

PROGRAM IMPLEMENTATION AGREEMENT

BY AND BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

ACTING THROUGH

THE MILLENNIUM CHALLENGE CORPORATION

AND

THE GOVERNMENT OF THE REPUBLIC OF NAMIBIA

ACTING THROUGH THE

NATIONAL PLANNING COMMISSION

Dated as of December 9, 2008

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PROGRAM IMPLEMENTATION AGREEMENT

PREAMBLE

This PROGRAM IMPLEMENTATION AGREEMENT (this “*Agreement*”), dated as of December 9, 2008, is made by and between the Government of the United States of America, acting through the Millennium Challenge Corporation, a United States Government corporation, and the Government of the Republic of Namibia acting through the National Planning Commission, a governmental entity established under the laws of the Republic of Namibia pursuant to the National Planning Commission Act, 1994.

RECITALS

WHEREAS, the Millennium Challenge Compact between the United States of America, acting through MCC, and the Republic of Namibia (“*Namibia*”) signed in Windhoek, Namibia on July 28, 2008 (the “*Compact*”), sets forth the general terms on which MCC will provide funding of up to US\$304,477,816 in MCC Funding (as that term is defined in the Compact) to Namibia for a Millennium Challenge Account program to reduce poverty through economic growth in the Republic of Namibia;

WHEREAS, Namibia has designated MCA-Namibia to carry out certain rights, responsibilities and duties of Namibia under the Compact; and

WHEREAS, the Parties wish to specify further the terms for implementing the Compact and the Program;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

ARTICLE 1.

GENERAL RESPONSIBILITIES OF THE PARTIES

Section 1.1 Definitions.

Capitalized terms used in this Agreement and not defined in this Agreement (including Schedule 1 to this Agreement) have the meanings provided in the Compact.

Section 1.2 Role of the Government.

(a) Government Responsibilities. The Government will promptly take all necessary or appropriate actions to carry out the Government Responsibilities and to designate rights and

responsibilities to entities, including MCA-Namibia, adequate to enable them (each a “*Permitted Designee*”) to oversee and manage the implementation of the Program on behalf of Namibia.

(b) Government Undertakings. The Government hereby affirms as follows:

(i) Power, Authorization, etc. MCA-Namibia has the power and authority to execute, deliver and perform its obligations under this Agreement and under each other agreement, certificate, or instrument contemplated hereby or by the Compact, and none of such actions violate or will violate any obligation of the Government. MCA-Namibia has the authority to bind the Government to the full extent of the Designated Rights and Responsibilities.

(ii) Binding Obligation. This Agreement is a valid, binding and legally enforceable obligation of the Government.

(iii) No Conflict. Neither this Agreement nor the Compact, in each case upon ratification of the Compact by Namibia, conflicts with, or will conflict with, any international agreement or obligation binding on Namibia, or any laws of Namibia.

(iv) Autonomy. The Government will ensure that (A) no decision of MCA-Namibia is modified, supplemented, unduly influenced or rescinded by any governmental authority, except by a final and non-appealable judicial decision, and (B) the authority of MCA-Namibia will not be expanded, restricted or otherwise modified, except in accordance with this Agreement and the Compact.

(v) Impoundment; Liens or Encumbrances. The Government will ensure that (1) no Program Assets will be subject to any impoundment, rescission, sequestration, liquidation or to any provision of law now or hereafter in effect in Namibia that would have the effect of allowing any such impoundment, rescission or sequestration and (2) no Program Asset will be subject to any lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each a “*Lien*”), except with MCC’s prior written approval. In the event any Lien not so approved is imposed, the Government will promptly seek the release of such Lien and, if such Lien is required by a final and non-appealable court order, will pay any amounts due in order to obtain such release; *provided, however*, that the Government must apply national funds (and not Program Assets) to satisfy any such obligation.

(vi) Governance of MCA-Namibia. The Government will ensure that MCA-Namibia’s operations and management comply with the bylaws set forth in Schedule 3 (the “*Bylaws*”) and the Governance Guidelines (except as otherwise agreed to in the Compact, this Agreement or the Bylaws).

(vii) MCA-Namibia Indemnity. If MCA-Namibia is held liable under any indemnification or other similar provision of any agreement, then the Government will pay such indemnity in full on behalf of MCA-Namibia and will do so with national funds (and not with Program Assets). In addition, the Government will indemnify and hold harmless each member of MCA-Namibia’s board of directors (including the MCC observer) and its officers from any

claim, loss, action, liability, cost, damage or expenses incurred by such person in the performance of its duties on behalf of MCA-Namibia, *provided* that the Government shall have no obligation to indemnify any member if and to the extent that any such claims, losses, actions, liabilities, costs, damages or expenses are attributable to the fraud, gross negligence or willful misconduct of such member.

Section 1.3 Role of MCA-Namibia.

(a) Designation of MCA-Namibia.

(i) Pursuant to Section 3.2(b) of the Compact, Namibia has designated the National Planning Commission, a governmental entity established under the laws of the Republic of Namibia pursuant to the National Planning Commission Act, 1994, as the accountable entity to implement the Program and to perform Namibia's rights and responsibilities to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and their activities, allocating resources and managing procurements (the "***Designated Rights and Responsibilities***"). The National Planning Commission, acting in such designated capacity, will be referred to herein as "***MCA-Namibia***". Namibia will remain ultimately responsible for the performance of Namibia's obligations under or in relation to the Compact and this Agreement, and this designation will not relieve it of any of those obligations.

(ii) MCC hereby acknowledges and consents to the designation in Section 1.3(a)(i).

(iii) The Government will ensure that MCA-Namibia is duly organized, sufficiently staffed and empowered, and will cause MCA-Namibia to carry out fully and properly the Designated Rights and Responsibilities and its obligations under this Agreement and each other agreement, certificate, or instrument contemplated by this Agreement or by the Compact.

(iv) The "Accountable Entity" referenced in the Program Guidelines will be deemed to refer to MCA-Namibia, and MCA-Namibia accepts all obligations assigned in the Program Guidelines to the "Accountable Entity" as its obligations.

(b) Additional Government Undertakings with respect to MCA-Namibia. The Government hereby affirms to MCC as follows:

(i) Government Responsibilities. MCA-Namibia will properly and fully carry out the Designated Rights and Responsibilities, and (except as provided in Section 1.4 and Section 2.11(a) of this Agreement) will not assign, delegate or otherwise transfer any of the Designated Rights and Responsibilities without the prior written consent of MCC.

(ii) Government Representations. MCA-Namibia will confirm each representation that it makes on behalf of the Government in any certificate delivered by MCA-Namibia with all necessary Permitted Designees prior to providing such representation to MCC.

(iii) Funded Agreements. MCA-Namibia will provide the Fiscal Agent (and MCC if it so requests) a copy of each agreement that is funded with MCC Funding, regardless of whether MCC has approval rights with respect to such agreement.

(iv) Insurance; Performance Guaranties. MCA-Namibia will, to MCC's satisfaction, cause all Program Assets to be insured (including, without limitation, through self-insurance) and will arrange such other appropriate insurance to cover against risks or liabilities associated with the operations of the Program, including by requiring Providers to obtain adequate insurance and to post adequate performance bonds or other guaranties. The National Planning Commission (or, as appropriate and with MCC's prior approval, another entity) will be named as the payee on any such insurance and the beneficiary of any such guaranty or bonds. If not already named as the insured party, the National Planning Commission (and MCC, if it so requests) will be named as additional insureds on any such insurance. The Government will promptly notify MCC of the payment of any proceeds from claims paid under such insurance or guaranty, and will ensure that such proceeds will be used to replace or repair any lost or damaged Program Assets; *provided, however*, that, at MCC's election, such proceeds will be deposited in a Permitted Account as designated by MCA-Namibia or as otherwise directed by MCC.

(v) Constitution and Governance of MCA-Namibia. MCA-Namibia will conduct its operations and management in accordance with the Bylaws and the Governance Guidelines (except as otherwise agreed to in the Compact, this Agreement or the Bylaws).

Section 1.4 Implementing Entities. Subject to the terms of this Agreement and the Compact, MCA-Namibia may engage one or more entities of the Government to implement any Project or any activities in connection therewith to be carried out in furtherance of the Compact (each, an "**Implementing Entity**"). MCA-Namibia will enter into an agreement with each Implementing Entity, in form and substance satisfactory to MCC, that sets forth, *inter alia*, the roles and responsibilities of such Implementing Entity and the Officer to whom such Implementing Entity will report (each, an "**Implementing Entity Agreement**").

ARTICLE 2.

IMPLEMENTATION FRAMEWORK

Section 2.1 Implementation Plan. The framework for implementation of the Program will be further elaborated in a set of documents, in form and substance approved by MCC, consisting of (a) a Work Plan, (b) a Detailed Financial Plan, (c) an Audit Plan and (d) a Procurement Plan (each, an "**Implementation Plan Document**" and collectively the "**Implementation Plan**"). MCA-Namibia will submit its proposed Implementation Plan for review and approval by MCC before initial disbursement of MCC Funding (other than Compact Implementation Funding) and at least on an annual basis thereafter. MCC will review the proposed Implementation Plan and may, as necessary, request MCA-Namibia to submit clarifications or adjustments. MCA-Namibia will submit an updated Implementation Plan or updated Implementation Plan Document during any quarter in which significant changes or modifications are made to a Project or to the

Program, or when MCA-Namibia determines that the expected results, targets and milestones for the specified year are not likely to be achieved. In such instances, MCA-Namibia will submit a proposed revised Implementation Plan or updated Implementation Plan Document (as applicable) for MCC approval on the same date as the next Periodic Report. MCA-Namibia will ensure that the implementation of the Program is conducted in accordance with the Implementation Plan.

