ul>	
<ul style="list-style-type: none"> <li>• The lessee shall train his employees in accordance with applicable law, measures determined in the EIA and generally accepted health and safety procedures and practices such as those associated with the management of chemicals, pesticides and fertilizers and the operation of agricultural machinery, equipment and infrastructure.</li> </ul>	
<ul style="list-style-type: none"> <li>• The lessee shall adhere to the contingency plan prepared in the EIA.</li> </ul>	
The lessee shall ensure a regular supply of clean and safe drinking water for his employees.	
The lessee shall provide adequate housing for each of the lessees' employees and their dependents as set forth in the business plan.	
	<i>If the lessee shall be obliged to cover all costs for health care of his employees and family members living in the household, insert the following paragraph:</i>
<i>The lessee shall ensure the availability of health care free of charge or at affordable rates for the lessees' employees.</i>	<i>Optional clause: delete half sentence (at affordable rates) if should be free of charge</i>
<p><b>Optional clause</b></p> <p><b>9.5 Contract farming – outgrower Schemes</b></p> <p>In the event that small holder farmers and the lessee mutually agree to enter into contract farming with the lessee, the lessee is obliged to enter</p>	<i>This section shall only be inserted if the lessee shall be obliged to engage in contract farming / outgrower schemes under the condition that this is mutually agreed with the local small hold</i>

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<p>into contract farming on the grounds of the minimum standards outlined in the “Proclamation to Provide for Agricultural Production and Marketing Contracts”</p> <p>The contracts with the small hold farmers forming part of the outgrower scheme have to be concluded using the model contract provided by <input type="text"/> (insert authority) which contains the minimum clauses to be agreed between the lessee and the small hold farmers.</p>	<p><i>farmers. If so insert following paragraph under this section, if not, delete section 9.5 – outgrower schemes are only advisable if there is a demand for it in the region and the small hold farmers want to be part of such a scheme after being thoroughly informed about advantages and disadvantages.</i></p>
.	
<b>Article 10</b>	<i>Art. 10 could be optional</i>
<b>Grievance mechanisms</b>	
<b>10.1 Local Community and Resettled Persons</b>	
The lessee shall, at his own expense, promptly respond to affected local communities’ concerns related to his investment project on the lease object.	
Where not established the lessee will establish a grievance mechanism to receive and facilitate resolution of the affected communities’ concerns and grievances about the lessee’s environmental and social performance. The grievance mechanism should be established in consultation with the local communities who are anticipated to use it. It should be performed using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected local communities, at no cost to the affected communities and without retribution. The mechanism should not impede access to judicial or administrative remedies. The lessee shall inform the affected local communities about the mechanism in the course of his community engagement process.	
<b>10.2 Employees</b>	
The lessee shall, at his own expense, provide a grievance mechanism for employees (and their organizations) to raise workplace concerns.	
The lessee will inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and	

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<p>address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under the Ethiopian law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.</p>	
<p><b>Article 11</b></p>	
<p><b>Dispute Settlement</b></p>	
<p>The parties to this agreement shall provide notice to each other in the event of any dispute and shall seek to amicably resolve any such dispute concerning the application or interpretation of the agreement to their mutual satisfaction.</p>	
<p>The parties may, by agreement, and without prejudice to any legal rights or obligations, seek independent mediation of the issues in dispute.</p>	
<p>If the dispute is of a technical matter, the parties may, by agreement, seek an independent determination of the technical matter by an independent expert on which the parties agree mutually. The independent expert shall act as expert not arbitrator. The items of the dispute shall be notified to the independent expert in writing by the parties within 10 days of the appointment of the independent expert.</p>	
<p>The determination of the technical matter by the independent expert shall be final and binding on the parties. The costs of the determination, including fees and expenses of the independent expert, shall be borne equally between the parties.</p>	
<p>If the parties are unable to resolve the dispute amicably and to their mutual satisfaction in accordance with the preceding paragraphs, any party may submit the dispute to the Ethiopian Federal Court.</p>	
<p><b>Article 12</b></p>	
<p><b>Notification, Reporting, Audit and Disclosure</b></p>	
<p><b>12.1 Notification</b></p>	
<p>The lessee is obliged to inform the lessor without undue delay if:</p>	
<ul style="list-style-type: none"> <li>• third parties are claiming rights regarding the lease object or parts thereof</li> </ul>	

