

Chapter 32:

# Operations of an MCA Accountable Entity



REDUCING POVERTY THROUGH GROWTH



## The Operations of an MCA Accountable Entity

### Guidance on Governance Standards for Accountable Entities

Last updated: November, 2006

Pursuant to a Millennium Challenge Account Compact (hereinafter referred to as the “*Compact*”), the Millennium Challenge Corporation (“*MCC*”) grants funds to the host country government to enable the government to implement a program and various projects to achieve the objectives of increasing economic growth and reducing poverty. Under the Compact entered into between MCC and the host country government, the government has principal responsibility for the oversight and management of the implementation of the MCC funded program in accordance with the terms of the Compact and related supplemental agreements, in a timely and cost-effective manner and consistent with sound governance. While the government will always retain ultimate responsibility for the program, it may designate an entity to implement the program on its behalf. This designee is often referred to as the accountable entity (hereinafter referred to as the “*Accountable Entity*”).

This document is designed to provide guidance to host country governments on the standards to be employed by the Accountable Entity to ensure that it operates in a manner consistent with sound governance.

## I. Accountable Entity Structure & Responsibilities

### A. Accountable Entity Structure

The Accountable Entity established by the MCC host country to implement the Compact will typically be structured to include (1) a governing body responsible for the general oversight of the entity since it is an efficient mechanism to ensure civil society participation and transparency in the decision-making process for the program (hereinafter referred to as the “*Governance Board*”) and (2) a management unit, which will be responsible for the day-to-day activities of the Accountable Entity. Details of the Accountable Entity’s structure will be set forth in the governance documents used to establish or create the entity (such as the charter, articles of

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<sup>1</sup> While serving the same function, the Governance Board may be referred to by different names. Examples include “Board of Directors,” “Supervisory Board” and “Steering Committee.”

formation, or statute) as well as the Compact and any governance agreement (or bylaws, as appropriate in the specific transaction) entered into among the government of the MCC host country, MCC and the Accountable Entity.

## **B. Responsibilities of the Governance Board**

The Governance Board is responsible for overseeing the overall implementation of the Compact and the performance of the designated rights and responsibilities defined in the Compact. A detailed description of these responsibilities and those of the management unit (including non-delegable duties, approvals, reporting requirements) is typically set forth in the Compact and the following documents executed in connection with the Compact: governance agreement (or bylaws, as appropriate in the specific transaction), disbursement agreement (for approvals relating to MCC disbursements), procurement agreement (for approvals relating to procurement activities), fiscal agent agreement, and fiscal accountability plan.

The members of the Governance Board discharge their responsibilities by (i) staying informed and providing appropriate oversight to the management unit regarding the progress of Compact implementation, and (ii) holding regular meetings to take actions and approvals on behalf of the Accountable Entity as required under the Compact, the governance agreement and other relevant supplemental agreements.

Members of the Governance Board should discharge their duties as board members in good faith, in a manner the board members reasonably believe to be in the best interests of the Accountable Entity and the MCC program, and with the care a reasonable person in a like position would exercise under similar circumstances.

Board members should adhere to the following standards:

- a. Governing Documents.** Board members have a duty to follow the Accountable Entity's governing documents (charter, organizing statute, foundation documents, bylaws and governance agreement); to carry out the Accountable Entity's mission to implement the Compact and to assure that MCC funds are used for permitted purposes.
- b. Active Participation.** Board members must actively participate in the management of the organization, including attending meetings of the Governance Board, evaluating reports, reading minutes, and reviewing the performance and compensation of the management unit.

- b. Committees.** Board members may establish committees to make recommendations to the Governance Board and may rely on information, opinions or reports of these committees. Committees operate subject to the direction and control of the Governance Board. As a result, Board members are still responsible for the committees and should periodically scrutinize their work.
- c. Board Actions.** A board member who is present at a meeting when an action is approved by the entire Governance Board is presumed to have agreed to the action unless the board member objects to the meeting because, (i) the meeting was not lawfully called or convened, (ii) the board member did not participate in the meeting, (iii) the board member voted against the action, or (iv) the board member is prohibited from voting on the action because of a conflict of interest.
- d. Minutes of Meetings.** Written minutes should be taken at every Governance Board meeting. The minutes should accurately reflect board member discussions, as well as actions taken at meetings.
- e. Books and Records.** Board members should have general knowledge of the books and records of the Accountable Entity, as well as, its general operations. The Accountable Entity's organizing documents, bylaws, accounting records, and minutes should be made available to board members who wish to inspect them.
- f. Accurate Record Keeping.** Board members should not only be familiar with the content of the books and records, but should also ensure that the organization's records and accounts are accurate and complete. The Compact requires the Governance Board members to take steps to obtain regular audits by independent auditors and to permit MCC, the U.S. Inspector General, and the U.S. General Accountability Office to review the books and records of the Accountable Entity. At the very least, the Governance Board members should be aware of what the financial records disclose and take appropriate action to ensure there are proper internal controls, as specified in the fiscal accountability plan.
- g. Program Assets.** Board members have the duty to protect, preserve, and manage the assets and property purchased or financed in whole or in part