(a) Work Plan. MCA-Namibia will develop, adopt and implement a work plan (as approved by MCC) for the overall administration of the Program (the “**Work Plan**”). The Work Plan will set forth: (i) a detailed task list for each activity to be undertaken or funded by MCC Funding (in a level of detail acceptable to MCC), (ii) process and output indicators and targets synchronized with the M&E Plan, (iii) conditions precedent to Disbursements (in addition to any set forth herein), (iv) procurement process steps and (v) where appropriate, the allocation of roles and responsibilities for specific activities, performance requirements, and other programmatic guidelines and related expectations. MCA-Namibia will develop a separate annual Work Plan for (x) each Project identified in the Compact, (y) Program administration and (z) monitoring and evaluation.

(b) Detailed Financial Plan. The Multi-Year Financial Plan Summary for the Program, which is set forth in Annex II to the Compact, shows the estimated annual contribution of MCC Funding to administer, monitor and evaluate the Program and to implement each Project (the “**Multi-Year Financial Plan**”). Except as MCC otherwise agrees in writing, MCA-Namibia will develop, adopt and implement for each quarter for the upcoming year and on an annual basis for each year of the remaining years of the Compact, a detailed financial plan (as approved by MCC) setting forth funding requirements for the Program (including administrative costs) and for each Project, broken down to the sub-activity level (or lower, where appropriate), and projected both on a commitment and cash requirement basis (each a “**Detailed Financial Plan**”).

(c) Audit Plan. MCA-Namibia will develop, adopt and implement a plan, in accordance with the Audit Guidelines, for the audit of the expenditures of Covered Providers (the “**Audit Plan**”). The Audit Plan will be in form and substance satisfactory to MCC and will be adopted no later than sixty (60) days before the end of the first period to be audited.

(d) Procurement Plan. MCA-Namibia will prepare periodic procurement plans for acquiring goods, works, and consultant and non-consultant services needed to implement the Compact (each a “**Procurement Plan**”). Each Procurement Plan will be prepared in accordance with the MCA-Namibia Procurement Rules, will contain the information required by such rules and will be updated in accordance with the schedule set forth in such rules.

Section 2.2 Fiscal Accountability Plan. Except as MCC otherwise agrees, MCA-Namibia will prepare, adopt and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the “**Fiscal Accountability Plan**”) that MCA-Namibia will use to ensure appropriate fiscal accountability for the use of MCC Funding, including the process to ensure that open, fair, and competitive procedures will be used in a transparent manner in the administration of grants or cooperative agreements and in the procurement of goods, works and

services. The Fiscal Accountability Plan will also include, among other things, requirements with respect to: (a) budgeting, (b) accounting, (c) cash management, (d) financial transactions (receipts and payments), (e) opening and managing permitted accounts, (f) personnel and payroll, (g) travel and vehicle use, (h) asset and inventory control, (i) audits and (j) reporting.

Section 2.3 M&E Plan. MCA-Namibia will develop, adopt and implement a plan, in form and substance satisfactory to MCC, that sets forth the principles, mechanisms and procedures by which the Program will be monitored and evaluated (the “*M&E Plan*”). The M&E Plan will be developed in accordance with the MCC Monitoring and Evaluation Guidelines, will include all of the components and content outlined in such guidelines, and will serve as the primary governing document for M&E activities over the Compact Term.

Section 2.4 Tax Agreement. Prior to the initial Disbursement, the Government and the USG will enter into an agreement setting forth the mechanisms and the actions the Government will take to facilitate the administration of Section 2.8 of the Compact.

Section 2.5 Environmental Accountability.

(a) Unless MCC and the Government agree otherwise in writing, the Government will ensure that activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding comply with the MCC Environmental Guidelines.

(b) MCA-Namibia will (i) undertake and complete any environmental impact assessments, environmental assessments, environmental management plans, environmental and social audits and resettlement action plans required under the laws of Namibia, the MCC Environmental Guidelines, this Agreement, the Compact or any Supplemental Agreement or as otherwise required by MCC, each in form and substance satisfactory to MCC, and (ii) implement to MCC’s satisfaction any environmental and social mitigation measures identified in such assessments or plans.

(c) The Government will fund all necessary costs of environmental and social mitigation measures (including costs of resettlement) not specifically provided for in the budget for any Project.

Section 2.6 MCA-Namibia Procurement Rules. In accordance with Section 3.6 of the Compact, the Government will comply with the MCA-Namibia Procurement Rules in the procurement (including solicitation) of all goods, works and services and the award and administration of contracts in furtherance of the Compact. The Government agrees to amend the MCA-Namibia Procurement Rules, at MCC’s request, to reflect changes in US law, regulations or polices related to the funding of procurements. In addition, the Government agrees to consult in good faith with MCC, at its request, to amend the MCA-Namibia Procurement Rules for the purpose of ensuring continuity and compatibility with the MCC Program Procurement Guidelines.

Section 2.7 Gender Policy. The Government will ensure that all stages of Compact implementation involve the meaningful participation of women and men and incorporate gender considerations as set forth in the gender policy delivered by MCC to the Government or posted on the MCC Website or otherwise publicly made available (the “*MCC Gender Policy*”).

Section 2.8 Notice; Incorporation.

(a) The Government will notify all Providers of the requirements of Section 2.7 of the Compact and will include, or ensure the inclusion of, the requirements of Section 2.7 of the Compact in all agreements with a Provider if MCC is not a party to such agreements.

(b) The Government will include, or ensure the inclusion of, the requirements of:

(i) Sections 2.1(c) and 2.9(b) of this Agreement, Section 3.7 of the Compact and paragraphs (b), (c), and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Covered Provider that is not a non-profit organization domiciled in the United States, on the other hand;

(ii) Section 3.7 of the Compact and paragraphs (b) and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Provider that does not meet the definition of a Covered Provider; and

(iii) Section 3.7 of the Compact and paragraphs (b), (c), and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Covered Provider that is a non-profit organization domiciled in the United States.

Section 2.9 Reports; Notices.

(a) Unless MCC agrees otherwise in writing, MCA-Namibia will periodically provide to MCC, in form and substance satisfactory to MCC, the reports and information required by the Reporting Guidelines (each, a “*Periodic Report*”). MCA-Namibia will provide the Periodic Reports to MCC on the schedule specified in the Reporting Guidelines, and the Periodic Reports will be consistent with the Reporting Guidelines in all respects. As of the date hereof, the following Periodic Reports are required to be submitted under the Reporting Guidelines:

(i) On a quarterly basis, the following will be submitted by MCA-Namibia to MCC:

(1) a narrative report setting forth the proposed use for the Disbursement in the upcoming quarter together with an explanation of the use of funds of the previous quarter and any adjustments to the Implementation Plan, substantially in the form of the “Narrative Report” posted on the MCC Website;

(2) a quarterly financial report setting forth a financial report of MCA-Namibia's financial activities during the preceding quarter and documentation supporting any proposed cash requirements for the upcoming quarter, substantially in the form of the "Form of Quarterly Financial Report" posted on the MCC Website (the "*Quarterly Financial Report*");

(3) an updated Detailed Financial Plan setting forth information with respect to the upcoming four quarters and each of the remaining years of the Compact substantially in the form of the "Detailed Financial Plan" posted on the MCC Website;

(4) a procurement performance report, setting forth a cumulative summary of executed procurement actions compared to the Procurement Plan approved by MCC for the preceding quarter, substantially in the form of the "Procurement Performance Report" posted on the MCC Website;

(5) a conditions precedent report, describing progress toward meeting conditions precedent to Disbursements of MCC Funding in the upcoming quarter, substantially in the form of the "Conditions Precedent Report" posted on the MCC Website; and

(6) an indicator tracking table, setting forth the performance indicators contained in the M&E Plan and tracking MCA-Namibia's progress against said indicators, substantially in the form of the "Indicator Tracking Table" posted on the MCC Website.

(ii) On October 30 of each year of the Compact Term (or within thirty (30) days of any written request by MCC), an annual supplemental report containing the following information will be submitted by MCA-Namibia to MCC:

(1) the progress made by the Government toward achieving the Compact Goal, Program Objective and Project Objectives;

(2) additional information on accomplishments not presented in the Periodic Reports;

(3) developments in Compact implementation related to the consultative process, donor coordination, and lessons learned;

(4) any report or document required to be delivered to MCC in connection with the Program under the MCC Environmental Guidelines, any Audit Plan, or any Implementation Plan Document; and

(5) any other report, document or information requested by MCC in connection with the Program or required by this Agreement, the Compact or any Supplemental Agreement between the Parties.

(b) MCA-Namibia will furnish, or use its best efforts to furnish, to MCC an audit report in a form satisfactory to MCC for each audit required under the Compact, other than

audits arranged for by MCC, no later than ninety (90) days after the end of the period under audit, or such other time as may be agreed by MCC from time to time.

(c) MCA-Namibia will furnish to MCC an updated M&E Plan in a form and substance satisfactory to MCC on an annual basis.

