

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE MILLENNIUM CHALLENGE CORPORATION**

**AND**

**THE AFRICAN DEVELOPMENT BANK**

**AND**

**THE AFRICAN DEVELOPMENT FUND**

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE MILLENNIUM CHALLENGE CORPORATION**  
**AND**  
**THE AFRICAN DEVELOPMENT BANK**  
**AND**  
**THE AFRICAN DEVELOPMENT FUND**

---

**MEMORANDUM OF UNDERSTANDING** dated this *8th* day of *October* 2010 between the Millennium Challenge Corporation (hereinafter referred to as "MCC"), acting on behalf of the United States Government, of the one part, and the African Development Bank (hereinafter referred to as "ADB") and the African Development Fund (hereinafter referred to as "ADF", and unless the context otherwise requires the ADB and ADF will hereinafter be collectively referred to as the "Bank" and, together with MCC, the "Parties" and each, a "Party"), of the other part.

**THE PARTIES TO THIS MEMORANDUM OF UNDERSTANDING:**

**CONSIDERING** that the primary objective of the ADB is to contribute to the sustainable economic development and social progress of its African member States (hereinafter referred to as "Regional Members") – individually and jointly; and the objective of the ADF is to assist the Bank in fulfilling its objective, as well as the promotion of cooperation, including regional and sub-regional cooperation and increased international trade, particularly among the Regional Members;

**FURTHER CONSIDERING** that MCC is a United States Government corporation designed to work with some of the poorest countries in the world; and MCC's mission is to reduce global poverty through the promotion of sustainable economic growth, based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people;

**DETERMINED** to provide, through their joint efforts and within the limitations of their respective resources, mandates and policies, coordinated services to the African countries, in a cost-effective and efficient manner;

**HAVE REACHED THE FOLLOWING UNDERSTANDING:**

## **ARTICLE I**

### **PURPOSE**

The Parties to this Memorandum of Understanding ("Memorandum") endeavor to set forth ways to reinforce ongoing cooperation and to open new avenues for making their assistance more effective through greater collaboration.

## **ARTICLE II**

### **SCOPE**

The Parties to this Memorandum hereby agree to cooperate and work together, wherever possible, for the achievement of their common objectives of assisting African countries in their development efforts within the limitations of the relevant Millennium Challenge Compact ("Compact"), their respective resources, allocated budget, mandates and policies. To this end, the Parties will, in accordance with the provisions hereinafter set forth, endeavor to cooperate on matters of common interest as set forth herein.

## **ARTICLE III**

### **AREAS OF COOPERATION**

3.1 The Parties will endeavor to collaborate with each other in developing and implementing programs and projects in African countries in the following areas:

- i) Infrastructure;
- ii) Water and sanitation;
- iii) Land;
- iv) Agriculture;
- v) Transportation;
- vi) Environment;
- vii) Health and gender integration; and
- viii) Other areas as may be agreed upon between the parties from time to time.

In the process of collaboration in the above-mentioned areas, the Parties will endeavor to pursue effectiveness of their programs and projects by observing internationally agreed practices, including compliance with environmental and social best practices. To this end, the Parties will endeavor to ensure that no program or project is likely to cause a significant environmental, health, or safety hazard.

- 3.2 The Parties will endeavor to further strengthen cooperation through knowledge partnership including research and knowledge sharing in the areas of common interest.

#### **ARTICLE IV** **CONSULTATION**

- 4.1 The Parties will endeavor to keep each other informed and, whenever appropriate, consult each other on matters of common interest, which, in their opinion, are likely to lead to concrete collaboration.
- 4.2 The Parties will endeavor to maintain close institutional dialogue to ensure a coherent approach and to identify areas of comparative advantages, competence, and complementarity, and meet whenever appropriate. The Parties will endeavor to:
- (i) Identify specific programs and projects for cooperation;
  - (ii) Prepare an implementation plan for each identified program or project; and
  - (iii) Increase their development leverage through the strategic use of MCC grants and ADB grants or loans to parallel finance current and future projects.

#### **ARTICLE V** **EXCHANGE OF INFORMATION**

The Parties hereto will endeavor to exchange relevant information and data on matters of common interest and collaborate in the collection, analysis and dissemination of such information and data, subject to such arrangements as may be necessary or applicable, under any document and information restriction policies of the Parties, for safeguarding the confidential character of certain information or data.

**ARTICLE VI**  
**REPRESENTATION**

Either Party may, as appropriate, invite the other Party to seminars, symposia, workshops, or conferences of mutual interest convened or otherwise supported by such Party.

**ARTICLE VII**  
**IMPLEMENTATION AND COST SHARING**

The Parties to this Memorandum will make available, to the extent feasible, taking into account their budgetary, financial, and human resource constraints, the services of their staff for conducting the programs and projects on which the Parties will collaborate pursuant to this Memorandum. The Parties may identify, as appropriate, other resource persons who could be engaged as experts, including the staff of other international or regional organizations, as mutually agreed by the Parties.