with MCC funding (hereinafter “*program assets*”) and to do so consistent with the Compact and the applicable law requirements. Board members can delegate such responsibility to members of the management unit; however, the Governance Board should require an annual accounting for all program assets.

- h. Investigations.** Board members have a duty to investigate warnings or reports of management unit, employee, or contractor theft or mismanagement. In some situations a board member may have to report misconduct to MCC and the appropriate local authorities (e.g., if program assets are missing or MCC funds are unaccounted for).

### C. Frequency of Governance Board Meetings

The Governance Board should hold as many meetings as are necessary to discharge its duties and to ensure the effective implementation of the Compact. Annex I of the Compact and the governance agreement generally provide that that Governance Board should meet at least quarterly, but more likely monthly in the initial stages of implementation of the Compact.

### D. Transparency of Governance Board Actions

The Governance Board is charged with operating in a transparent manner. The most efficient way for the Governance Board to achieve transparency is to record its decisions and discussions in the written form of meeting minutes. MCC requires that the Governance Board evidence the discharge of its duties, including publishing the minutes of the Governance Board meetings on the Accountable Entity’s website within two weeks, and providing evidence of certain approvals as conditions precedent for MCC disbursements.

### E. Duty of Loyalty and Impartiality of Governance Board

Governance Board members should assume a duty of complete, undivided loyalty to the Accountable Entity when making decisions for the Accountable Entity and the MCC program. This means that board members should avoid using their position or the MCC program assets in a way that would result in pecuniary or monetary gain for them personally or for any member of their family. Governance Board members should put the good of the Accountable Entity and the MCC program first and avoid

engaging in transactions with the Accountable Entity from which the individual Governance Board member or his or her family will personally benefit.

The Accountable Entity should adopt a conflicts of interest policy which requires Governance Board members and members of the management unit to disclose potential conflicts of interest and, prior to entering into a contract or transaction that poses a potential conflict of interest, to assume the burden of establishing that (i) the contract or transaction is fair and reasonable despite the presence of a conflict of interest, and (ii) there was full disclosure of the conflict to the Governance Board and MCC.

#### **F. Role of the MCC Observer on the Governance Board**

The Governance Board will include a nonvoting member who is an employee or representative of MCC. The MCC observer is a nonvoting member of the Governance Board. The MCC observer represents MCC's interests, not the Accountable Entity's interests, with respect to the implementation of and compliance with the Compact. The MCC observer role can be served by the resident country director or any MCC employee/contractor. It is extremely important that the MCC observer participates in all meetings of the Governance Board either in person or by conference telephone.

The MCC observer should be provided with the agenda and related documentation for each meeting of the Governance Board. The MCC observer has the obligation to share documentation relating to the meetings of the Governance Board with MCC and participate in the discussions arising during the meetings of the Governance Board.

The MCC observer also serves a vital role in identifying implementation issues and encouraging transparency in the Governance Board decision making process. Implementation issues should be referred to MCC and addressed in accordance with MCC policy and internal review requirements. Transparency is most effectively advanced by the MCC observer encouraging open discussion of agenda items and ensuring participation of the non-government members of the Governance Board.

## II. Governance Rules, Meetings and Minutes

### A. Operation of Governance Board Prior to the Execution/Adoption of the Governance Agreement or Bylaws

Either local law applicable to the Accountable Entity or generally accepted governance rules (usually decisions by consensus) should be utilized prior to the execution or adoption of the governance agreement or bylaws. In the absence of such rules, it is advisable for the Governance Board to adopt special interim governance rules to apply to their meetings and decisions prior to the effectiveness of the governance agreement or bylaws, including (i) requirements for notice and establishment of a quorum for meetings of the Governance Board and (ii) requirements for taking actions on issues, agreements and administrative matters (i.e., establishing a minimum number of votes or consensus for an action of the Governance Board to be valid).