(d) MCA-Namibia will furnish MCC with a report, in form and substance satisfactory to MCC, during the first calendar quarter of each year regarding the Government's contribution to the objectives of the Program required by Section 2.6 of the Compact. The report will cover the preceding fiscal year and the projected contributions for the current fiscal year.

(e) If at any time during the Compact Term, the Government materially reallocates or reduces the allocation in its national budget of the normal and expected resources that the Government would have otherwise received or budgeted, from external or domestic sources, or fails to timely distribute an allocation budgeted for the activities contemplated under the Compact or the Program, the Government must notify MCC in writing within thirty (30) days of such reallocation, reduction, or failure to distribute, such notification to contain information regarding the amount of the reallocation, reduction, or failure to distribute, the affected activities, and an explanation for the reallocation or reduction.

(f) In addition to the Periodic Reports, MCA-Namibia will provide to MCC within thirty (30) days of a written request by MCC, or as otherwise agreed by MCC and MCA-Namibia in writing, such other reports or documents as MCC may request from time to time as related to any component of the Implementation Plan, the Fiscal Accountability Plan or the Program Guidelines or in connection with any Disbursement.

(g) MCA-Namibia will submit the Periodic Reports and any other reports required hereunder electronically if requested by MCC or otherwise required by the Reporting Guidelines.

Section 2.10 Transactions Subject to MCC Approval. Each of the following transactions, activities, agreements, appointments and documents requires MCC's prior written approval:

- (a) Disbursements;
- (b) the Implementation Plan (including each element or component thereof), and the M&E Plan, and any modification of any of the foregoing;
- (c) agreements between the Government and MCA-Namibia, and agreements in which any of the following are appointed, hired or otherwise engaged (each, a "**Material Agreement**"):
 - (i) Auditor or Reviewer;
 - (ii) Fiscal Agent;

- (iii) Procurement Agent;
 - (iv) Bank;
 - (v) Implementing Entity; and
 - (vi) any appointment of any Officer of MCA-Namibia (including agreements regarding compensation for any such person);
- (d) any modification, termination or suspension of a Material Agreement, or any action that would have equivalent effect;
- (e) any agreement that is not Arm's Length;
- (f) any decree, legislation, regulation, charter, contractual arrangement or other document establishing or governing (other than public laws of general application to all public institutions), or relating to the formation, organization or governance of, MCA-Namibia (including the Bylaws and any staffing plan), and all amendments thereof (each, a "**Governing Document**");
- (g) any disposition, in whole or in part, liquidation, dissolution, winding up, reorganization or other change of MCA-Namibia, including any revocation or modification of or supplement to any Governing Document related thereto;
- (h) any change in character or location of any Permitted Account;
- (i) (i) any change of any Officer of MCA-Namibia or in the composition or size of its management, and the filling of any vacant position of any Officer of MCA-Namibia, and (ii) any selection of an entity to serve as a Stakeholder/Consultative Committee other than those entities listed in Annex I to the Compact;
- (j) any decision by MCA-Namibia to engage, to accept or to manage any funds from any donor agencies or organizations in addition to MCC Funding during the Compact Term; and
- (k) any decision to amend, supplement, replace, terminate or otherwise change any of the foregoing.

Section 2.11 Role of Certain Entities in Implementation.

(a) Outside Project Manager. MCA-Namibia will have the authority to engage qualified persons or entities to serve as outside project managers (each, an "**Outside Project Manager**") in the event that it is advisable to do so for the proper and efficient day-to-day management of a Project; *provided, however*, that the appointment or engagement of any Outside Project Manager will be made using a competitive selection process and will be subject to approval by the Board and by MCC prior to such appointment or engagement. Upon such approval, MCA-Namibia may delegate, assign, or contract to the Outside Project Managers such

duties and responsibilities as it deems appropriate with respect to the management of the Implementing Entities and the implementation of the specific Projects; and *provided, further*, that MCA-Namibia will remain accountable for those duties and responsibilities and all reports delivered by the Outside Project Manager notwithstanding any such delegation, assignment or contract and the Outside Project Manager will be subject to the oversight of the Fiscal Agent and Procurement Agent. The Board may determine that it is advisable to engage one or more Outside Project Managers and instruct MCA-Namibia and, where appropriate, the Procurement Agent to commence and conduct the competitive selection process for such Outside Project Manager.

(b) Fiscal Agent. MCA-Namibia will engage a fiscal agent (the “*Fiscal Agent*”), who will be responsible for, among other things, (i) ensuring and certifying that Disbursements are properly authorized and documented in accordance with established control procedures set forth in the Fiscal Agent Agreement and the Bank Agreement, (ii) instructing the Bank to make Disbursements from a Permitted Account or requesting Disbursement be made directly to a provider as payment for goods, works or services in accordance with the Common Payment System or any successor payment system approved by MCC, as the case may be, and in each case following applicable certification by the Fiscal Agent, (iii) providing applicable certifications for Disbursement Requests, (iv) maintaining proper accounting of all MCC Funding financial transactions, and (v) producing reports on Disbursements in accordance with established procedures set forth in the Fiscal Agent Agreement or the Bank Agreement. MCA-Namibia will enter into an agreement with the Fiscal Agent, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Fiscal Agent and other appropriate terms and conditions (“*Fiscal Agent Agreement*”).

(c) Auditors and Reviewers. MCA-Namibia will engage one or more auditors as contemplated in the Audit Guidelines (each, an “*Auditor*”). As requested by MCC in writing from time to time, MCA-Namibia will also engage an independent (i) reviewer to conduct reviews of performance and compliance under the Compact, which reviewer will have the capacity to (1) conduct general reviews of performance or compliance, (2) conduct environmental and social audits, and (3) conduct data quality assessments in accordance with the M&E Plan, as described more fully in Annex III to the Compact, and/or (ii) evaluator to assess performance as required under the M&E Plan (each, a “*Reviewer*”). MCA-Namibia will select the Auditor(s) and/or Reviewers in accordance with the Audit Guidelines and the M&E Plan, as applicable. MCA-Namibia will enter into an agreement with each Auditor or Reviewer, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Auditor or Reviewer with respect to the audit, review or evaluation, including access rights, required form and content of the applicable audit, review or evaluation and other appropriate terms and conditions (the “*Auditor / Reviewer Agreement*”).

(d) Procurement Agent. MCA-Namibia will engage a procurement agent (the “*Procurement Agent*”) to carry out and/or certify specified procurement activities in furtherance of the Compact and this Agreement. The criteria for selection of the Procurement Agent will be as set forth in the MCA-Namibia Procurement Rules. MCA-Namibia will enter into an agreement with the Procurement Agent, in form and substance acceptable to MCC, that sets forth

the roles and responsibilities of the Procurement Agent with respect to the conduct, monitoring and review of procurements and other appropriate terms and conditions (the “*Procurement Agent Agreement*”).

Section 2.12 Publicity.

(a) MCA-Namibia will give appropriate publicity to the Compact as a program to which the United States, through MCC, has contributed, including by posting the following documents in English, on the website operated by MCA-Namibia (the “*MCA-Namibia Website*”), identifying Program activity sites, and marking Program Assets, and all in accordance with the MCC “Standards for Corporate Marking and Branding” of which MCC has informed the Government in writing or by posting on the MCC Website: (i) Compact, (ii) this Agreement, (iii) minutes of the meetings of the Board, and minutes of the meetings of the Stakeholders/Consultative Committees as they relate to MCA-Namibia; (iv) the M&E Plan, along with periodic reports on Program performance; (v) all environmental and social impact assessments for the Projects and supporting documents; (vi) all audit reports by an Auditor and any periodic reports or evaluations by a Reviewer; (vii) all Disbursement Requests; (viii) all reports required to be submitted to MCC under the terms of this Agreement (including the quarterly reports pursuant to Section 2.9(a)(i)); (ix) all procurement policies and procedures (including standard documents, procurement plans, contracts awarded and bid challenge procedures) and any other procurement documents required to be made publicly available; (x) a copy of any legislation or other documents related to the formation, organization or governance of MCA-Namibia (except to the extent classified), including the Governing Documents and any amendments thereto; and (xi) such other materials as MCC may request, *provided, however*, that any press release or announcement regarding MCC or the fact that MCC is funding the Program or any other publicity materials referencing MCC will be subject to MCC’s prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

(b) Notwithstanding Section 2.12(a), information relating to procurements prior to the award of a contract and confidential information relating to MCA-Namibia’s agreements with employees, contractors and consultants will be excluded from the information and documents made publicly available, *provided* that MCC and MCA-Namibia will mutually determine whether any information to be excluded is confidential.

(c) Upon the termination or expiration of the Compact, the Government must, upon MCC’s request, cause the removal of any such markings and any references to MCC in any publicity materials or on the MCA-Namibia Website. MCC may post the Compact and any amendments thereto on the MCC Website.

Section 2.13 Government Contribution. In accordance with Section 2.6(a) of the Compact, the Government shall make an appropriate contribution, relative to its national budget and taking into account prevailing economic conditions, toward meeting the objectives of the Compact. Such contribution shall be in addition to the Government’s spending allocated toward such objectives in its budget for its fiscal year 2008. The Government’s anticipated contributions from its national budget for fiscal years 2009 through 2014 are set forth in Schedule 4 to this

Agreement. Such contributions remain subject to any legal requirements in the Republic of Namibia for the budgeting and appropriation of such contributions, including approval of the Government's annual budget by Namibia's Parliament. The Government's contribution may include in-kind and financial contributions (including obligations of the Government on any debt incurred toward meeting the Objectives).