**ARTICLE VIII**  
**SUPPLEMENTARY AGREEMENTS**

- 8.1 Any project to be implemented under this Memorandum will be governed by a supplementary agreement, memorandum of understanding, or exchange of letters between the relevant Compact country (the "MCA Country") and the Bank, and will contain the terms and conditions applicable to such project. The obligations of the Bank to finance, subject to availability of resources, the programs and projects undertaken and implemented pursuant to this Memorandum will be contingent at the Bank's option upon concluding such supplementary agreements.
- 8.2 Such supplementary agreements, memoranda of understanding, or exchange of letters, which will be duly signed by the authorized representatives of the MCA Country and the Bank, will contain a specification of the objectives; a work plan; a detail on funds and resource allocations; a provision relating to the coordination, notices, and monitoring of the program or project; the specific responsibilities of each party and any other provision that the MCA Country and the Bank may deem necessary.

**ARTICLE IX**  
**OTHER MATTERS**

- 9.1 Any matter for which no provision is made in this Memorandum will be determined in a manner mutually acceptable, and each Party will endeavor to give sympathetic consideration to any proposal advanced by the other Party.
- 9.2 This Memorandum is not intended to affect the separate and unique missions, mandates, and accountabilities of the Parties. Unless specifically provided otherwise, the cooperation between the Parties as outlined in this Memorandum is not to be considered or construed as a partnership or other type of legal entity or personality. Nothing in this Memorandum is to be construed as superseding or interfering in any way with any agreements or contracts unrelated to this Memorandum entered into between the Parties, either prior to or subsequent to the signing of this Memorandum. Nothing in this Memorandum is to be construed as an exclusive working relationship, nor as an endorsement of a specific entity, program or person. The Parties specifically acknowledge that this Memorandum is not an obligation of funds, nor does it constitute a legally binding commitment by any Party or create any rights in any third party under this Memorandum.

**ARTICLE X**  
**ENTRY INTO FORCE, DURATION AND TERMINATION**

- 10.1 This Memorandum will enter into force on the date of its signature by both Parties and will remain in effect for five (5) years from that date. Thereafter, this Memorandum will be automatically renewed every third year, unless terminated in accordance with paragraph 10.2 hereof. Senior management of the Parties will meet annually to review progress and identify new opportunities for cooperation and collaboration.
- 10.2 This Memorandum may be terminated by either Party by giving six (6) months advance notice to the other Party. Such termination will take effect as of the date specified in the termination notice, provided that the provisions herein contained will remain in effect to the extent necessary to permit an orderly settlement of all arrangements made with respect to on-going cooperation activities.

**ARTICLE XI**  
**CHANNEL OF COMMUNICATION AND NOTICES**

11.1 For the purpose of facilitating the implementation of this Memorandum, the focal points of the Parties will be:

(a) **For MCC:**

Millennium Challenge Corporation

Attention: Vice President, Department of Compact Operations

(with a copy to the Vice President and General Counsel)

875 Fifteenth Street, N.W.

Washington, DC 20005

United States of America

Facsimile : (202) 521-3700

Telephone : (202) 521-3600

Email : [VPOperations@mcc.gov](mailto:VPOperations@mcc.gov) (Vice President, Department of Compact Operations)

[VPGeneralCounsel@mcc.gov](mailto:VPGeneralCounsel@mcc.gov) (Vice President and General Counsel)

(b) **For the Bank:**

Head

Partnerships & Cooperation Unit

B.P. 323 1002, Tunis Belvedere

Tunisia

Telephone: 216-71-102134

Facsimile: 216-71-830172

11.2 Either Party may, by notice in writing to the other Party, designate additional representatives or substitute other focal points for those designated in this Article.

11.3 Any notice, request or other communication under this Memorandum will be in writing and will be deemed to have been duly given when it has been delivered by hand, mail, electronic mail, fax, as the case may be, by either Party to the other at the address specified in paragraph 11.1 hereof or such other address as either Party may notify to the other Party.

ARTICLE XII  
AMENDMENT AND SETTLEMENT OF DISPUTES

- 12.1 This Memorandum may be amended by mutual written agreement of the Parties. Any amendment will be without prejudice to any rights or obligations accruing or incurred under this Memorandum or supplementary agreements thereto reached pursuant to Article VIII, prior to the effective date of such amendment.
- 12.2 Any dispute over the interpretation or application of any provision herein contained will be settled amicably through consultations, or as the Parties will endeavor to mutually agree.

IN WITNESS WHEREOF, MCC, the Bank each acting through its representative duly authorized thereunto, have signed this Memorandum on the date first above written in two original counterparts in English.

FOR THE MILLENNIUM  
CHALLENGE CORPORATION

FOR THE AFRICAN DEVELOPMENT BANK  
AND THE AFRICAN DEVELOPMENT FUND

/ s /

/ s /

---

DANIEL W. YOHANNES  
CHIEF EXECUTIVE OFFICER

---

DONALD KABERUKA  
PRESIDENT