**MEMORANDUM OF AGREEMENT ENTERED INTO BY AND BETWEEN**

**(NAME) …………………………………………..…..**

**(ID NO.) ……………………………………………….**

**Of**

**(ADDRESS) ………………………………………..…..**

**………………………………………………………….**

**…………………………………………………………..**

**AND**

**(NAME) …………………………………………..…..**

**(ID NO.) ……………………………………………….**

**Of**

**(ADDRESS) ………………………………………..…..**

**………………………………………………………….**

**…………………………………………………………..**

**IN RESPECT OF THE JOINT VENTURE OPERATIONS ON ……………………………….…..…………**

**WHEREAS**

**A. The landholder is the registered and lawful occupant of a certain piece of property known**

**as………………………………….. (See Annexure A – Copy of Offer Letter)**

**B. The parties having agreed to associate together in a Joint Venture (JV) with the main aim**

**of conducting a farming business on ………..hectares and herein agree to constitute**

**themselves as a Joint Venture.**

**C. Any reference to (Investor Name)………………in this Agreement shall include any**

**approved manager contracted by (Investor name)…………………… to implement and**

**facilitate compliance with this Agreement to the extent that such manager is permitted to**

**undertake the agricultural activities envisaged pursuant to this agreement.**

**D. Both parties agree that all annexures mentioned in this Agreement will be added to the**

**Agreement and signed by both parties.**

**IT IS HEREBY AGREED AND RECORDED AS FOLLOWS:**

**1. JOINT VENTURE CAPITAL CONTRIBUTIONS**

**a. The parties hereby associate in a Joint Venture for the purposes of conducting a farming**

**business involved in the growing of crops, horticulture or livestock. The parties shall**

**make the capital contributions required by the JV and for all subsequent projects, and**

**their capital amount shall be credited with the appropriate value of such contributions**

**in accordance with the following:**

**b. The Landholder’s contribution to the JV shall be the use of land for the purposes of**

**…………………………… (state farming activities), (Annexure B: Map of the land,**

**Plot and area that is available). The workshops and other structures on the Farm may**

**be utilized by the JV.**

**c. The Landholder agrees NOT to enter into a JV of any of this portion of land with any**

**other party for the duration of this Agreement. It is recorded that the area of land to be**

**utilized by ……………… for purposes of this JV is demarcated on the map attached**

**as Annexure A. The Landholder has the right to farm the area excluded from this joint**

**venture on his own account.**

**d. The Landholder further grants the JV exclusive rights to the irrigation infrastructure**

**associated with the identified land.**

**e. The Landholder further grants the JV the right to use existing staff accommodation and**

**to build accommodation for the employees of the JV, and any other fixed structures**

**that may be of use to the JV.**

**f. The Landholder further grants the JV access to the water rights enjoyed by…….**

**……and in so doing enable the JV to produce irrigated crops.**

**g. The Landholder grants the JV permission to clear trees and timber as arable land is**

**opened up and the use of the wood for curing fuel. Both parties will consult on this**

**aspect before any clearing is done.**

 **h. Both parties agree that there shall be a season’s notice, given in writing for the**

**cancellaion of this Agreement and that consideration will be given for crops already in**

**the ground and recovery of any and all expenses incurred by ………….**

**i. ………….. contribution to the JV will be the provision of management in consultation**

**with the Landholder and sourcing the financial contribution required for the farming**

**operation.**

**j. .……….…. ..will supply all the equipment required for the success of the JV provided**

**that the financier shall not use any equipment or assets already at the farm as collateral**

**to raise funding.**

**k. The JV shall adhere to and utilize good agricultural practices (GAP).**

**l. The JV shall not be liable for historical debts that the farm may have to ZETDC, Land**

**Tax, ZIMRA, labour wages and gratuities, NSSA, ZINWA and banks. These debts**

**remain the responsibility of the Landholder, unless declared and in his/her Sole and**

**unfettered discretion paid for by… ……….. and deducted from the sum due to the**

**Landholder by the JV. The Landholder hereby discloses these liabilities and debts and**

**these are disclosed in Annexure B attached hereto and marked B. Repayment plans**

**with all the creditors shall be disclosed. The Landholder shall pay utilities bills during**

**the duration of the JV if not expressly associated with the JV.**

**m. The Landholder is fully responsible for his own tax affairs (ZIMRA). Both parties shall**

**be tax compliant with respect to the laws of Zimbabwe.