### B. Basic Requirements for a Valid Meeting of Governance Board

Each meeting of the Governance Board should meet certain minimum standards to be considered a valid meeting at which actions taken by the Board are valid and effective.

- a. **Notice and Agenda.** Adequate notice should be provided to all members of the Governance Board (voting and nonvoting) setting forth the date, time and location of the meeting, as well as, an agenda of issues and documents for consideration. The specific time period for adequate notice should be set forth in the governance agreement or bylaws. Prior to the effective date of the governance agreement or bylaws, adequate notice should be determined by local law applicable to the Accountable Entity or special rules may be approved by consensus/unanimous decision of the board members to apply until the governance agreement or bylaws become effective.

The notice should specify whether the meeting is special or regular. Regular meetings of the Governance Board should occur quarterly or monthly in accordance with the requirements of the Compact and the governance agreement or bylaws, as appropriate. Special meetings are usually called on an ad hoc short notice basis by the designated chairman or secretary of the Governance Board. Notice for regular meetings usually requires 7 to 10 days prior notice, while notice for special meetings can require as little as 24 hours prior notice.



A sample notice and agenda are attached hereto as Exhibit A.

- b. Attendance and Quorum.** Attendance at board meetings of the members of the Governance Board is important. Members can attend meetings (i) in person, (ii) by sending a deputy (subject to certain limitations), or (iii) by telephone or video-conference (if permitted under local law, by special rule adopted by the Governance Board or as specified in the governance agreement or bylaws). Quorum is the number of voting members required to be in attendance at a meeting to permit the Governance Board to make decisions that will be binding on the Accountable Entity. The governance principle behind establishing a quorum is that there should be a determinable number that is sufficient to reflect the will of the Governance Board and the Accountable Entity itself. Quorum should be specified in the governance agreement or bylaws and require the presence in person, by deputy or by teleconference/videoconference of (i) all voting members, (ii) majority of the voting members, or (iii) a specific number of voting members (such as 2/3 or 3/4 of all voting members).

Prior to the effective date of the governance agreement or bylaws, quorum should be determined by local law applicable to the Accountable Entity or special rules approved by consensus/unanimous decision of the board members to apply until the governance agreement or bylaws become effective.

- c. Deliberation and Actions of the Governance Board.** All issues and documents for consideration by the Governance Board should be presented and discussed by the Governance Board. It is appropriate for one member of the Governance Board, either a voting or non-voting member, to provide a summary of the issue or document for consideration.

Once board members have had an opportunity for discussion of a particular issue or document, the chairman or person leading the meeting should facilitate the decision-making process to approve, disapprove or delay decision on the item or document (i.e., to take action as the Governance Board). The decision-making process can be accomplished by reaching consensus among the voting members of the Governance Board or by taking a vote. A specific number of votes in favor of an action by the Governance Board should be specified in the governance agreement or bylaws for such action to be binding

on the Accountable Entity. Prior to the effective date of the governance agreement or bylaws, voting requirements should be determined by local law applicable to the Accountable Entity or special rules approved by consensus/unanimous decision of the board members to apply until the governance agreement or bylaws become effective.

It should be noted that it is not required that the Governance Board follow parliamentary procedure or act by resolution. Rather, parliamentary procedure and resolutions are mechanisms of convenience for deliberating and taking actions as a board. Resolutions do provide a convenient way of evidencing Governance Board actions. Sample resolutions are attached hereto as Exhibit B.

**d. Meeting Minutes.**

The meeting minutes should be prepared by the person acting as secretary of the meeting and include, at a minimum, the following information: (i) the agenda and information regarding when notice was delivered to the Governance Board, (ii) the list of attendees and absentees (for purposes of evidencing quorum), and (iii) summaries of the discussion of agenda items and the actions taken by the Governance Board. Sample minutes are attached hereto as Exhibit C.

The amount of detail to be included in the minutes with respect to the discussion of agenda items should be dictated by the Governance Board in consultation with MCC. It may be appropriate to exclude references to specific statements made by members of the Governance Board, unless such member requests statements to be attributed to them (e.g., to evidence dissent with respect to a particular decision). It may also be appropriate to list the voting results, but exclude the names of the voting members deciding in favor or disapproving an action of the Governance Board.

The level of detail in the minutes should be sufficient to reflect that a valid meeting of the Governance Board occurred and to evidence that the Governance Board took valid actions consistent with the requirements of the Compact, the governance agreement and any other relevant supplemental agreement.