ARTICLE 3.

DISBURSEMENT OF MCC FUNDING

Section 3.1 Disbursement Process.

(a) Disbursement Requests. MCA-Namibia may request Disbursements of MCC Funding to be made under the Compact by submitting a written request substantially in the form of the "Form of Disbursement Request" posted on the MCC Website (each a "***Disbursement Request***"), duly completed, to MCC not later than twenty (20) days (or such other period of time as may be agreed by MCC) prior to the commencement of each Disbursement Period. Requests for Disbursement of Program Funding and Compact Implementation Funding for any Disbursement Period shall be made by separate Disbursement Requests using the applicable form. Unless otherwise agreed by MCC, MCA-Namibia may only submit one Disbursement Request for Program Funding, and one Disbursement Request for Compact Implementation Funding, for each quarter (such quarter, or any other period of time as agreed by MCC, the "***Disbursement Period***"). Each Disbursement Request submitted must be accompanied by the Periodic Reports covering such Disbursement Period.

(b) Approval of Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Disbursement Request, MCC will determine the appropriate amount of the Disbursement for application during the subsequent related Disbursement Period based on, among other things, (1) the progress achieved under the Implementation Plan, (2) the amount of funds required to complete the activities described in the accompanying Periodic Reports during such Disbursement Period and (3) the satisfaction, waiver or deferral of applicable conditions to such Disbursement. MCC reserves the right to reduce the amount of any Disbursement in accordance with Section 3.5 of this Agreement.

(ii) Upon MCC's approval of a Disbursement Request, the proceeds of the approved Disbursement may be transferred, at MCC's sole election, (1) to a Permitted Account or (2) directly to a Provider as payment for goods, works or services in accordance with the Common Payment System or any successor payment system approved by MCC; *provided however*, that expenditures of such proceeds (including amounts transferred directly to a Provider) are authorized by MCA-Namibia, and the related payment complies with standards and procedures set forth in the Fiscal Agent Agreement and the Fiscal Accountability Plan as certified by the Fiscal Agent.

(c) Permitted Accounts.

(i) Unless otherwise agreed by MCC, prior to the initial Disbursement, MCA-Namibia will establish the following accounts (together with such other accounts as may be agreed by the Parties in writing from time to time, the “**Permitted Accounts**”): (1) a single, completely separate U.S. Dollar interest-bearing account at a financial institution acceptable to MCC (the “**Special Account**”); and (2) if necessary as determined by MCC, an interest-bearing account in the legal tender of Namibia (the “**Local Account**”) at a financial institution acceptable to MCC which will hold funds in the legal tender of Namibia.

(ii) Unless otherwise authorized by MCC, no other funds will be co-mingled in a Permitted Account other than MCC Funding and accrued interest thereon. MCC will have the right, among other things, to view any Permitted Account statements and activity directly on-line, and where such viewing is not feasible, the Government will provide copies of such statements to MCC upon its request. Prior to any MCC Funding being deposited into a Permitted Account, MCA-Namibia will enter into an agreement, in form and substance satisfactory to MCC, with the financial institution approved to hold such Permitted Account (the “**Bank**”) that sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to such Permitted Account (the “**Bank Agreement**”).

(iii) MCC Funding held in a Permitted Account will accrue interest or other earnings in accordance with the Bank Agreement. On a quarterly basis and upon the termination or expiration of the Compact or the Bank Agreement, MCA-Namibia will ensure the transfer of all accrued interest to MCC.

(iv) MCA-Namibia will provide in writing to MCC and the Fiscal Agent the account name, designated account number and wire transfer instructions for transfers to Permitted Accounts (the “**Account and Wire Transfer Information**”) no later than ten (10) business days prior to the date on which the initial deposit is to be made to a Permitted Account. In the event that any Permitted Account or the related Account and Wire Transfer Information changes during the term of the Compact, MCA-Namibia will provide to MCC and the Fiscal Agent the new information as soon as practicable, but in no event later than ten (10) business days prior to the requested date for the next Disbursement.

(v) Unless otherwise agreed by MCC, if MCC Funding is held in any Special Account, MCA-Namibia will ensure that such MCC Funding will be denominated in the currency of the United States of America prior to its expenditure or transfer to a Local Account. To the extent that any amount of MCC Funding held in U.S. Dollars must be converted into the currency of Namibia for any purpose, MCA-Namibia will ensure that such amount is converted consistent with the requirements of the Bank Agreement or any other applicable Supplemental Agreement.

Section 3.2 Working Capital. Each Disbursement Request may authorize up to (i) one hundred thousand U.S. dollars (US\$100,000) of Compact Implementation Funding or (ii) five

hundred thousand U.S. dollars (US\$500,000) of Program Funding (or, in each case, such other amount as MCC may approve) to serve as a contingent funding reserve (“*Working Capital*”) to be used exclusively for expenses included in then current MCC-approved Detailed Financial Plan as set out in, or as otherwise agreed to, in the Fiscal Accountability Plan.

Section 3.3 Conditions Precedent to Disbursement of Compact Implementation Funding. Prior to the initial Disbursement of Compact Implementation Funding or any subsequent Disbursement of Compact Implementation Funding, the applicable conditions set forth in Annex IV to the Compact must have been met to MCC’s satisfaction.

Section 3.4 Conditions Precedent to the Initial Disbursement of Program Funding. Prior to the initial Disbursement of Program Funding, the following conditions of this Section 3.4 and the conditions set forth in Section 3.5 must have been met to MCC’s satisfaction:

- (a) **Entry into Force.** The Compact has entered into force as provided in Article 7 of the Compact.
- (b) **Key Officers.** Each of the Officers has been selected and engaged by MCA-Namibia and approved by MCC.
- (c) **MCA-Namibia Certificate.** Delivery of a certificate of MCA-Namibia substantially in the form of the “MCA Initial Disbursement Certificate” posted on the MCC Website or such other form provided by MCC, together with the attachments thereto.
- (d) **Fiscal Agent Certificate.** Delivery of a certificate of the Fiscal Agent, substantially in the form of the “Fiscal Agent Initial Disbursement Certificate” posted on the MCC Website or such other form provided by MCC.
- (e) **Fiscal Accountability Plan.** The Fiscal Accountability Plan (or an interim version) has been developed and adopted by the Government and approved by MCC.
- (f) **M&E Plan.** The M&E Plan has been developed by the Government and approved by MCC.

Section 3.5 Conditions Precedent to Each Disbursement of Program Funding. The following conditions must have been met to MCC’s satisfaction prior to each Disbursement of Program Funding (including the initial Disbursement of Program Funding):

- (a) **Deliveries.** MCA-Namibia must deliver to MCC the following documents, in form and substance satisfactory to MCC:
 - (i) a completed Disbursement Request, together with the Periodic Reports covering the related Disbursement Period;

- (ii) any proposed waiver or deferral (together with a justification) of any condition to such Disbursement;
 - (iii) the reports then due from any technical (including environmental) auditors engaged by MCA-Namibia for any Project activity;
 - (iv) a certificate of MCA-Namibia, dated as of the date of such Disbursement Request, substantially in the form of the “MCA Disbursement Certificate” posted on the MCC Website or such other form provided by MCC (the “*MCA Disbursement Certificate*”);
 - (v) a certificate of the Procurement Agent, substantially in the form of the “Procurement Agent Disbursement Certificate” posted on the MCC Website or such other form provided by MCC (the “*Procurement Agent Disbursement Certificate*”); and
 - (vi) a certificate of the Fiscal Agent, substantially in the form of the “Fiscal Agent Certificate” posted on the MCC Website or such other form provided by MCC (the “*Fiscal Agent Disbursement Certificate*”).
- (b) Other Conditions Precedent. MCA-Namibia must satisfy, as MCC determines in its sole discretion, each of the following conditions:
- (i) all applicable conditions precedent in Schedule 2 to this Agreement, have been duly satisfied, deferred or waived as provided in this Agreement;
 - (ii) no material default or breach of any covenant, obligation or responsibility by the Government, MCA-Namibia or any Government entity has occurred and is continuing under this Agreement, the Compact or any Supplemental Agreement;
 - (iii) activities to be funded with MCC Funding being requested by such Disbursement Request will not violate any applicable law or regulation;
 - (iv) the Implementation Plan Documents submitted to MCC are current and updated and are in form and substance satisfactory to MCC, and there has been satisfactory progress on the components of the Implementation Plan for any relevant Projects or Project activities related to such Disbursement;
 - (v) there has been satisfactory progress on the M&E Plan for the Program, relevant Project or Project activity and substantial compliance with the requirements of such M&E Plan;
 - (vi) there has been no material negative finding in any financial audit report delivered in accordance with the Compact and Audit Plan, for the prior two quarters (or such other period as the Audit Plan may require);

(vii) any Taxes paid with MCC Funding through the date 90 days prior to the start of the applicable Disbursement Period have been reimbursed by the Government in full in accordance with Section 2.8 of the Compact;

(viii) the Government has satisfied all of its payment obligations, including any insurance, indemnification, tax payments or other obligations, and contributed all resources required from it, under the Compact, this Agreement and any Supplemental Agreement;

(ix) MCC does not have grounds for concluding that any matter certified to it in the related MCA Disbursement Certificate, Procurement Agent Disbursement Certificate or Fiscal Agent Disbursement Certificate is not as certified;

(x) MCC has not determined, in its sole discretion, that an act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, MCC Funding in accordance with Section 5.1 of the Compact;

(xi) if any of the Officers have been removed or resigned and the position remains vacant, MCA-Namibia is actively engaged, to MCC's satisfaction, in recruiting a replacement; and

(xii) within six months of the Compact's entry into force pursuant to Article 7 thereof, MCA-Namibia has established and adopted a bid challenge system ("**BCS**") that provides suppliers, contractors and consultants (interested parties) the ability to seek review of procurement actions and decisions. The organization, rules and procedures of such BCS shall be subject to MCC approval. Upon adoption by MCA-Namibia and MCC's approval, the BCS shall be published on MCA-Namibia's website.

