

**ECONOMIC AND TECHNICAL
COOPERATION**

Agreement Between the
UNITED STATES OF AMERICA
and LESOTHO

Signed at Maseru October 17, 1984



LESOTHO

Economic and Technical Cooperation

*Agreement signed at Maseru October 17, 1984;
Entered into force October 17, 1984.*

ECONOMIC, TECHNICAL AND RELATED ASSISTANCE
AGREEMENT BETWEEN THE KINGDOM OF LESOTHO
AND THE UNITED STATES OF AMERICA

The Government of the Kingdom of Lesotho and the Government of the United States of America have agreed as follows:

1. The Government of the United States of America will furnish such economic, technical, and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of the Kingdom of Lesotho and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the Kingdom of Lesotho. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the abovementioned representatives.

2. The Government of the Kingdom of Lesotho will make the full contribution permitted by its manpower, resources, facilities and general economic condition in furtherance of the purposes for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms; will, without restriction, permit continuous observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of the Kingdom of Lesotho full publicity concerning programs and operations hereunder. With respect to cooperative technical assistance programs hereunder, the Government of the Kingdom of Lesotho will also bear a fair share of the costs thereof, will, to the maximum extent possible, seek full cooperation and integration of technical cooperation programs being carried on in Lesotho and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Kingdom of Lesotho from the sale of such commodities or services, the Government of the Kingdom of Lesotho, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1 hereof, will establish in its own name a Special Account in the Bank of Lesotho; will deposit promptly in such Special Account the amount of local currency equivalent to such proceeds; and, upon notification from time to time by the Government of the United States of America of its local currency requirements, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements. The Government of the Kingdom of Lesotho may draw upon any remaining balances in the Special Account for such purposes beneficial to Lesotho as may be agreed upon from time to time by the representatives referred to in paragraph 1 hereof. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Kingdom of Lesotho shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

4. The Government of the Kingdom of Lesotho and the Government of the United States of America agree that a Special Agency, under the United States Ambassador to Lesotho, will carry out and discharge the responsibilities of the United States of America under this Agreement. The premises of the Special Agency shall be subject to Article 22 of the Schedule to the Diplomatic Privileges Act of 1969 of the Kingdom of Lesotho, and the employees of the Special Agency, together with members of their families forming part of their respective households, shall, if they are not nationals of or permanently resident in Lesotho, enjoy the privileges and immunities specified in Articles 29 to 36 of the Schedule to the Diplomatic Privileges Act.

The Government of the Kingdom of Lesotho further agrees that it shall indemnify and hold harmless employees of any contractor financed by the Government of the United States of America for purposes of any program or project conducted hereunder, including their dependents, from and against civil liability arising out of and in the course of their duties, other than in the case of willful misconduct or gross negligence, for any act which does not constitute a criminal offence or amount to fraudulent conduct under the laws of Lesotho.

5. In order to assure the maximum benefits to the people of Lesotho from the assistance to be furnished hereunder, such assistance will be free from any tax-

ation or fees imposed under the laws in effect in the territory of the Kingdom of Lesotho.

(a) (i) Any supplies, materials, equipment introduced into or acquired in Lesotho by the Government of the United States of America, or any contractor financed by that Government for purposes of any program or project conducted hereunder, shall, while such supplies, materials, or equipment are used in connection with such a program or project, be exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Kingdom of Lesotho. No tax (whether in the nature of an income, profits, business, or other tax), duty, or fee of whatsoever nature shall be imposed upon any contractor financed by the Government of the United States of America hereunder.

(ii) Any equipment (including vehicles and machinery) imported by a contractor financed by the Government of the United States of America or its agency, where ownership and title are to remain with the contractor throughout the course of the work being financed by the Government of the United States of America, shall be admitted temporarily into Lesotho subject to re-exportation.

(b) All personnel (and their families), except permanent residents of Lesotho, of any non-Lesotho Contractor financed by the Government of the United States of America for purposes of any program or project conducted hereunder shall be exempt from income and social security taxes levied under the laws of Lesotho with respect to income financed hereunder, and shall be exempted from customs, import, and export duties on all personal effects or equipment (including one motor vehicle per family) imported for their own use on their first entry to take up appointment in Lesotho; provided that the said goods are imported within a period of six months of the arrival of the said personnel. The said goods shall not be disposed of without the prior permission of the Director of Customs and Excise.

(c) Funds introduced into Lesotho for purposes of furnishing assistance hereunder shall be convertible into currency of Lesotho at the rate providing the largest number of units of such currency per United States dollar which, at the time the conversion is made, is not unlawful in Lesotho.

6. The Government of the Kingdom of Lesotho and the Government of the United States of America will establish procedures whereby the Government of the Kingdom of Lesotho will so deposit, segregate or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America, that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of

the Kingdom of Lesotho is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

7. All or any part of any program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

8. This agreement shall enter into force upon signature.

9. This agreement shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement at Maseru, Lesotho in duplicate on the 17th day of October, 1984.

For the Government of the
Kingdom of Lesotho:

V.M. Makhele
Minister of Foreign Affairs

For the Government of the
United States of America

Shirley Abbott
Ambassador of the United States