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<ul style="list-style-type: none"> <li>• if the lease object or parts thereof are severely endangered</li> </ul>	
<ul style="list-style-type: none"> <li>• or substantial defects of the lease objects or parts thereof become apparent or major damages or hazards occur</li> </ul>	
<b>12.2 Reporting</b>	
<p>The lessee shall maintain all financial, employment, commercial, tax and other books and records and comply with all other reporting and filing obligations under applicable law and shall conduct all activities in accordance with applicable law, regulations and directives. The lessee must keep in the territory of the lessor complete, accurate and up to date technical and commercial books and records of all agricultural operations under this agreement.</p>	
<p>The lessee must supply and file such technical and commercial information, reports, returns and statements at such times and in such form as may be required by the present agreement and applicable law.</p>	
<p>The lessee has the contractual obligation to send to the lessor every year latest on <input type="text"/> all relevant documentation proving that the lessee has complied with his contractual obligations in Articles 8, 9 and 12 subsection 12.4.</p>	<i>Insert date</i>
<p>The report shall also provide an overview about his agricultural performance including information on the annual production of crops in total and in tons/ha, reasons for increasing or decreasing production, marketing channels.</p>	<i>For monitoring purposes: The content and format of the investor's report has to be defined (during the monitoring mission it was discussed that the investor should provide yearly progress reports, which serve for "file audits")</i>
<b>12.3 Audit, Disclosure</b>	
<p>All books, reports, statements and records must be made available for inspection by an auditor appointed under and in accordance with this agreement for ten (10) years following the calendar year in which the books and records were created or, if longer, the relevant period required by applicable law.</p>	
<p>The lessor as well as the Ethiopian Investment Commission have the right to audit the lessee's accounts, books and records maintained under this agreement and applicable law for each calendar year within two (2) years</p>	<i>Note: Has to be harmonized with the requirements of defined monitoring</i>



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<p>from the end of each such calendar year. Any such audit will be at the lessor's sole cost and risk, performed by and through a technical inspector or an independent professionally qualified auditor, completed within twelve (12) months after its commencement, and conducted in a manner that will result in the minimum amount of inconvenience to the lessee.</p>	<p><i>cycles</i></p>
<p>The lessor's inspector or auditor shall have the right, in connection with such audit, to visit and inspect, during normal business hours on any day, all sites, plants, facilities, warehouses and offices of the lessee directly or indirectly serving its activities under this agreement and to visit and question personnel associated with those activities in accordance with applicable law.</p>	
<p>The lessor shall ensure that any inspector or auditor shall use such information only for the purpose for which it was disclosed and not for any other purpose. The lessor shall keep confidential all information provided to the lessor or any of the lessor's agents, advisors, representatives, officers, directors or employees by or on behalf of the lessee or otherwise obtained by the lessor or any of the lessor's agents, advisors, representatives, officers, directors or employees in connection with the audit which relates to the lessee or the business of the lessee.</p>	<p><i>Documentation</i></p>
<p><b>Art. 13</b></p>	
<p><b>Assignment of rights to third parties</b></p>	
<p><b>13.1 Sublease</b></p> <p>The lessee is not allowed to sublease the lease object or parts thereof without prior written approval of the lessor.</p>	<p><i>Note: Hidden sublease is common practice and a means to circumvent agreement obligations</i></p>
<p><b>13. 2 Assignment of rights</b></p>	
<p>The lessee is allowed to assign rights to third parties under the conditions that the lessee has:</p>	
<ul style="list-style-type: none"> <li>• developed at least 75% of the lease object</li> </ul>	
<ul style="list-style-type: none"> <li>• fulfilled <input type="text"/> % of his investment obligations laid down in the business plan and Art. 8</li> </ul>	<p><i>Insert</i></p>
<ul style="list-style-type: none"> <li>• paid taxes and lease rates on the due dates as laid down by this agreement and the relevant laws</li> </ul>	
<ul style="list-style-type: none"> <li>• been given prior written approval by the lessor</li> </ul>	

<b>13.2.1 Affiliated Company Assignment</b>	
The lessee shall have the right to assign all (but not less than all) its rights and interest under this agreement to an affiliate subject to prior written approval by the lessor, provided that the affiliate acknowledges and agrees to assume all of the obligations of the lessee under this agreement and has the capacity to perform those obligations.	
<b>13.2.2 Third Party Assignment</b>	
The lessee shall have the right, with the prior written approval by the lessor, to freely assign all its rights and interest under this agreement to a third party, provided that the third party acknowledges and agrees to assume all of the obligations of the lessee under this agreement and has the capacity to perform those obligations.	
<b>13.2.3 Capacity of Successors and Assigns</b>	
No assignment of any or all of the lessee's rights hereunder shall be made, and none shall be effective, where the government determines that the assignee lacks the technical, financial and managerial capacity to honor the obligations in this agreement.	
<b>13.2.4 Release</b>	
On any effective assignment of this agreement to a third party approved by the lessor, the lessee shall be released from liabilities under this agreement to the extent assumed by the third party.	
Sales, leases, licenses and other transfers of goods and services between the lessee and its affiliates shall be at an arm's-length fee basis negotiated between the parties in substantial accordance with the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations or subsequent substantive guidelines having a similar purpose agreed to by the parties.	
Any discounts or commissions allowed in transactions between the lessee and its affiliates shall be no greater than the prevailing rate so that such discounts or commissions will not reduce the net proceeds below those which it would have received if the parties had not been affiliates. Upon request of the lessor, the lessee shall provide to the lessor documentation of the prices, discounts and commissions, and a copy of all contracts and other relevant documentation related to transactions with affiliates.	