Section 3.6 Failure to Satisfy Conditions Precedent. MCC may, in its sole discretion, disapprove any Disbursement completely or reduce the amount of any Disbursement by an amount equal to the amount requested for any Project activity for which the relevant conditions precedent have not been satisfied, waived or deferred.

Section 3.7 Authorized Expenditures. Except as MCC otherwise agrees, a Disbursement, or financial commitment involving MCC Funding may be made, and a Disbursement Request may be submitted, only if the related expense is provided for in the Detailed Financial Plan and sufficient uncommitted funds exist in the Detailed Financial Plan for the relevant period.

ARTICLE 4.

EFFECTIVENESS OF THIS AGREEMENT

This Agreement will become effective upon the execution of this Agreement by each of the Parties to this Agreement and delivery of the executed signature pages to MCC.

ARTICLE 5.
GENERAL PROVISIONS

Section 5.1 Representatives.

(a) For all purposes relevant to this Agreement, the Government will be represented by the individual holding the position of, or acting as, Director General of the National Planning Commission (the “**Government Principal Representative**”) and MCC will be represented by the individual holding the position of, or acting as, Vice President, Compact Implementation (the “**MCC Principal Representative**”). Each of the Government Principal Representative and the MCC Principal Representative (each, a “**Principal Representative**”) may, by written notice, designate one or more additional representatives (each, an “**Additional Representative**”) for all purposes other than signing amendments to this Agreement. The Government hereby designates the chief executive officer of MCA-Namibia as an Additional Representative.

(b) The names of each Party’s Principal Representative and its respective Additional Representatives will be provided, with specimen signatures, to the other Party, and each Party may accept as duly authorized any instrument signed by such Principal Representative or Additional Representative relating to the implementation of this Agreement, until receipt of written notice of revocation of their authority.

(c) A Party may replace its Principal Representative with a new representative that holds a position of equal or higher rank upon written notice to the other Party, which notice will include the specimen signature of the new Principal Representative.

Section 5.2 Communications. Any document or communication required or submitted by any Party to another under this Agreement must be in writing and, except as otherwise agreed with MCC, in English. For this purpose, the address of each Party is set forth below.

To MCC:

Millennium Challenge Corporation
Attention: Vice President, Compact Implementation
875 Fifteenth Street, N.W.
Washington, D.C. 20005
United States of America
Tel: +1 (202) 521-3600
Fax: +1 (202) 521-3701
E-mail: VPIimplementation@mcc.gov

With a copy to:

Millennium Challenge Corporation
Attention: Vice President and General Counsel
875 Fifteenth Street, N.W.
Washington, D.C. 20005
United States of America
Tel: +1 (202) 521-3600
Fax: +1 (202) 521-3701
Email: VPGeneralCounsel@mcc.gov

To the Government:

The Director General
National Planning Commission
Office of the President
Government Office Park
Luther Street
Block D, Room 206
Private Bag 12005
Windhoek
Republic of Namibia
Tel: +264 61 283 4222
Fax: +264 61 250 751

With a copy to:

MCA-Namibia
Attention: Chief Executive Officer
c/o National Planning Commission
Office of the President
Government Office Park
Luther Street
Block D, Room 206
Private Bag 12005
Windhoek
Republic of Namibia
Tel: +264 61 283 4500
Fax: +264 61 250 4563

Section 5.3 Assignments.

(a) Assignment by MCC. MCC (acting on behalf of the USG) may assign, delegate or contract its rights and obligations, in whole or in part, under this Agreement to any affiliate,

agent, or representative of MCC without the prior consent of the other Party. MCC will use its best efforts to provide written notice to the other Party prior to the effectiveness of any such assignment, delegation or contract, and in any event will provide notice after effectiveness, *provided*, that the failure to provide prior notice will not be deemed a breach of this Agreement.

(b) Assignment by the Government or MCA-Namibia. Neither the Government nor MCA-Namibia may assign, delegate or contract its rights or obligations under this Agreement without MCC's prior written consent.

Section 5.4 Amendment; Waivers. The Parties may amend this Agreement only by a written agreement signed by the Principal Representative of each Party. Any waiver of a right or obligation arising under this Agreement will be effective only if provided in writing.

Section 5.5 Attachments. Each exhibit, schedule and annex attached to this Agreement constitutes an integral part of this Agreement.

Section 5.6 Inconsistencies. In the event of any conflict or inconsistency between this Agreement and the Compact, the terms of the Compact will prevail. In the event of any conflict or inconsistency between this Agreement and any Supplemental Agreement or any Implementation Plan Document the terms of this Agreement will prevail.

Section 5.7 Business Days. Any reference to "business days" will mean any day other than a Saturday, Sunday, commercial banking holiday in Windhoek, Namibia, or Washington, D.C., United States, or a national holiday in the Republic of Namibia or the United States; and any reference to "day" will mean a calendar day. Whenever under the terms hereof the time for giving a notice or performing an act falls on a day that is not a business day, such time will be extended to the next day that is a business day.

Section 5.8 Termination or Suspension of the Compact.

(a) Subject to Section 5.1(c) of the Compact, all Disbursements and expenditures of Disbursement proceeds will cease upon expiration, suspension, or termination of the Compact. Other than payments permitted pursuant to Section 5.1(c) of the Compact, in the event of the suspension or termination of the Compact, this Agreement or any Supplemental Agreement, in whole or in part, the Government will, except as MCC otherwise consents, ensure the suspension or, as applicable, termination of any obligation or sub-obligation of any Party to provide financial or other resources under the Program. In the event of such suspension or termination, the Government will use its best efforts to ensure the suspension or, as applicable, termination of all related commitments of MCC Funding. Any portion of the Compact, this Agreement or any Supplemental Agreement that is not suspended or terminated will remain in full force and effect.

(b) Upon the full or partial suspension or termination of the Compact or any MCC Funding by MCC pursuant to Section 5.1(b)(i) of the Compact, MCC may, at its expense, direct that title to any Program Assets it may specify be transferred to MCC if such Program Assets are in a movable state; *provided however*, that, for any Program Asset in an immovable state and any

Program Asset partially purchased or funded with MCC Funding, the Government will reimburse MCC in United States Dollars the cash equivalent of such portion of the value of such Program Asset, such value as reasonably determined by MCC.

(c) Prior to expiration, or upon termination, of the Compact, the Parties will consult in good faith with a view to reaching an agreement in writing on (i) the process for ensuring the refunds of Disbursements that have not yet been released from a Permitted Account or committed in accordance with Section 5.1(c) of the Compact and (ii) any other matter related to the winding up of the Program and the Compact.

Section 5.9 Termination of this Agreement.

(a) MCC may terminate this Agreement in its entirety by giving the other Party thirty (30) days' written notice.

(b) Unless terminated earlier in accordance with the terms hereof or the Compact, this Agreement will terminate on the date that is 120 days following the expiration or termination of the Compact; *provided, however*, that, if MCC determines that Disbursements related to obligations incurred prior to the expiration or termination of the Compact remain to be paid, then the term of this Agreement may be further extended by MCC's notice to the Government and MCA-Namibia until such date as such obligations are satisfied.

(c) MCC may immediately terminate this Agreement, in whole or in part, by written notice to MCA-Namibia and the Government, if MCC determines that any event that would be a basis for termination or suspension of the Compact or MCC Funding under Section 5.1 of the Compact has occurred, including those circumstances stated at the MCC Website.

Section 5.10 Survival. Notwithstanding any expiration, suspension or termination of this Agreement, the following provisions of this Agreement will survive: Sections 1.2(b)(v), 1.3(a)(i), 1.3(b)(iii), 1.3(b)(iv) (for one year), 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.8, 5.9, 5.10, 5.12 and 5.13.

Section 5.11 Information. MCC may use or disclose any information provided to it in any Disbursement Request, or report or document (a) to its employees, contractors, agents and representatives, (b) to any United States inspector general or the US General Accountability Office or otherwise for the purpose of satisfying MCC's own reporting requirements, (c) to post on its website for the purpose of making certain information publicly available and transparent, (d) in connection with publicizing MCC and its programs or (e) in any other manner, *provided* that in the case of this clause (e), MCC will use best efforts to notify the Government prior to any use or disclosure.

Section 5.12 English Language. This Agreement is prepared and executed in English, and, in the event of any ambiguity or conflict between this official English version and any translation made for the convenience of the Parties, this official English version will prevail.

Section 5.13 Governing Law. The Parties acknowledge and agree that this Agreement is an international agreement entered into for the purpose of implementing the Compact and as such will be interpreted in a manner consistent with the Compact and will be governed by the principles of international law.

