



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MILLENNIUM CHALLENGE CORPORATION OF THE UNITED STATES

AND

THE MINISTRY OF FOREIGN AFFAIRS OF THE GOVERNMENT OF DENMARK

The Millennium Challenge Corporation (MCC) and the Ministry of Foreign Affairs (MFA) share the objective of helping developing countries reduce poverty, increase growth and improve the lives of their people. Both put country ownership at the center of their assistance and support select developing countries in their efforts to improve governance, to adopt policies that support sustainable development, and to achieve the Millennium Development goals.

In the spirit of the Paris Declaration on Aid Effectiveness, MCC and MFA endeavor in this Memorandum of Understanding (MoU) to set forth ways to reinforce ongoing cooperation and to open new avenues for making their assistance more effective through greater collaboration.

MCC and MFA will seek to cooperate in the countries in which they are mutually focused, including countries where MCC has signed threshold agreements or compacts and MFA program countries, such as: Benin, Burkina Faso, Ghana, Mali, Mozambique, Nicaragua, and Tanzania.

Areas for Potential Cooperation

MCC and MFA intend to deepen their cooperation in the following areas:

Partner Country Programs: MCC and MFA will look both to exchange lessons learned and to identify opportunities to enhance their relationship both bilaterally and inside formal donor and partner country forums. Field country representatives from both MCC and MFA will meet periodically to review programs and initiatives in partner countries.

Climate Change: MCC and MFA will look to share early lessons, best practices, and operational tools with regards to climate change, especially in the areas of mitigation, adaptation, and capacity building. MCC and MFA will consider, in a manner consistent with their respective governments' national and international obligations, joint collaboration, including at the country level, potential staff exchanges, and training workshops. Specific areas for potential collaboration may include:

- Climate change adaptation measures in development cooperation programs: Study and discussion of the Danish Climate Action Program and climate screening process.

- Carbon Finance: Consideration of joint efforts on ways to mobilize resources for preparation of projects in developing countries, e.g. through the use of micro-financing schemes and the involvement of private sector entities.
- Cooperation on climate and environment at the country level: Joint consultations in countries of mutual interest with a view to strengthening cooperation within ongoing and planned climate and environment related programs, taking into account the priorities of the host country and the principles of the Paris Declaration.

Policy Environment: MCC and MFA will look to exchange information on indicators used in assessing country performance and the methodology used for compact and program country eligibility. Future cooperation may also focus on knowledge sharing in connection with how to collect information and publish results of efforts undertaken.

Impact Evaluation: MCC and MFA will look to exchange their views and knowledge resources regarding impact evaluation strategies, methodologies and studies. This exchange may include:

- MCC making available its strategy and guidelines on impact evaluation.
- MCC and MFA exploring the possibility of arranging a joint workshop on this topic.
- MCC making available its experience with cost-benefit analyses of projects and its use along with monitoring and evaluation and impact evaluation, to enhance the institutional focus on results.
- MCC and MFA participating actively in the International Initiative for Impact Evaluation (3ie).

Gender: MCC and MFA will look to share lessons learned and best practices regarding gender equality initiatives and their integration into MCC and MFA programs to achieve sustainable economic growth. This may include:

- MFA making available gender material, including its Gender Equality Tool Box.
- MFA exploring the possibility of giving staff of MCC and its partners access to a gender e-learning course currently under development by MFA.
- MCC and MFA exploring the prospect of organizing regional gender training workshops in countries of mutual interest in the Africa region for MCC/MFA and partner staff.
- MCC sharing of efforts to strengthen gender analysis in monitoring and impact evaluations.

Private Sector: MCC and MFA will look to identify opportunities for private sector cooperation, especially in the agribusiness area. MCC and MFA will also seek to share analyses, tools, and information on programs to enhance their support for private sector development and identify potential opportunities for complementary investments.

Point of Contact, Implementation, and Review of Progress

The following persons will serve as the primary points of contact (POCs) for the purposes of this memorandum:

MCC: The Managing Director for Donor and Multilateral Relations

MFA: The Under-Secretary for Bilateral Co-operation, Ministry of Foreign Affairs

The POCs, in conjunction with their respective staffs, will oversee all efforts to improve cooperation described in this memorandum of understanding. It should be noted, however, that Denmark's development cooperation in program countries is decentralized. While major policy issues and final funding decisions remain in Copenhagen, Danish embassies have a key role in identifying and preparing new programs and have complete freedom to manage programs once approved. It should be further noted that programs funded through compacts with MCC are implemented by partner countries, which may be kept apprised of cooperation under this MoU.

Senior management of both MCC and MFA will meet annually to review progress and identify additional opportunities for cooperation.

Limitations

This MoU constitutes an expression of mutual good faith and is not legally binding. Cooperation between MCC and MFA is subject to their respective policies, procedures, and funding and legal or regulatory constraints.

Signed at Washington DC, this 10th day of October, 2008

**THE MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**

MILLENNIUM CHALLENGE CORPORATION

/s/

Ulla Tørnæs

Minister for Development Cooperation

/s/

Ambassador John J. Danilovich

Chief Executive Officer