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<b>Article. 14</b>	
<b>Liability and Force Majeure</b>	
	<i>Exclusion of liability for lessor if and to the extend as allowed by Ethiopian law – the relevant laws have to be reviewed</i>
<b>14.1 Liability</b>	
<p>The lessee is obliged to indemnify, defend and hold harmless the lessor from each and all claims, costs and other expenses caused by or arising out of the use of the lease object by the lessee or third persons. This includes the liability for damage/injury caused to third parties unless caused by willful or gross negligent conduct of the lessor. The lessee has to inform the lessor immediately of any damages, changes, claims or hazards.</p>	
<p>The lessor cannot be held liable if the lease object is not suitable for the intended use of the land. It is the obligation of the lessee determining whether the lease object meets his expectations by inspecting the land before signing this agreement.</p>	
<b>14.2 Force Majeure</b>	
<p>A party to this agreement shall not be liable for any failure of or delay in the performance of this agreement for the period that such failure or delay is due to force majeure as governed by the Ethiopian Civil Code. Failure or delay resulting from only general economic conditions or other general market effects will not be excused. It only applies to such loss, damage or injury where prudent precautionary measures could not have been taken to prevent them.</p>	
<b>Article. 15</b>	
<b>Penalties</b>	
	<p><i>To prevent breach of major contract obligations it is advisable to insert a penalty clause where the penalty is calculated as</i></p> <ul style="list-style-type: none"> <li>• <i>percentage of</i></li> </ul>

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	<p><i>the value of the investment or</i></p> <ul style="list-style-type: none"> <li><i>• The yearly lease rate pursuant to Art. 3 in total or</i></li> <li><i>• the yearly lease rate regarding the area effected by the breach</i></li> </ul>
<p>In the event of any major breach of obligations<sup>1)</sup> of this contract, the lessee shall pay a penalty in an amount equivalent to <input type="text"/><sup>2)</sup> after prior written warning by the lessor and non-performance within the time-limit set in the warning letter. In the event of a continuing breach, such penalty shall be due for each month in which the breach continues. The preceding provisions shall not affect any other claims of the lessor resulting from the relevant breach. With the penalty payment the lessee is not released from fulfilling his obligations. The conditions of payment and the due date will be part of the written warning letter sent by the lessor.</p>	<p><i><sup>1)</sup> (could also be limited to certain obligations: in Sections .....)</i></p> <p><i><sup>2)</sup> (to be defined – see annotations above)</i></p>
<p>The penalty payment is not due if the breach of obligations/non-performance is owed to circumstances the lessee cannot be held liable for. The lessee is obliged to provide evidence for this.</p>	
<p><b>Article 16</b></p>	
<p><b>Termination of the Agreement</b></p>	
<p>The lease agreement ends after the lease term as laid down in Art.2 has expired.</p>	
<p><b>16.1 Termination on Certain Events</b></p>	
<p>The lessor may terminate this agreement, without prejudice to any other rights that the lessor may have, if any of the following events occur:</p>	
<ul style="list-style-type: none"> <li>• The lessee defaults in payment of lease price as agreed in Art. 3: The lessor is entitled to terminate the lease contract without prior notice if the lessee has failed to pay two consecutive lease rates/installments.</li> </ul>	<p><i>Modify in accordance with the regulations of revenue office or other responsible institution</i></p>
<p><b>Additional clauses</b></p>	<p><i>If single yearly payment is agreed upon insert the</i></p>