Section 5.14 Counterparts. This Agreement may be executed in one or more counterpart signatures, and each counterpart when so executed and delivered shall be an original instrument, but such counterparts together shall constitute a single agreement. Except as the Parties may otherwise agree in writing from time to time, a signature delivered by facsimile or electronic mail in accordance with Section 5.2 shall be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying agreement on the basis of the signature's legal effect, validity or enforceability solely because it is in facsimile or electronic form. Such signature shall be accepted by the receiving Party as an original signature and shall be binding on the Party delivering such signature.

SIGNATURE PAGE BEGINS ON THE NEXT PAGE

IN WITNESS WHEREOF, each Party has caused this Program Implementation Agreement to be executed by a duly authorized representative as of the 9th day of December 2008.

THE GOVERNMENT OF THE UNITED STATES OF AMERICA,
acting through the Millennium Challenge Corporation

/ s /

By: _____
Name: Darius Mans
Title: Vice President, Compact Implementation

THE GOVERNMENT OF THE REPUBLIC OF NAMIBIA,
acting through the National Planning Commission

/ s /

By: _____
Name: Professor Peter H. Katjavivi
Title: Director General, National Planning Commission

SCHEDULE 1 DEFINITIONS

Account and Wire Transfer Information has the meaning provided in Section 3.1(c)(iv).

Additional Representative has the meaning provided in Section 5.1(a).

Agreement has the meaning provided in the Preamble.

Arm's Length means, with respect to any agreement or transaction entered into by MCA-Namibia, one (i) that is with a related, affiliated or interested party that includes terms no more favorable to such party than would be offered if such agreement were with a disinterested third party in an open market transaction or (ii) in which the parties have equal bargaining positions, one party is not subject to the other's control or dominate influence or the transaction is treated with fairness, integrity or legality;

Audit Plan has the meaning provided in Section 2.1(c).

Auditor has the meaning provided in Section 2.11(c).

Auditor / Reviewer Agreement has the meaning provided in Section 2.11(c).

Bank has the meaning provided in Section 3.1(c)(ii).

Bank Agreement has the meaning provided in Section 3.1(c)(ii).

BCS has the meaning provided in Section 3.5(b)(xii).

Board means the board of directors of MCA-Namibia, which shall be the same as the Board of Commissioners of the National Planning Commission.

Bylaws has the meaning provided in Section 1.2(b)(vi).

Common Payment System means the system pursuant to which payments of MCC Funding are made directly to vendors as further described in the Fiscal Accountability Plan.

Compact has the meaning provided in the Recitals.

Compact Term means the term of the Compact as provided in Section 7.4 of the Compact.

Designated Rights and Responsibilities has the meaning provided in Section 1.3(a)(i).

Detailed Financial Plan has the meaning provided in Section 2.1(b).

Disbursement Period has the meaning provided in Section 3.1(a).

Disbursement Request has the meaning provided in Section 3.1(a).

Entry into Force means the entry into force of the Compact as provided in Article 7 of the Compact.

Exclusive Access Concession means a fixed-term, exclusive right to access a demarcated area in a public conservation area in Namibia for the purpose of defined tourism services (e.g., game drives), but excluding accommodation services.

Fiscal Accountability Plan has the meaning provided in Section 2.2.

Fiscal Agent has the meaning provided in Section 2.11(b).

Fiscal Agent Agreement has the meaning provided in Section 2.11(b).

Fiscal Agent Disbursement Certificate has the meaning provided in Section 3.5(a)(vi).

Governance Guidelines means the MCC “Guidelines for Accountable Entities and Implementation Structures” provided on the MCC Website.

Governing Document has the meaning provided in Section 2.10(f).

Government means the Republic of Namibia, including each of its ministries, bureaus, departments, agencies, government corporations and any other entities chartered or established by the Government, including MCA-Namibia.

Government Principal Representative has the meaning provided in Section 5.1(a).

Government Responsibilities means all of the Government’s obligations under this Agreement, the Compact, any Supplemental Agreement and the Implementation Plan, and any post-Compact Term activities, audits or other responsibilities.

Implementation Plan has the meaning provided in Section 2.1.

Implementation Plan Document has the meaning provided in Section 2.1.

Implementing Entity has the meaning provided in Section 1.4.

Implementing Entity Agreement has the meaning provided in Section 1.4.

Lien has the meaning provided in Section 1.2(b)(v).

Local Account has the meaning provided in Section 3.1(c)(i).

M&E means monitoring and evaluation of each Project, the Program and the Objectives pursuant to the M&E Plan.

M&E Plan has the meaning provided in Section 2.3.

Material Agreement has the meaning provided in Section 2.10(c).

MCA Disbursement Certificate has the meaning provided in Section 3.5(a)(iv).

MCA-Namibia has the meaning provided in Section 1.3(a)(i).

MCA-Namibia Website has the meaning provided in Section 2.12(a), with the following address:
<http://www.mca.gov.na>

MCC means the Millennium Challenge Corporation, a United States government corporation.

MCC Gender Policy has the meaning provided in Section 2.7.

MCC Monitoring and Evaluation Guidelines means the MCC “Guidelines for Monitoring and Evaluation Plans” delivered by MCC to the Government or posted by MCC on the MCC Website, as the guidelines may be amended from time to time.

MCC Principal Representatives has the meaning provided in Section 5.1(a).

MCC Website means the MCC website at www.mcc.gov.

MET means the Namibia Ministry of Environment and Tourism.

Multi-Year Financial Plan has the meaning provided in Section 2.1(b).

Namibia has the meaning provided in the Recitals.

National Planning Commission means the governmental entity established under the laws of the Republic of Namibia pursuant to the National Planning Commission Act, 1994.

Natural Products means, in relation to the INP Activity, wild-harvested or cultivated products from indigenous plants.

Observer has the meaning provided in the Governance Guidelines.

Officer has the meaning provided in the Bylaws.

Open Access means access to tourist travelers who comply with the general entry requirements as set by MET.

Outside Project Manager has the meaning provided in Section 2.11(a).

*Parties means the USG and the Government, and each is a **Party**.*

Periodic Report has the meaning provided in Section 2.9(a).

Permitted Account has the meaning provided in Section 3.1(c)(i).

Permitted Designee has the meaning provided in Section 1.2(a).

Principal Representative has the meaning provided in Section 5.1(a).

Private Sector Members has the meaning provided in the Bylaws.

Procurement Agent has the meaning provided in Section 2.11(d).

Procurement Agent Agreement has the meaning provided in Section 2.11(d).

Procurement Agent Disbursement Certificate has the meaning provided in Section 3.4(a)(v).

Procurement Plan has the meaning provided in Section 2.1(d).

Program Assets include MCC Funding, interest accrued thereon, and any assets, goods, or property (real, tangible, or intangible) purchased or financed in whole or in part (directly or indirectly) by MCC Funding.

Program Guidelines means collectively the Audit Guidelines, the MCC Environmental Guidelines, the Governance Guidelines, the MCA-Namibia Procurement Rules, the Reporting Guidelines, and the MCC Monitoring and Evaluation Guidelines.

Quarterly Financial Report has the meaning provided in Section 2.9(a)(i)(2).

Reporting Guidelines means the “MCC Guidance on Quarterly MCA Disbursement Request and Reporting Package” posted by MCC on the MCC Website or otherwise publicly made available, as the guidelines may be amended from time to time.

Reviewer has the meaning provided in Section 2.11(c).

Special Account has the meaning provided in Section 3.1(c)(i).

Stakeholder/Consultative Committee means each of the consultative mechanisms described in Section E(3) of Annex I to the Compact, and any successor or other body (approved by MCC) of representatives of the private sector, civil society and local and regional governments that has been formally established to provide advice and input to MCA-Namibia regarding the implementation of the Program in accordance with the Governance Guidelines.

Supplemental Agreement means any agreement executed in connection with the Compact.

USG means the Government of the United States of America.

Work Plan has the meaning provided in Section 2.1(a).

Working Capital has the meaning provided in Section 3.2.

SCHEDULE 2
CONDITIONS PRECEDENT TO PROGRAM FUNDING

PART A. Condition Precedent for Education Project

Prior to each Disbursement for costs related to any works contract for construction activities under the Education Project, the appointed supervisor (e.g. engineer, architect, quantity surveyor, project consultant) for such works contract shall attest in writing to MCA Namibia that the provisions of the works contract pertaining to the HIV/AIDS prevention plan: (a) are, or will become, contractually binding upon the works contractor; and (b) if such works contract has been executed, are being complied with by the works contractor.

PART B. Conditions Precedent for Tourism Project

1. Prior to the second anniversary of the date that the Compact enters into force and prior to the initial Disbursement for any of the investments in the infrastructure under the ENP Activity, (a) each of the Performance Targets (set forth in Attachment A to this Schedule 2) for the ENP Activity shall be satisfied to MCC's satisfaction and (b) MET shall have approved a plan (that includes a budget and quarterly milestones) to reclassify the road from Okaukuejo to Galton Gate within Etosha National Park from a "restricted use" tourism zone to an Open Access tourism zone ("*Galton Gate Plan*").

2. Prior to each subsequent Disbursement for any of the investments in the infrastructure under the ENP Activity, MET shall provide evidence that defined milestones for the implementation of the Galton Gate Plan have been achieved.

3. Prior to each Disbursement for costs related to any works contract for construction activities under the Tourism Project, the appointed supervisor (e.g. engineer, architect, quantity surveyor, project consultant) for such works contract shall attest in writing to MCA Namibia that the provisions of the works contract pertaining to the HIV/AIDS prevention plan: (a) are, or will become, contractually binding upon the works contractor; and (b) if such works contract has been executed, are being complied with by the works contractor.

