



MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE MINISTRY OF FOREIGN AFFAIRS OF THE CZECH
REPUBLIC**

AND

**THE MINISTRY OF FINANCE AND ECONOMIC
COOPERATION
OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

**CONCERNING
DEVELOPMENT COOPERATION**

The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia,

Wishing to strengthen the existing cordial relations between the two countries and their peoples,

Desiring to continue development cooperation between the two countries in accordance with the objectives of economic and social development of the Federal Democratic Republic of Ethiopia and well-being of its people, and

Taking into account the decision of the Government of the Czech Republic of June 11, 2016, to maintain the Federal Democratic Republic of Ethiopia on the list of six priority countries after the year 2017,

Declare the following:

1. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia wish to carry out the programme of development cooperation in the period 2018-2023. The Czech-Ethiopian development cooperation programme is detailed in the attachment no. 1 which represents an integral part of the present Memorandum
2. The cooperation programme is based on Ethiopian national development priorities identified by the Growth and Transformation Plan II (GTP II) approved by the Government of the Federal Democratic Republic of Ethiopia in 2015, as well as on the relevant Sustainable Development Goals (SDGs) set by the Agenda 2030 for Sustainable Development.
3. It takes into account the outcomes of the Czech programming mission to the Federal Democratic Republic of Ethiopia in May-June 2017.
4. It is based on partnership, efficiency, transparency and other internationally recognized principles of development cooperation as given by the Paris Declaration on Aid

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Effectiveness, Accra Agenda for Action and Busan Partnership for Effective Development Cooperation.

5. The Czech development programme is complementary to activities of other donors. Harmonization of cooperation is ensured through the involvement of the Embassy of the Czech Republic in Addis Ababa in the EU Joint Programming in Ethiopia.
6. The Ministry of Foreign Affairs of the Czech Republic, the Czech Development Agency and the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia are ready to cooperate efficiently in order to facilitate implementation of all planned projects with allocated budget in the particular fiscal year.
7. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia declare their common intent to concentrate development cooperation on the following priority areas:
 - a) Agriculture and rural development
 - b) Sustainable management of natural resources
 - c) Humanitarian assistance and resilience
8. The Czech-Ethiopian development cooperation is carried out mainly in the form of bilateral development projects, programmes and technical assistance, as well as other forms including small scale projects, B2B projects, Aid for Trade projects, government scholarships and others, subject to the rules laid down by the respective decision of the Czech government and with the active participation of the beneficiaries.
9. The Czech Development Cooperation is implemented by the Czech Development Agency (CzDA). The CzDA is a governmental organization subordinated to the Ministry of Foreign Affairs of the Czech Republic.
10. Implementing bodies of the bilateral projects, i.e. public institutions, non-profit organizations, business companies, or universities, are being selected according to the Czech legislation.
11. The Ministry of Foreign Affairs of the Czech Republic and the Czech Development Agency are prepared to:
 - a) Identify and formulate project documents in cooperation with relevant sector partner organizations in the FDRE. The project documents including total budget estimate will be submitted to the Ministry of Finance and Economic Cooperation of Ethiopia (MoFEC) that will present Ethiopian comments within 2 weeks. MoFEC will convey final approval within 3 weeks after submission of the revised project document. After the approval, a Memorandum of Understanding between MoFEC and CzDA will be signed for each project without any delay.
 - b) Ensure project funding according to the approved project document. In accordance with the Czech legislation all spending within the Czech Development Cooperation is subject to a fiscal year (January – December).
 - c) Organize tenders in the Czech Republic and in FDRE for suppliers of goods and services or provide grants to non-profit organizations according to its internal procedures and notify MoFEC of all selected suppliers. The CzDA signs contracts with selected suppliers.
 - d) Monitor implementation of the contracted project activities jointly with Ethiopian institutions.
 - e) Inform MoFEC and, where applicable, relevant sectoral ministries and federal authorities of the projects' progress on semi-annual basis.
 - f) Commission evaluation of the projects implemented within this framework of cooperation. The evaluation reports will be passed to MoFEC and relevant sector ministries.

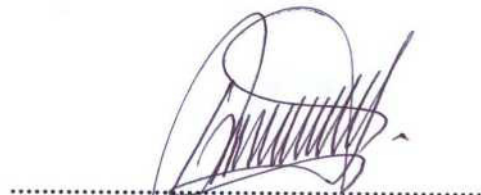
12. The Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia is prepared to:
- Facilitate cooperation of Ethiopian authorities at federal, regional, zonal and woreda levels for all projects implemented within this framework.
 - Facilitate cooperation on obtaining all relevant documents and permits (including but not limited to visas and work permits for CzDA employees and international experts) that allow for the smooth implementation of the projects within this framework of cooperation.
 - Present comments to the initial project proposal submitted by relevant sector partner organizations in the FDRE within 2 weeks after its submission. MoFEC will convey final approval within 3 weeks after submission of the revised documents. After the approval of initial project document, MoFEC forwards it to Czech Embassy in Addis Ababa for further administration.
 - Present comments to the project document within 2 weeks after its submission. MoFEC will convey final approval within 3 weeks after submission of the revised project document. After the approval, a project agreement between MoFEC and CzDA will be signed without any delay.
 - Arrange exemption from custom duties, all taxes and other fees related to the import to the FDRE of all equipment and materials supplied within the implementation of projects under the present programme.
 - Provide for any other forms of cooperation and support according to its legislative mandate.
13. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia are prepared to consult each other in respect of any matter that may arise from or in connection with this Memorandum of Understanding.

Done in Addis Ababa, on 16 February 2018.



H.E. Mr. Karel Hejč
Ambassador

for and on behalf of
the Ministry of Foreign Affairs
of the Czech Republic



H.E. Mr. Admasu Nebebe
State Minister

for and on behalf of
the Ministry of Finance and
Economic Cooperation
of the Federal Democratic
Republic of Ethiopia