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	<i>following clauses if complies with Ethiopian civil code/regulations of revenue office or other responsible institution:</i>
<ul style="list-style-type: none"> <li>- The lessor is entitled to terminate the lease contract if the lessee has not paid the yearly lease rate within one month after the lessor has sent a written notice to the lessee. In this notice the lessor has to mention the above period and consequences of termination in the case of none compliance.</li> </ul>	
<ul style="list-style-type: none"> <li>- the lessee defaults in payment of lease rate or major parts thereof more than one time i.e. only paying after having received lessor’s notice, the lessor reserves the right to send a warning letter to the lessee in which the lessor announces termination in case the lessee will default again.</li> </ul>	
<ul style="list-style-type: none"> <li>• The lessee significantly and persistently fails to use the land in accordance with the business plan.</li> </ul>	
<ul style="list-style-type: none"> <li>• The lessee dissolves, liquidates, becomes insolvent, files for bankruptcy, makes an assignment for the benefit of creditors, petitions or applies to any tribunal for the appointment of a trustee or receiver for itself, or commences any proceedings concerning itself under a law concerning bankruptcy, or insolvency other than for the purposes of corporate reorganization.</li> </ul>	
<p><b>16.2 Termination on Breach</b></p>	
<p>The lessor may terminate this agreement without prejudice to any other rights it may have if the lessee commits a material breach of this agreement and fails or neglects to either diligently and consistently pursue a course of action that is reasonably intended to remedy that breach or failure within sixty (60) days after the lessor gives a notice requiring that the breach be remedied or the provision be complied with or observed.</p> <p>The same shall apply if the lessee fails to carry out any other provision, terms, and covenants of this agreement (e.g. sublease) without prior written consent of the lessor or if the lessee diligently and consistently pursues this breach or action after receiving notice by the lessor. The</p>	

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<p>lease agreement may be terminated by the lessor if the lessee fails to remedy the breach or failure to the end of the lease year.</p> <p>In case the lessee fails to comply with his development obligations, the lessor reserves the right to terminate the agreement regarding the area which was not developed within the time frame as set forth in this agreement. The lessor may only execute this termination right after giving written notice in advance and the lessee failed to remedy this breach within these 6 months after the lessor gave notice.</p> <p>If the lessee undertakes actions that are in contradiction with provisions of laws and bylaws and decrees, i.e. legislation regarding land use laws, environmental protection, spatial planning, or undertakes actions that have negative effects on the environment and in any way endanger existence of natural value the lessor can terminate this lease agreement.</p> <p>The lessor may only execute this termination right after giving written notice in advance and the lessee failed to remedy this breach within these 6 months after the lessor gave notice. If the action is so severe and remedy is not possible the agreement or parts thereof can be terminated with immediate effect. The right of the lessor to claim damages remains explicitly reserved.</p>	
<p><b>16.3 Special termination</b></p>	
<p>In case the lease object or parts thereof are subject to special infrastructure projects for public supply that are of predominant public interest and exclude further agricultural use, the lessor can terminate this agreement for the respective parts thereof to the end of the lease year provided that the lessor has given written notice not less than six months in advance.</p> <p>If the lessor intends to explore for, develop or exploit mineral, gas and oil resources in the leased area as regulated in Art. 5 the lessor has the right to terminate the agreement for the respective parts of the lease area needed if the activities mentioned above prevent further agricultural use as defined in this contract and in the business plan. The termination will be effective to the end of the lease year provided that the lessor has given written notice not less than six months in advance</p>	
<p><b>16.4 Termination by the Lessee</b></p>	
<p>The lessee may terminate this agreement without prejudice to any other</p>	<p><i><sup>4)</sup> or a longer period if reasonable taking</i></p>

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<p>rights it may have if the lessor commits a material breach of this agreement and fails or neglects to diligently and consistently pursue a course of action that is reasonably intended to remedy that breach or failure within sixty (60) days<sup>4)</sup> after the Lessee gives written notice requiring that the breach be remedied or the provision be complied with or observed.</p>	<p><i>into account the specific situation and circumstances - 6 month however would be too long</i></p>
<p><b>Article 17</b></p>	
<p><b>Consequences of Termination</b></p>	
<p>In the event of termination due to default in payment the lessee has to continue to pay the rent until the lease object has been leased out again. However, the lessee has the right to re-enter the lease object to harvest the crops that are his property and are growing at the time of default under the condition that the lessee has settled all outstanding payments. Until payments owed according to the lease agreement are settled (including payments for damages) the harvest is subject to the lessor's lien.</p>	
<p>Unless otherwise agreed upon in writing the lessee has to return the premises in good condition that is at least how it was at the beginning of this agreement. If the lessee withholds the possession of the premises after the date of termination of the lease, the lessee shall pay to the lessor <input type="text"/> birr for each day her remains in possession as liquidated damages. In addition, the lessor reserves the right to take court action.</p>	<p><i>Insert</i></p>
<p>At the end of this agreement due to its expiry of the term the lessee has the right to remove moveable assets the lessee placed on the land at his expense provided the lessee has settled all due payments including damages. If there are payments due the moveable assets are subject to the lessor's lien. The removing of assets has to be done within <input type="text"/> (days, weeks, months, year) set by lessor in writing or is regulated by law. If the property of the lessee wasn't removed after 6 months by the lessee it is considered abandoned and will belong to the lessor or destruction/moving is pursued by the lessor at the expense of the lessee.</p>	<p><i>Insert</i></p>
	<p><i>If the lessor wants to buy assets of the lessee after termination or</i></p>