MCC requires that the Accountable Entity post Governance Board meeting minutes on the Accountable Entity's website. This publication requirement is intended to promote transparency and good governance. It may be appropriate, however, to exclude any confidential information relating to negotiations of contracts or procurement activities from the version of the minutes that is posted on the website.

The minutes can be drafted and certified by the chairman of the Governance Board in the local language, however, the minutes should be translated into English and posted on the Accountable Entity website in the local language and English.

### **C. Use of Action by Written Consent in lieu of Holding a Meeting**

It is advisable for the Governance Board to take actions by written consent in lieu of holding a meeting (i) if permitted by the governance agreement or bylaws of the Accountable Entity (or, if the governance agreement or bylaws are not yet effective, if permitted by the local law applicable to the Accountable Entity) and (ii) the issue has been previously considered by the Governance Board and is non-controversial. Actions by written consent can, but not necessarily, require a different standard of approval by the voting members than Governance Board actions taken by meetings. For example, the Governance Board could require unanimous approval by all voting members or two-thirds approval of all voting members for actions to be taken by written consent. A sample written consent is attached hereto as Exhibit D.

It should be noted that the action by written consent mechanism should be used sparingly and in rare instances by the Governance Board. Written consents are best used when the Governance Board has deliberated over an issue and is waiting for additional information to take action on such issue. Good governance and the proper discharge of responsibilities by the Governance Board require that the Governance Board deliberate prior to taking actions in order to ensure that board members have the opportunity for open discussion.

### **D. Standard for Review of Materials by Governance Board**

It is appropriate and efficient for the Governance Board members to review summaries of the documents, agreements and reports being presented to it for consideration or approval. However, Governance Board members should be made

aware that reliance on such summaries does not relieve or excuse such members' responsibility for approving and taking action on the actual content of such document, agreement or report. Although efficiency in the administrative processes of the Accountable Entity is desirable, it should not be sought to the detriment of the accountability of the Governance Board. As provided in the Compact, the Governance Board remains responsible for making decisions on behalf of the Accountable Entity and the MCC program.

## EXHIBIT A

## SAMPLE NOTICE AND AGENDA

## Millennium Challenge [\_\_\_\_\_] Governance Board

(Type of Meeting—[Regular/Special])

(Month Day, Year)

(time and location)

Pursuant to Section [\_\_\_\_\_] of the Governance Agreement, entered into as of [\_\_\_\_\_] , by and among the Government of [\_\_\_\_\_] , represented by the Ministry of Finance (the “*Ministry*”), the Millennium Challenge [\_\_\_\_\_] , a [public legal entity] established under [\_\_\_\_\_] law, (“*MCA-[\_\_\_\_\_]*”), and the Millennium Challenge Corporation, a United States Government corporation (“*MCC*”), notice is hereby given of a [regular/special] meeting of the Governance Board (the “*Board*”) to occur on [\_\_\_\_\_].

**I. Address and Teleconference Information for Meeting**

The [regular/special] meeting of the Board shall be held at the following address [\_\_\_\_\_].

Teleconference information is as follows: [\_\_\_\_\_].

**II. Meeting Agenda**

The following agenda items are currently scheduled for consideration by the Board:

**A. Discussion and Action Items\***

1. **Approval of Meeting Minutes from Board Meeting on [\_\_\_\_\_] (attached as Attachment 1)**
2. **Approval of Construction Supervisory Contract (attached as Attachment 2)**
3. **Approval of Supplier Contract (attached as Attachment 3)**
4. **Approval of Budget Modification for Agriculture Budget (attached as**

**Attachment 4)****B. Reports\***

- 1. Update on MCC Disbursement Request for Quarter 3**
- 2. Update of M&E Activities**
- 3. General Update from Management Unit**

**Voting Members should advise the Secretary of the Board as soon as practicable, should you be unavailable to attend or send an authorized deputy to this [regular/special] meeting. If any authorized deputy is sent in place of a Voting Member, the Voting Member should provide a written statement of such person's authority to participate in the Board meeting and vote on issues and agreements presented for consideration.**

\*Agreements, Documents and Reports for consideration should be attached to this notice and agenda.

