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# MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MILLENNIUM CHALLENGE  
CORPORATION  
OF THE UNITED STATES (MCC)  
AND  
L'AGENCE FRANÇAISE DE  
DÉVELOPPEMENT (AFD)

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WHEREAS, the Millennium Challenge Corporation (MCC) is a United States Government corporation designed to work with some of the poorest countries in the world. Established in January 2004, MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investment in people. MCC's mission is to reduce global poverty through the promotion of sustainable economic growth;

WHEREAS, the *Agence Française de Développement* (AFD) is a French public financial institution designed to finance development. AFD acts in respect with three strategic objectives; promoting growth, fighting against poverty and preserving "Global Public Goods" of benefit to all humanity;

WHEREAS, MCC and the AFD (referred to, collectively, as the "Agencies") share the objective of helping developing countries reduce poverty, increase growth and improve the lives of their people;

WHEREAS, both Agencies put country ownership at the center of their assistance and support lower income countries in their efforts to improve governance, to adopt policies that support sustainable development, and to achieve the Millennium Development Goals;

WHEREAS, in as much as the Agencies are active in many of the same countries and sectors around the world, the potential benefit of increased cooperation is considerable;

**NOW, THEREFORE, THE AGENCIES HEREBY ENDEAVOR AS FOLLOWS:**

### **1. PURPOSE OF THIS MEMORANDUM**

In the spirit of the Paris Declaration on Aid Effectiveness, MCC and AFD hereby endeavor to set forth ways to reinforce ongoing cooperation and to open new avenues for making their assistance more effective.

## **2. SCOPE OF POTENTIAL COOPERATION**

### **2.1 General Areas**

Potential areas for general cooperation may include: more systematic exchanges of information, common project appraisals, good practice workshops, *ex post* evaluations, and common training programs. The Agencies may also seek to increase their developmental leverage by exploring the combined use of MCC grants and AFD loans for current and future programs.

### **2.2 Specific Areas**

#### ***2.2.1 Partner Country Programs***

In partner countries in which both Agencies are active, MCC and AFD field country representatives will endeavor to meet periodically to conduct formal reviews of programs and initiatives, exchange information on programs and identify lessons learned, best practices and opportunities to enhance cooperation, both bilaterally and inside formal donor and partner country forums.

#### ***2.2.2 Land***

Building on their joint sponsorship of a workshop for partner countries held in Benin in October 2008, the Agencies will look to increase collaboration on decentralization in connection with land governance and on analysis, information dissemination, training and technical assistance.

#### ***2.2.3 Private Sector***

MCC and AFD will explore holding a workshop to evaluate methods and opportunities to improve support for the private sector and to assess the potential for cooperation in structuring programs to include greater private sector participation in program planning and financing.

#### ***2.2.4 Policy Indicators***

MCC and AFD will seek to meet to review how each agency uses indicators of country partner policy performance.

### **2.3 Potential Countries of Focus**

MCC and AFD will also explore ways to deepen cooperation in a country-specific fashion, such as, but not limited to, the following:

### **2.3.1 Morocco**

To strengthen programs, MCC and AFD have underway or contemplate undertaking in microfinance, fruit tree production, and vocational and entrepreneurial training, MCC and AFD will make their best efforts to:

- compare experiences and search out potential complementarities in respective agriculture investments; and
- exchange evaluations and experience on business training initiatives.

### **2.3.2 Benin**

MCC and AFD will make best efforts to cooperate on respective land tenure activities in rural and urban areas.

### **2.3.3 Burkina Faso**

MCC and AFD will consult to coordinate their programs on land and rural decentralization, compare experiences and search out potential complementarities in respective agriculture investments, and work together with the government of Burkina Faso and other donors on increasing sustainability of mutual investments in the transportation sector.

### **2.3.4 Senegal**

MCC and AFD will continue to consult with a view to coordinating existing or potential programs.

### **2.3.5 Mali and Madagascar**

MCC and AFD will consider greater collaboration, where practicable, on land tenure and agriculture.

## **3. IMPLEMENTATION**

### **3.1 Staff**

The carrying out of activities contemplated by this memorandum will be undertaken by field and headquarters staff of the two Agencies.

The following persons will serve as the primary points of headquarter contact for the purposes of this memorandum to coordinate, facilitate and evaluate activities:

- MCC: The Managing Director for Donor and Multilateral Relations
- AFD: The Director for External Relations and Communication

