

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MILLENNIUM CHALLENGE CORPORATION OF THE UNITED STATES
AND
THE UNITED NATIONS WORLD FOOD PROGRAM**

I. Common Goal

The Millennium Challenge Corporation (MCC), a United States Government corporation, and the World Food Program (WFP), a United Nations agency, are actively supporting programs that increase household incomes and improve availability and affordability of food and food products. MCC and the WFP wish to share their respective strengths and resources to support initiatives that advance their common goal to improve the lives of the world's poor.

For over four decades, the WFP has provided access to nutrition and improved quality of life for the world's most vulnerable people at critical times. In 2007, the WFP reached over 86 million people in 80 countries with food aid that allowed them to make investments of lasting benefit to themselves. MCC's mission is poverty reduction through the promotion of sustainable economic growth. Since 2004, MCC has obligated nearly \$6.3 billion in grants through compacts with 18 developing countries. MCC partner countries have elected that more than 50 percent of this total investment will directly contribute to improved food security.

MCC and WFP share the belief that improved coordination of funds can significantly leverage the impact of donor contributions to global economic growth, poverty alleviation and improved food security. Hence, a particular aspect of MCC and WFP cooperation will focus on countries where MCC and the Alliance for a Green Revolution for Africa (AGRA) are collaborating to improve agricultural productivity and market access. This extraordinary cooperation involving all three organizations' food security and poverty reduction program investments is an important example of how more can be accomplished by working collaboratively.

II. Purpose of this Memorandum

This Memorandum of Understanding (Memorandum) sets forth the framework for cooperation between MCC and the WFP in pursuit of their common goals.

III. Nature of the Cooperation

MCC and the WFP, pursuant to their respective mandates and capacities, intend to cooperate in countries of mutual focus and undertake activities in the following areas:

A. Agricultural Production, Markets, and Food Security: Agricultural production is important for food security, providing both an output and an income source. It is particularly critical in many countries of Sub-Saharan Africa. The region's population experiences highly variable annual production, limited tradability of food staples, and foreign exchange constraints that limit imports. Over half of WFP beneficiaries are small farmers, particularly vulnerable to recurrent food emergencies. Improving and stabilizing domestic production, the food supply chain, and local markets is essential for improving food security. The MCC-funded agricultural

supply-chain investments and the WFP-funded “Purchase for Progress (P4P)” initiative, which buys locally produced foodstuffs from small farmers, represent possible areas of collaboration. Field level discussions will seek to determine the appropriate intersections with MCC and AGRA-supported farmers and the P4P initiative.

B. Food Security and Poverty Reduction Policy: While the agriculture area is complex and rapidly changing, it provides new opportunities for hundreds of millions of rural poor to move out of poverty and away from food insecurity with the right policies and supportive investments at local, national, and global levels. MCC and WFP will exchange ideas and information on innovative approaches for more effectively engaging in host country policy dialogue that leads to reform of policies and programs that alleviate poverty and improve food security.

C. Integration of Gender Policies in Agricultural Activities: Women are crucial to both agricultural productivity and food security, yet gender inequalities impede their ability to maximize their roles as producers and primary family caretakers, hindering efforts to achieve the goal of nutritional food security. HIV/AIDS, which disproportionately affects women in sub-Saharan Africa, also has a negative impact on food security at the household level. MCC's Gender Policy requires attention to gender differences and inequalities in project design, implementation and performance monitoring. MCC and the WFP will seek to coordinate program investments that improve food security capacities in priority countries, reflecting best practices on gender, HIV/AIDS prevention and risk mitigation, and agriculture.

IV. Modes of Cooperation

A. Pursuant to this Memorandum and within the framework of MCC and WFP mandates, WFP and MCC will endeavour to prepare and develop specific programs, projects or activities within the framework of the areas of cooperation exposed above.

B. Any program, project and/or activity that the parties decide to implement jointly shall be governed by a supplementary agreement, memorandum of understanding, or exchange of letters containing the terms and conditions applicable to such program, project, and/or activity. Notwithstanding the above, if WFP and MCC deem it necessary and, prior to the implementation of any program, project and/or activity, the parties may enter into an agreement which will constitute the framework agreement and will govern any individual program, project or activity duly formalized by means of a supplementary agreement.

C. Such supplementary agreements, memoranda of understanding, or exchange of letters, which shall be duly signed by the authorized representatives of the WFP and MCC, 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, project, and/or activity in question; the specific responsibilities of each party and any other provision that the WFP and MCC may deem necessary.

V. Communication

A. MCC and the WFP will endeavor to communicate regularly with each other to coordinate their efforts under this Memorandum. In addition, MCC and the WFP intend to communicate with the entities that implement MCC Compacts and WFP regional/country programs to coordinate efforts in individual countries.

B. For purposes of this Memorandum, MCC and the WFP will be represented by the persons holding or acting in the following positions:

For MCC: The Managing Director for Donor and Multilateral Relations

For the WFP: Director, Office of US Relations

VI. Duration, Amendment, and Termination of this Memorandum

This Memorandum is expected to continue for two years from the date of signature by both MCC and the WFP and may be extended by mutual consent in writing. MCC and the WFP may modify this Memorandum by mutual consent in writing at any time. MCC or the WFP may terminate this Memorandum at any time by providing written notice to the other party.

VII. Privileges and Immunities

Nothing in or relating to this Memorandum shall be deemed a waiver, express or implied, of any of the privileges or immunities of WFP or the United Nations, including its subsidiary organs.

VIII. General Provisions

This Memorandum constitutes an expression of mutual good faith. This Memorandum does not constitute a legally binding commitment by either MCC or the WFP and does not create a legal entity. This Memorandum does not obligate funds and does not commit either MCC or the WFP to enter into or provide support or funding for any specific activity or project. This Memorandum does not supersede or interfere with any agreements entered into by MCC and/or the WFP.

As independent institutions, MCC and the WFP acknowledge that any cooperation contemplated by this Memorandum is subject to each institution's respective policies, procedures, funding constraints, and legal and regulatory constraints. Neither MCC nor the WFP will have any responsibility for any expenses incurred by the other relating to the execution of this Memorandum.

This memorandum provides no exclusivity between MCC and the WFP in the scope of any cooperation, does not endorse a specific entity, does not create any rights in any person, and does not create any obligations for any third party.

Signed at Washington this 5th day of December, 2008:

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| <p>MILLENNIUM CHALLENGE CORPORATION</p> <p>By: <u>/s/</u> _____</p> <p>Ambassador John J. Danilovich</p> <p>Chief Executive Officer</p> | <p>THE WORLD FOOD PROGRAM</p> <p>By: <u>/s/</u> _____</p> <p>Josette Sheeran</p> <p>Executive Director</p> |
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