## EXHIBIT B

SAMPLE RESOLUTIONS<sup>2</sup>

RESOLUTIONS OF  
 THE STEERING COMMITTEE<sup>3</sup>  
 OF

MCA-[\_\_\_\_\_]

SPECIAL MEETING, [DATE]<sup>4</sup>

The following resolutions were adopted by the Steering Committee of MCA-[\_\_\_\_\_]  
 at an extraordinary meeting and for which notice was duly given on [\_\_\_\_\_], 200[\_\_\_] in  
 accordance with the applicable laws of [\_\_\_\_\_] and that certain Millennium Challenge Compact  
 by and between the Government of [\_\_\_\_\_] (the “*Government*”) and the United States of  
 America, acting through the Millennium Challenge Corporation (“*MCC*”), dated [\_\_\_\_\_] (as

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**2** Note these sample resolutions are provided as an example only and do not represent an exhaustive list of actions to be approved by a Governance Board. The substance of actual resolutions adopted by a Governance Board will change as appropriate based on the circumstances at hand.

**3** As noted in footnote 1 above, the title and form of the Governance Board may vary. These sample resolutions are applicable to all forms of Governance Boards.

**4** Meeting should probably be referred to as a special meeting since guidelines on regular meetings have not yet been adopted. Notice requirements and quorum should conform to local law and the requirements, if any, under the Compact.



amended or modified from time to time, the “*Compact*”). All capitalized terms used herein but not defined herein shall have the meaning set forth in the Compact.

**WHEREAS**, MCA-[ ] was established to implement the Designated Rights and Responsibilities as defined in the Compact (“*MCA-I*”).

**WHEREAS**, as a condition precedent to the Entry into Force under the Compact, the Government, MCC and MCA-[ ] must execute and deliver a Disbursement Agreement and a Procurement Agreement;

**WHEREAS**, as a condition precedent to the Entry into Force under the Compact, the Government, MCC and MCA-[ ] must execute one or more Supplemental Agreements (including a Governance Agreement, a Fiscal Agent Agreement, a Bank Agreement, a Procurement Agent Agreement and one or more Implementing Entity Agreements) or execute one or more term sheets that set forth the material and principal terms and conditions that will be included in any such Supplemental Agreement that has not been entered into as of the Entry into Force;

**WHEREAS**, as a condition precedent to Entry into Force under the Compact, the Government must deliver certain certificates (i) certifying that all domestic requirements for the Compact to be fully enforceable under [ ] law have been completed and (ii) evidencing the incumbency and specimen signatures of the Principle Representative and the Additional Representative (as defined in the Compact).

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that prior to the adoption of MCA-[ ]’s governance agreement, providing guidance regarding notice, quorum, and voting requirements for the Steering Committee, [ ] days shall constitute sufficient notice for meetings of the Steering Committee, presence in person by a majority of the voting members of the Steering Committee (as set forth in the Compact) will be required to establish quorum, and all actions of the Steering Committee will require at least a majority of the Voting Members present at such meeting.

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Disbursement Agreement and authorizes its execution on substantially the terms and substantially the form of the attached Disbursement Agreement;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Procurement Agreement and authorizes its execution on substantially the terms and substantially the form of the attached Procurement Agreement;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Supplemental Agreement Term Sheet and authorizes its execution on substantially the terms and substantially the form of the attached Supplemental Agreement Term Sheet;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Governance Agreement and authorizes its execution on substantially the terms and substantially the form of the attached Governance Agreement;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Bank Agreement and authorizes its execution on substantially the terms and substantially the form of the attached Bank Agreement;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Fiscal Agent Agreement and authorizes its execution on substantially the terms and substantially the form of the attached Fiscal Agent Agreement;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the M&E Plan on substantially the terms and substantially the form of the attached M&E Plan;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Interim Fiscal Accountability Plan on substantially the terms and substantially the form of the attached Interim Fiscal Accountability Plan;

**RESOLVED FURTHER**, that the Steering Committee hereby approves the Interim Procurement Plan on substantially the terms and substantially the form of the attached Interim Procurement Plan;

**RESOLVED FURTHER**, that the Chair of the Steering Committee and Director of MCA-[\_\_\_\_\_] are authorized and directed to execute any and all certificates or documents and take any and all actions to complete and effectuate the purpose of these Resolutions.

## EXHIBIT C

## SAMPLE MEETING MINUTES

MCA-[\_\_\_\_\_]  
 Governance Board Meeting Minutes  
 (Type of Meeting—[Regular/Special])  
 (Month Day, Year)  
 (time and location)

**Board Members:**

**[If relying on Local law for governance requirements, cite to relevant law]**

*Present:* [list members]

*Present by Teleconference:* [list members]

*Absent:* [list members]

*Quorum present?* Yes

[\*Note if any voting members leave during the meeting, it should be noted in the record and quorum should be re-determined prior to voting on action items]

*Others Present:* [list names and titles, e.g. MCC observer, members of the public, etc.]