PART C. Conditions Precedent for Agriculture Project

1. Land Access and Management Activity.

Prior to the first Disbursement, and on an annual basis thereafter (commencing with the first anniversary of such first disbursement), for the Communal Land Support Activity, MCA-Namibia shall provide a certification by the Government (or such other documentary evidence as agreed between MCA-Namibia and MCC) as to the (a) level of staffing then in effect for each Communal Land Board ("*CLB*") in the northern communal areas ("*NCA*s") of Namibia, (b) type and amount of vehicles, computers and other equipment available to the CLBs, (c) cumulative amount of financing provided by the Government as of the date of such certification to the CLBs to support monthly meetings of the CLBs. Such certification must evidence that the Government has provided the CLBs in the NCAs with the resources, financial and otherwise, sufficient to: (x)

hire and maintain a minimum of two staff people per CLB; (y) equip each CLB with vehicles, computers and other equipment necessary to enable the CLBs to perform their obligations under the Communal Land Reform Act, as per the outcome of the pilot projects and the institutional audit conducted in 2008 by the Namibian Ministry of Lands and Resettlement; and (z) allow the CLBs to meet on a monthly basis.

2. Livestock Support Activity.

(a) Prior to each Disbursement for costs related to any works contract for construction activities under the Livestock Support Activity, the appointed supervisor (e.g. engineer, architect, quantity surveyor, project consultant) for such works contract shall attest in writing to MCA Namibia that the provisions of the works contract pertaining to the HIV/AIDS prevention plan: (i) are, or will become, contractually binding upon the works contractor; and (ii) if such works contract has been executed, are being complied with by the works contractor.

(b) Prior to the initial Disbursement for any construction expenses under the Livestock Support Activity (excluding expenses related to any contract entered into by the Government (and approved by MCC) for preliminary studies and assessments and/or the final infrastructure design relating to the Livestock Support Activity), the Government shall develop and deliver to MCC a baseline report documenting any incidence of trafficking in persons in Namibia, with a particular focus on any incidence of trafficking in children for child labor, and shall designate a point of contact within the Government to coordinate dialogue and action by relevant government entities with respect to this trafficking.

3. INP Activity.

Prior to the initial Disbursement of any amounts under the INP Activity (excluding amounts related to any contract entered into by the Government (and approved by MCC) for an environmental impact assessment of the INP Activity), MCA-Namibia shall provide evidence that:

(a) The Devil's Claw (*Harpagophytum* spp.) "Buy and Sell" permit document issued by MET has been amended to require information specifically indicating where the applicant intends to buy the Devil's Claw from;

(b) The Devil's Claw "Buy and Sell" and "Export" permit documents issued by MET have been amended to require both a registration process as well as semi-annual reports on detailing geographical origin of Devil's claw material, harvesters providing this material, and actual quantities bought and exported; and

(c) The Devil's Claw "Buy and Sell" and "Export" permit documents issued by MET have been amended to require a sustainability training program for permit applicants that must be completed prior to issuance of said permit. MCC Funding, through the Environmental Impact Assessment obtained for the INP Activity, can be used to cover the costs of developing this training program.

ATTACHMENT A TO SCHEDULE 2
PERFORMANCE TARGETS FOR ENP ACTIVITY

- 1.** The Ministry of Environment and Tourism (“**MET**”) shall develop an ENP infrastructure and equipment database along with an integrated master plan for maintenance of infrastructure and equipment. Based on the above, MET shall demonstrate sufficient budget allocations to maintain all infrastructure and equipment in ENP (including new MCC funded infrastructure and equipment) with additional funds available for investment in new infrastructure and equipment. Evidence of the satisfaction of this target shall be: (a) the operational database; (b) adoption by MET (as certified to by the Permanent Secretary of MET) of a maintenance master plan as described above; and (c) a certified copy of MET’s financial plan for ENP (certified by the Permanent Secretary of MET) for the fiscal year in which these performance targets are met showing adequate budget allocations for the maintenance of the ENP infrastructure and equipment.
- 2.** The MET shall place a park manager with a minimum rank of Deputy Director in ENP with clear authority over all four functional directorates and shall delegate authority and decision making power to ENP to be managed as one or more cost centers (with authority to manage its own budget). Evidence of the satisfaction of this target shall be: (a) adoption by MET (as certified to by the Permanent Secretary of MET) of a staffing plan designating the appointment of the park manager as described above, which plan shall be informed by the recommendations of the change management advisor (“**CMA**”) to be hired by the Government as part of the ENP Activity; (b) development of a position description for the park manager informed by recommendations from the CMA; and (c) delivery to MCC of a signed copy of the employment contract appointing the park manager.
- 3.** MET shall develop a new staffing structure that reflects an increase in the ratio of senior staff to junior staff and shall be informed by recommendations of the CMA. Evidence of the satisfaction of this target shall be: adoption by MET (as certified to by the Permanent Secretary of MET) of such staffing plan.
- 4.** MET shall develop and authorize a Housing Policy and Code of Conduct, which shall include an incentive based implementation plan. Evidence of the satisfaction of this target shall be: adoption by MET (as certified to by the Permanent Secretary of MET) of such Housing Policy and Code of Conduct.
- 5.** MET shall award (a) two (2) exclusive access concessions for ENP to conservancies adjacent to the ENP and (b) within or around other national parks two (2) lodge concessions to joint venture partnerships between a conservancy and the private sector or two (2) exclusive access concessions to conservancies adjacent to such parks; in each case, with a minimum term of 10 years and allocated in accordance with MET’s “Policy on Tourism and Wildlife Concessions on State Land” approved by the Namibian Cabinet in June 2007. Evidence of the satisfaction of this target shall be: the four signed concession agreements.
- 6.** Namibia Wildlife Resorts (“**NWR**”) shall enter into one or more Performance Agreement(s) with MET (the “**MET/NWR Agreement(s)**”) regarding the operational

relationship, including clarification of respective responsibilities related to infrastructure, conduct, and other matters, between MET and NWR at all sites where NWR is operating tourism establishments. Evidence of the satisfaction of this target shall be the signed MET/NWR Agreement(s).

7. MET shall implement an HIV/AIDS Plan/Workplace Program for ENP staff. Evidence of the satisfaction of this target shall be: adoption by MET (as certified to by the Permanent Secretary of MET) of a completed HIV/AIDS Plan/Workplace Program.

SCHEDULE 3

BY-LAWS

ARTICLE 1.

GENERAL

Section 1.1 Name. Millennium Challenge Account – Namibia or MCA-Namibia.

Section 1.2 Type. An administrative unit within the National Planning Commission, together with the Commissioners of the National Planning Commission as its board of directors, the administrative unit having been established pursuant to Cabinet Decision Number 5th /18.03.08/004 of the Namibia Cabinet (the “*Cabinet Action*”), and the National Planning Commission pursuant to the National Planning Commission Act, 1994 (the “*NPC Act*” and, together with the Cabinet Action, the “*Namibian Acts*”).

Section 1.3 Organization. MCA-Namibia’s board of directors will have ultimate authority to direct MCA-Namibia. MCA-Namibia shall consist of (a) a board of directors (which shall be the commissioners of the National Planning Commission) comprised of the members described in Section 3.6 (the “*Board*”), (b) an independent management team separate and distinct from any other employees of the National Planning Commission (the “*Management Unit*”), and (c) one or more stakeholders committees (each a “*Stakeholder/Consultative Committee*” and together the “*Stakeholders/Consultative Committees*”), each as more particularly described in these Bylaws.

ARTICLE 2.

PURPOSE AND POWERS

Section 2.1 Purpose and Authority. MCA-Namibia will have the purpose of acting as the Government’s agent to implement the Program and to perform the Government’s rights and responsibilities to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and their activities, allocating resources and managing procurements. It will be empowered by the Compact, the Program Implementation Agreement and the Namibian Acts with the authority to perform the Government’s obligations under the Compact in an independent, transparent and accountable manner.

Section 2.2 Powers. MCA-Namibia will have the following powers and legal capacities without limitation:

- (a) to perform the Designated Rights and Responsibilities under the Compact and related agreements;
- (b) to make its own budget and implement the decisions of its Board;
- (c) to expend MCC Funding;

- (d) to acquire, possess and dispose of property on behalf of the Government;
- (e) to enter into, be bound by and enforce contracts on behalf of the Government, with private and public entities including MCC, other Government ministries and sub-entities (such as project implementation units), employees, service providers, consultants, etc.;
- (f) to engage implementing entities, including other Government ministries and sub-entities, (such as project implementation units) and third parties, through Implementing Entity Agreements approved by MCC, and to delegate certain powers in accordance with the Compact with the approval of MCC;
- (g) to insure, on behalf of the Government, against all normal commercial risks associated with its activities;
- (h) to open bank accounts, both domestically and abroad, in its own name; and
- (i) generally, to perform such duties and exercise such powers of the accountable entity as contemplated by the Compact, the Program Implementation Agreement and the Program Guidelines.

Section 2.3 MCA-Namibia shall not, directly or indirectly, engage in any activity prohibited under the Compact.

ARTICLE 3.

