



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MINISTRY OF FOREIGN AFFAIRS OF THE CZECH REPUBLIC

AND

THE MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

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 Development of the Federal Democratic Republic of Ethiopia,

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

Desiring to foster development cooperation between the two countries in accordance with the objectives of economic and social development of the Federal Democratic Republic of Ethiopia, and

Taking into account the decision of the Government of the Czech Republic of May 24, 2010 to rank the Federal Democratic Republic of Ethiopia to the highest category of priority countries (programme countries),

Declare the following:

1. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Development of the Federal Democratic Republic of Ethiopia wish to carry out the programme of development cooperation in the period 2012-2017. 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 (GTP) approved by the Government of the Federal Democratic Republic of Ethiopia in 2010.
3. It takes into account the outcomes of the Czech programming mission to the Federal Democratic Republic of Ethiopia in October-November 2010.
4. It is based on partnership, efficiency, transparency and other internationally recognized principles of development cooperation as given by the Paris Declaration on Aid Effectiveness and Accra Agenda for Action.
5. The Czech development programme is complementary to activities of other donors. Aid harmonization is ensured through the involvement of the Embassy of the Czech Republic in Addis Ababa in the Development Assistance Group (DAG).
6. The Ministry of Foreign Affairs of the Czech Republic, the Czech Development Agency and the Ministry of Finance and Economic Development 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 Development of the Federal Democratic Republic of Ethiopia declare their common intent to concentrate development cooperation on the following priority sectors:
 - Education
 - Health
 - Water supply and sanitation
 - Agriculture, forestry and fishing
 - Disaster prevention and preparedness
8. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Development of the Federal Democratic Republic of Ethiopia intend to focus a substantial part of Czech-Ethiopian development activities in the Southern Nations, Nationalities, and People's Regional State (SNNPR).
9. The Czech-Ethiopian development cooperation will be carried out mainly in the form of bilateral development projects. Government scholarships at Czech universities will be provided to students from the Federal Democratic Republic of Ethiopia, subject to the rules laid down by the respective decision of the Czech government.
10. The Czech Development Cooperation is mainly carried out through bilateral projects which are implemented by the Czech Development Agency (CzDA). The CzDA is a governmental organization subordinated to the Ministry of Foreign Affairs of the Czech Republic.
11. The CzDA selects implementing bodies of the bilateral projects according to the Czech legislation, i.e. non-profit organizations, business companies, or universities.
12. The Ministry of Foreign Affairs of the Czech Republic and the Czech Development Agency are ready to:
 - 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 Development of Ethiopia (MoFED) that will present Ethiopian comments within 2 weeks. MoFED will convey final approval within 3 weeks after submission of the revised project document.
 - 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), and funds cannot be transferred to the following year.

- Organize tenders in the Czech Republic for suppliers of goods and services or provide grants to non-profit organizations according to its internal procedures and notify MoFED of all selected suppliers. The CzDA signs contracts with selected suppliers.
- Monitor implementation of the contracted project activities jointly with Ethiopian institutions.
- Inform MoFED, relevant sector ministries and Bureau of Finance and Economic Development of SNNPR of the projects' progress on semi-annual basis.
- Commission evaluation of the projects implemented within this framework of cooperation. The evaluation reports will be passed to MoFED and relevant sector ministries.

13. The Ministry of Finance and Economic Development of the Federal Democratic Republic of Ethiopia is ready to:

- Arrange for exemption of the projects and its implementing bodies within this framework of cooperation from the provisions of the Proclamation no. 621/2009 (CSO Law).
- Facilitate cooperation of Ethiopian authorities at regional, zonal and woredal 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 Czech experts) that allow for the smooth implementation of the projects within this framework of cooperation.
- Present comments to the project document within 2 weeks after its submission. MoFED will convey final approval within 3 weeks after submission of the revised project document. After the approval, a project agreement between MoFED and CzDA will be signed without any delay.
- Arrange that import duties, VAT and other fees related to the import to the FDRE of all equipment supplied within the implementation of projects under the present programme will be paid by the Ethiopian beneficiary institutions.

14. The Ministry of Foreign Affairs of the Czech Republic and the Ministry of Finance and Economic Development 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.

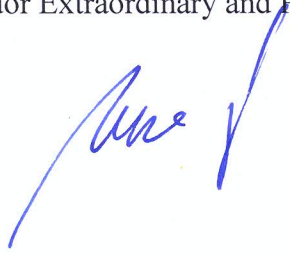
In Addis Ababa, on 4th October 2011.

FOR AND ON BEHALF OF THE MINISTRY OF FOREIGN AFFAIRS OF THE CZECH
REPUBLIC

Name: Marek Libřický

Title: Ambassador Extraordinary and Plenipotentiary of the Czech Republic

Signature:



FOR AND ON BEHALF OF THE MINISTRY OF FINANCE AND ECONOMIC
DEVELOPMENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

Name: Ahimed Shide Mohammed

Title: State Minister

Signature