*Person Acting as Chairman:* [list name]

*Person Acting as Secretary:* [list name]

**Proceedings:**

*Meeting called to order* at [\_\_\_\_ a.m./p.m.]

The Chairman called the meeting to order, declared the presence of a quorum as required by Governance Agreement of MCA-[\_\_\_\_\_] **[If relying on local law for governance requirements, cite to relevant law].**

The Chairman appointed [\_\_\_\_\_], as secretary of the meeting. The Chairman confirmed that a majority of the members of the Governance Board were present at this meeting. The meeting was then duly and legally convened and opened for the transaction of business.

The Chairman noted that notice of the meeting was provided in writing to the members of the Governance Board on [\_\_\_\_\_], 200[\_\_\_] and attendance at the meeting was confirmed by the members named above.

*[Note: If appropriate notice of the meeting was not given, was a waiver of notice of the meeting appropriately signed or otherwise documented?]*

The Chairman further noted that the notice of the meeting distributed to the members included an agenda. No member of the Governance Board attending the meeting objected to the calling of the meeting or the items on the agenda.

## **I. Discussion and Action Items**

- A. *[Meeting minutes from prior Governance Board Meeting to be amended (if necessary) and approved]:*
- ▶ Summary of discussion
  - ▶ Recommended Action
  - ▶ If vote occurred, results of vote
- B. *[List Action Item]:*
- ▶ Summary of discussion
  - ▶ Recommended Action [if relevant, relevant proposed resolution may simply be read]
  - ▶ If vote occurred, results of vote

## **II. Reports**

- A. *[List Report]:*
- ▶ Summary of discussion
  - ▶ Recommended Action or Next Steps [if relevant]
- B. *[List Report]:*
- ▶ Summary of discussion
  - ▶ Recommended Action or Next Steps [if relevant]

## **III. Adjournment**

Meeting adjourned at [\_\_\_\_\_ a.m./p.m.]

**Certified by:**

\_\_\_\_\_  
**Secretary, MCA-[\_\_\_\_\_]**

**Acknowledged by:** \_\_\_\_\_  
**Chair of the Governance Board**

**Post meeting actions:**

- ▶ *Secretary should compile minute notes and circulate for approval.*

**EXHIBIT D**

**SAMPLE WRITTEN CONSENT**

**WRITTEN CONSENT OF  
 THE GOVERNANCE BOARD  
 OF MCA-[\_\_\_\_\_]**

[\_\_\_\_\_] , 200[\_\_\_\_\_]

Pursuant to Section [\_\_\_\_\_] of that certain governance agreement by and among the Ministry of Finance, on behalf of the Government of [\_\_\_\_\_] (the “*Government*”), MCA-[\_\_\_\_\_] and the Millennium Challenge Corporation dated [\_\_\_\_\_] , 200[\_\_\_\_\_] , the undersigned members of the Governance Board (the “*Board*”) of MCA-[\_\_\_\_\_] hereby approve and adopt the following resolutions by written consent:

**Proposed Resolutions****to approve the Bank Agreement and Fiscal Agent Agreement**

WHEREAS, MCA-[ ] was established as [ ] under the laws of [ ] to implement the designated rights and responsibilities defined under the Compact.

WHEREAS, as a condition precedent to the initial disbursement of MCC funding, MCA-[ ] must execute and deliver to MCC a bank agreement and a fiscal agent agreement;

WHEREAS, the Board met on [ ], 200[ ] to discuss and approve the material terms and conditions of the bank agreement and fiscal agent agreement;

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Board hereby approves the bank agreement and authorizes its execution on substantially the terms and substantially the form of the attached bank agreement;

**RESOLVED FURTHER**, that the Board hereby approves the fiscal agent agreement and authorizes its execution on substantially the terms and substantially the form of the attached fiscal agent agreement;

**RESOLVED FURTHER**, that the Chairman of the Governance Board and CEO of MCA-[ ] are authorized and directed to execute any and all certificates or documents and take any and all actions to complete and effectuate the purpose of these Resolutions.

This written consent, which may be executed in multiple counterparts, each of which shall be considered an original, shall be effective as of the date first written above upon the receipt of the signatures of a majority of the Board.

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title  
                  Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

\_\_\_\_\_  
Name, Title    Date: \_\_\_\_\_

**Please return both pages of this written consent with your signature and date on the second page to  
MCA-[\_\_\_\_\_]’s Secretary by fax to: [\_\_\_\_\_].**