**

**n. It is hereby agreed and recorded as a condition precedent that this Agreement is subject**

**to the conditional fulfilment of the following: the approval, in writing to the content of**

**this Agreement by the Minister of Lands, Agriculture, Fisheries, Water and Rural**

**Development.**

**o. Both parties will endeavor to protect the investments in the JV.**

**2. DURATION**

**The operation of the business of the JV shall formally commence on……………. and**

**shall continue for a period of ………. terminating on …………. Provided there is no**

**breach, the parties may renew the Agreement for a further …………. on the same terms**

**and conditions.**

**3. FARMING OPERATIONS**

**3.1 The JV partners shall, on or before the 1st of September each year, discuss the**

**intended cropping programme for the next 12 months.**

**3.2 The parties will agree on and provide the business and production plans for the**

**duration of the contract to be provided as Annexure C.**

**Any variation to be submitted as soon as they have a material impact, or result in**

**more than 20% variation in the business plan.**

**3.3 The parties are to submit an annual return to the Ministry’s Monitoring and**

**Evaluation Unit, by 31 August each year for summer crops and 30 November each**

**year for winter crops. Failure to submit a return will attract penalties including**

**withdrawal of approval of the JV.**

**3.4 The Ministry’s M and E unit or any other appointed officials shall be allowed**

**reasonable access for inspection for compliance by the parties to the joint venture.**

**3.5 The JV partners shall ensure that all annual lease rentals are up to date. Failure to**

**pay these rentals shall be a material breach of this Agreement.**

**4. MANAGEMENT**

**The JV will aim to operate in the spirit of co-operation and understanding. Whilst**

**………… is the financial partner in the JV, both parties agree that the JV will employ**

**managers to oversee the management of farming operations. The Landholder shall not**

**unduly compete for labour at the expense of the JV’s operations and shall endeavor to**

**create a production-oriented and conducive work environment. The JV will aim to operate**

**under a spirit of good will.**

**5. OPERATING COSTS**

**All costs associated with the farming operation shall be for the account of the JV, including**

**land tax tax/council rates, ZETDC, ZINWA fees for the duration of the JV period. ZEDTC**

**bills for the Landholder’s private business shall be paid by the landholder. Historic bills**

**shall be to the Landholder’s account.**

**6. REPAIRS AND MAINTENANCE**

**………………….. shall undertake all repairs and maintenance of the farm facilities**

**belonging to it, that is required for the operation of the JV e.g. borehole, barns and sheds.**

**7. SHARING OF INCOME**

**a. ………………………… % of Gross value from production will be the Landholders’**

**share of income. .**

 **b. Any debts or liabilities to be declared by the Landholder, as in Annexure D.**

**8. IRRIGATION EQUIPMENT, FARMING MACHINERY**

**a. All moveable machinery, plant and equipment brought into business by**

**……….………. shall remain the sole and exclusive property of…………..**

**b. The Landholder will have the right of first refusal to purchase the equipment**

**provided he is prepared to offer fair market related prices that take into**

**consideration depreciation and wear and tear.**

 **c. The Landholder has no moveable assets being used in the JV.**

**9. ACCOUNTS**

**The Financial year of the JV will be 1st August to 31 September. The JV may engage**

**Auditors from a reputable firm of chartered accountants. The JV will keep records of all**

**production and sales of farm produce. These records will be able available to both partners**

**for inspections.**

**10. BREACH**

**If either Party should commit a breach of any of the provisions of the Memorandum of**

**Agreement and remain in default for a period of 30 days after receipt of written notice from**

**the other party calling on it to rectify the breach then the aggrieved party shall have the**

**right (but shall not be obliged) to cancel this Agreement by written notice to that effect to**

**the defaulting party and claim any damages suffered. The cancellation of this Agreement**

**shall be without prejudice to all other rights which the aggrieved party may have at law,**

**including the right to recover damages from the defaulting Party or to seek an interdict**

**against it.**

**11. PENALTY CLAUSE**

**If the Agreement is to be unreasonably terminated by either party, the party so terminating**

**shall be obligated and required to compensate the non-terminating party, thirty-five percent**

**(35%) of the investment already done at the date of termination or thirty-five (35%) percent**

**of the total contract value, whichever is greater. The test for unreasonableness will be**

**objective.