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	<p><i>compensate the lessee for its value it would be good to determine the remaining value to be compensated in the respective investment clause of this agreement or in the business plan. In addition, the following clause could be inserted:</i></p>
<p>When the agreement is terminated upon expiry of the term or special termination and major improvements of the lease object have been made by the lessee with the consent of the lessor and if the lessee has settled all due payments including damages the lessee is entitled to compensation by the lessor after determination of the fair value at the time of transaction.</p>	<p><i>Comment: According to German civil law compensation for improvements/investments has to be paid in any case of termination according to the legal principle of unjust enrichment – if the same applies under Ethiopian law “upon expiry of the term” has to be deleted</i></p>
<p>The termination of the contract does not have any effect on the right to claim damages, compensation and penalties. All assets on the lease object whether movable or immovable are subject to the lessor`s lien.</p>	
<p><b>Article 18</b></p>	
<p><b>Registration Place of Business</b></p>	
<p><b>18.1 Registration of Business – Place of Business</b></p>	
<p>The lessee shall establish and maintain an office in Ethiopia and has to register his farm business in Ethiopia according to the relevant laws.</p>	
<p><b>18.2 Registration of Lease Contract</b></p>	<p><i>Registration should be foreseen in the future to safeguard the lessee`s investments</i></p>
<p>This lease agreement shall not be subject to registration in the land register and notarial certification. However, the lessor as a representative of the government of the Federal Democratic Republic of Ethiopia guarantees the validity of this agreement after it has been</p>	



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signed by the duly authorized representative of the lessor and the lessee if not signed by the lessee in person.	
Copies of this agreement will be sent by the lessor together with a covering letter of cooperation to:	
<ul style="list-style-type: none"> <li>• lessee</li> </ul>	
<ul style="list-style-type: none"> <li>• district administration</li> </ul>	
<ul style="list-style-type: none"> <li>• revenue office</li> </ul>	
<ul style="list-style-type: none"> <li>• investment commission</li> </ul>	
<ul style="list-style-type: none"> <li>• other concerned bodies</li> </ul>	
<b>Article 19</b>	
<b>Governing law</b>	
This agreement shall be governed by the laws of Ethiopia unless other regulations are explicitly mentioned in this agreement.	
<b>Article 20</b>	
<b>Language Requirements – Controlling Calendar</b>	
All communication and notices to be sent between the parties, Ethiopian authorities and third persons in Ethiopia shall be in writing using the English or Amharic language. If the lessee is a foreign national the communication and notices shall only be in English. If the lessee is Ethiopian Amharic shall be the sole contractual language. All notices/communication shall be delivered in person or by registered mail <sup>6</sup> ). The party sending the notice has the burden of proof regarding the arrival at the recipient. It is the obligation of that party to ensure that it reaches the proper recipient.	<i>Distinction national international lessee if this is in accordance with Ethiopian law</i>
Unless otherwise regulated in this agreement the Ethiopian calendar shall be used and be governing for the purpose this agreement.	
<b>Article 21</b>	
<b>Severability clause - amendments</b>	
If any part of this agreement is invalid or unenforceable, the remainder of this agreement shall remain effective, absent such provision to the fullest extent permitted by law.	
No change in this agreement shall be effective unless it is in writing and is signed by both parties.	

It is understood, that the parties have read the terms and provisions of this lease agreement and have agreed to abide by the terms and provisions herein.

LESSOR

LESSEE

SIGNED, SEALED and DELIVERED

SIGNED, SEALED and DELIVERED

For and on behalf of the

For and on behalf of

Name \_\_\_\_\_

Name -----

Signature-----

Signature -----

Date-----

Date -----

Witnesses

Name

Address

Signature

1. -----

2. -----

3. -----

*Insert name of authority in framed blanks*

**Annexes**

annex  - Business Plan

annex  - EIA

annex  - SECOP

**Text of Model Lease Contract***Comments*

annex		- Document for construction if social investments (see Art. 8.4 of agreement)	
annex		- land Identification document.....	<i>Delete or add as needed</i>
annex		<u>land transfer minute</u>	

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MINISTRY OF AGRICULTURE

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