**

**11.1 The total contract value will be as projected on the Business Plan submitted by the**

**Investor and attached hereto, as Annexure C**

**12. LEGAL STATUS**

**This Agreement shall be governed by, construed and interpreted in accordance with the**

**laws of Zimbabwe. For the avoidance of doubt, this Agreement shall not be construed as**

**constituting a lease or agency agreement.**

**13. CONFIDENTIALITY**

**The Parties shall keep confidential and shall not disclose to any person, except as**

**permitted in writing by the other, nor shall any party use for its own benefit any and all**

**information, material and data, whether of a business, technical, financial, operational,**

**administrate, marketing or other nature in respect of the other party or its operations**

**which is disclosed to it by the other party or any third party or it has acquired**

**(whether before or after the date of this Agreement) in connection with or in the course**

**of this Agreement (collectively referred to as “Confidential Information”)**

**14. ARBITRATION**

**In the event of any dispute or difference arising between the parties, hereto relating to or**

**arising out of this Agreement, including the implementation, execution, interpretation,**

**rectification, validity, enforceability, termination or cancellation of this Agreement, the**

**Parties will forthwith meet and use their best endeavors to attempt to settle such dispute or**

**difference, Should the Parties fail to reach an Agreement, they agree to consult and involve**

**the Minister of Lands, Agriculture, Fisheries, Water and Rural Development in an attempt**

**to resolve any issue swiftly and amicably.**

**Failing such settlement within a period of 30 (thirty) days, prior to the institution of any**

**other form of proceedings, the said dispute or difference shall be dealt with by**

**arbitration in terms of the Arbitration Act.**

**15. COSTS**

**Each party shall bear its own legal costs and expenses associated with the negotiation,**

**setting and execution of this Agreement.**

**16. GENERAL**

**a. This Agreement constitutes the sole record of the understanding between the Parties in**

**regard to the subject matter thereof.**

**b. Neither Party shall be bound by any representation, warranty, undertaking, promise not**

**recorded in this Agreement.**

**c. No addition to, variation or consensual cancellation of this Memorandum shall be of any**

**force or effect unless affected in writing and signed by or on behalf of all the Parties.**

**d. Any indulgence, which any Party may show any other in terms of or pursuant to the**

**provisions contained in the Agreement, shall not constitute a waiver of any of the rights of**

**the party which granted such indulgence.**

**e. The provisions of this Agreement shall be binding upon the successors-in- title- and assigns**

**of the Parties. Accordingly, the rights and obligations of each arising party out of this**

**Agreement shall devolve upon and bind its legal and personal representative/s successorsin-title and permitted assigns.**

**f. Save as otherwise expressly provided in this Agreement, this Agreement is personal to the**

**parties and the parties shall not be entitled to cede, assign, transfer or otherwise make over**

**any of their rights or delegate any of its obligations hereunder without the prior written**

**consent of the other Parties, which consent shall not be un reasonably withheld.**

**g. Any changes to the Terms and Conditions of this Agreement are to be agreed upon by the**

**Ministry of Lands, Agriculture, Fisheries, Water and Rural Development before**

**implementation by the parties.**

**DATED AT………………………………. THIS ……… DAY OF ………………………. 2022**

**………………………………………………………**

**LANDHOLDER (FULL NAME & SIGNATURE)**

**Witnesses**

**1. …………………………………………………(Full Name, Signature & ID Number)**

**2. …………………………………………………(Full Name, Signature & ID Number)**

**3.**

**……………………………………………………………….………**

**JOINT VENTURE PARTNER (FULL NAME & SIGNATURE)**

 **Witnesses**

**4. 1. ………………………………………………(Full Name, Signature & ID Number)**

**5. 2. ………………………………………………(Full Name, Signature & ID Number)**

**……………………………………………………………………**

 **APPROVED AND SIGNED BY THE PERMANENT SECRETARY FOR AND ON**

**BEHALF OF THE MINISTER OF LANDS, AGRICULTURE, FISHERIES, WATER**

 **AND RURAL DEVELOPMENT**

**Joint Venture Number: ……………………………………………………...**

**Farm Name: …………………………………………………………………..**

**Allocated Monitoring and Evaluation Officer: …………………………….**

 **Annexure A: Copy of Offer Letter**

 **Annexure B: Map of the Land**

 **Annexure C: Business & Production Plans**

 **Annexure D: Liabilities & Debts**

 **Annexure E: Parties Identity Documents**

 **Annexure F: Land Levies’ Invoice**

 **Annexure G: Land Levies Receipt**