BOARD OF DIRECTORS

Section 3.1 Role of the Board. MCA-Namibia will be governed by the Board. The Board will have independent decision making authority and will have ultimate authority and responsibility (a) for the oversight, direction and decisions of MCA-Namibia, and (b) for the overall implementation of the Program in accordance with the Compact, the Program Implementation Agreement and all Supplemental Agreements. The Board is to be independent and the final decision maker with respect to Compact matters, subject to the rights of approval of MCC contained in the Compact and the Program Implementation Agreement. The Board's decisions will not be subject to review and reversal by any other Government entity other than a judicial authority exercising proper jurisdiction.

Section 3.2 Responsibilities of the Board. Without limiting the general responsibilities of the Board as described in Section 3.1 of these Bylaws, and the non-delegable responsibilities of the Board described in Section 3.3 of these Bylaws, the Board shall:

- (a) follow the MCA-Namibia's Governing Documents including its mission to implement the Compact;
- (b) participate actively in the management of MCA-Namibia including evaluation of its reports as well as performance of its staff;
- (c) oversee and provide direction to the Management Unit;

(d) protect, preserve and manage the assets financed with MCC Funding and ensure that MCC Funding is used for its intended purposes;

(e) keep written minutes of all meetings held by the Board, which shall reflect all decisions made and all actions to be taken;

(f) ensure that MCA-Namibia's records and accounts are accurate and complete;

(g) ensure that regular audits of MCA-Namibia by an independent auditor are performed annually; and

(h) actively engage with and consider the recommendations and advice of the Management Unit made pursuant to Article 4 of these Bylaws, and, if the Board deems advisable, request that the Stakeholders/Consultative Committees provide responsive information and documents to the Board or, as applicable, to the Management Unit.

Section 3.3 Non-delegable responsibilities of the Board. The Board will have responsibility for considering and approving or disapproving the following items (and such responsibility may not be delegated to the Management Unit or otherwise):

(a) each Implementation Plan Document or any material modification thereto;

(b) the Multi-Year Financial Plan;

(c) the M&E Plan;

(d) each Material Agreement or any modification, termination, or suspension of, or any other action that would have the effect of a modification, termination or suspension of, a Material Agreement;

(e) any pledge of any MCC Funding or any assets or properties acquired (in whole or in part) with MCC Funding, or any guarantee, directly or indirectly, of any indebtedness;

(f) any disposition, in whole or in part, liquidation, dissolution, winding up, reorganization or other change, of MCA-Namibia, including any revocation of, or any modification or supplement to, any Governing Document;

(g) the hiring or dismissal of any Officer of MCA-Namibia or the composition or size of the Management Unit, and the filling of any vacant position of any Officer of MCA-Namibia; and

(h) any decision to amend, supplement, replace, terminate or otherwise change any of the foregoing.

Section 3.4 Committees. The Board may form sub-committees, which make recommendations to the main Board as appropriate. The Board may rely on information, opinions, reports and the like prepared by committees the Board may create, but the members of the Board remain responsible for actually taking decisions on matters addressed or raised by

committees or that are otherwise necessary or prudent on behalf of MCA-Namibia and the proper implementation of the Program.

Section 3.5 Fiduciary Duties of Board Members. Except for the non-voting MCC Representative on the Board, the members of the Board shall owe a fiduciary duty to MCA-Namibia. They shall discharge their responsibilities by staying informed and providing appropriate oversight of MCA-Namibia during Compact implementation, and holding regular meetings to consider and approve activities of MCA-Namibia as necessary. Members of the Board are expected to exercise objective and independent judgment and discharge their duties in a manner that is in the best interests of MCA-Namibia.

Section 3.6 Composition. The Board will be comprised of fourteen (14) voting members, and, initially, two (2) non-voting members.

(a) Voting Members.

(i) The voting members of the Board will consist of:

(1) six (6) Government board members as specified by the NPC Act, namely : (A) the Director General of the National Planning Commission; (B) the Minister of Agriculture, Water and Forestry (formerly Agriculture, Water and Rural Development); (C) the Minister of Finance; (D) the Minister of Trade and Industry; (E) the Minister of Works and Transport (formerly Works, Transport and Communication); (F) and the Minister of Regional and Local Government, Housing and Rural Development (formerly Regional and Local Government and Housing) (such Government board members, including any successor titles, “**Mandated Government Board Members**”);

(2) two (2) Government board members consisting of (A) the Director of Tourism of the Ministry of Environment and Tourism; and (B) the ETSIP Program Manager of the Ministry of Education (such Government board members “**Additional Government Board Members**”, and together with the Mandated Government Board Members, the “**Government Board Members**”); and

(3) six (6) members from the private sector and/or civil society (the “**Private Sector Members**”, and together with the Government Board Members, the “**Voting Members**”).

(b) Non-Voting Members.

(i) The Chief Executive Officer of MCA-Namibia will serve as a non-voting member of the Board.

(ii) The MCC Representative will be the Observer (as defined in the Governance Guidelines) and serve as a non-voting member of the Board.

(iii) Other non-voting members may be added to the Board with the agreement of the Government and MCC.

(iv) Non-voting members will be entitled to attend and participate in all Board meetings and receive all correspondence and documentation provided to the Board.

Section 3.7 Selection; Appointment; Terms.

(a) Each Mandated Government Board Member (other than the Director General) shall be a Minister or senior official from the applicable Ministry with the authority to act on behalf of and bind the Ministry he or she represents. Each Mandated Government Board Member shall serve in his or her capacity as a Minister or Government official and not in a personal capacity. If a person serving as a Mandated Government Board Member resigns or is removed from such Government office, that person's position on the Board will be taken by such person's successor in such Government capacity.

(b) Each Additional Government Board Member shall be the senior Government official appointed in the position referred to in Section 3.6(a)(i)(2) with the authority to act on behalf of and bind the Ministry he or she represents. Each Additional Government Board Member shall serve in his or her capacity as a Government official and not in a personal capacity. If a person serving as an Additional Government Board Member resigns or is removed from such Government office, that person's position on the Board will be taken by such person's successor appointed in such position.

(c) The Private Sector Members shall be appointed by the President of the Republic of Namibia, after consultation with the Director General of NPC, from amongst members of the private sector and civil society with knowledge and experience of a developmental nature in economic, social, ecological or other Project related fields. Candidates for such appointment shall have been nominated by members of the private sector and civil society, and recommended to the Director General.

(d) The term of office for Private Sector Members will be three (3) years, which term of office may be renewed. In the event that a vacancy is created with respect to one or more Private Sector Members at any time, a successor shall be selected in accordance with this Section 3.7.

Section 3.8 Compensation; Indemnification.

(a) Members of the Board shall not be entitled to receive remuneration from MCC Funding in connection with the performance of their duties as members of the Board except for reimbursement of reasonable expenses arising from their attendance at regular or special meetings, so long as such reimbursements are (i) consistent with the Compact and the detailed budget for the Program, (ii) are made with the prior approval of MCC, and (iii) are in accordance with the MCC "Cost Principles for Government Affiliates Involved in Compact Implementation", which may be found on the MCC Website (as defined in the Program Implementation Agreement). Government Board Members are prohibited from receiving remuneration from the Government or any other source in connection with the performance of their Board duties. Private Sector Members are entitled to receive remuneration from Government sources in connection with the performance of their Board duties, subject to the requirements set forth in the Governance Guidelines.

(b) Pursuant to the Program Implementation Agreement, the Government is responsible for indemnifying and holding harmless each member of the Board, *provided* that the Government shall have no obligation to indemnify any members if and to the extent that any such claims, losses, actions, liabilities, costs, damages or expenses are attributable to the fraud, gross negligence or willful misconduct of such member.

Section 3.9 Chairperson.

(a) The Chairperson of the Board shall be the Director General of the National Planning Commission (the “*Director General*”).

(b) The Director General shall certify that (i) all documents and reports submitted to MCC by the Board in accordance with these Bylaws or the Compact have been approved by the Board, and (ii) such submissions are true, accurate and complete.

Section 3.10 Role of Legal Advisor as Secretary to the Board.

(a) MCA-Namibia’s Legal Advisor shall act as the corporate secretary of MCA-Namibia (the “*Secretary*”); if the Legal Advisor is not available to perform the function of Secretary, the Director General may designate another Officer to serve as the Secretary until the Legal Advisor is available to perform such functions.

(b) The Secretary shall be responsible for maintaining MCA-Namibia's corporate books and records at the offices of MCA-Namibia, giving notice of Board meetings, attending and keeping minutes of Board meetings, signing all documents on which the signature of the Secretary is necessary or appropriate, and attesting to the authenticity of any MCA-Namibia generated documents.

(c) The Secretary will prepare minutes that will include at a minimum, the agenda and information regarding when notice was delivered to the members of the Board, the list of attendees and absentees, and summaries of the discussion of agenda items and actions taken by the Board.

(d) The written minutes of each Board meeting will be published on MCA-Namibia's website within two weeks of such meeting in accordance with the requirements of Section 6.3 below. While they can be published in other languages as well, the minutes are, at a minimum, to be recorded and published in English.

Section 3.11 Meetings; Decisions.

(a) The Board should hold as many meetings as are necessary to discharge its duties and ensure the effective implementation of the Compact; such meetings shall be at such times and at such places as may from time to time be determined by the Board. At a minimum, the Board should meet once a quarter for regular meetings.

(b) Each meeting of the Board should meet certain minimum standards in order to be considered a valid meeting at which actions taken by the Board are considered valid and effective. These standards shall include the following:

(i) Notice. Adequate notice of meetings should be provided to all members of the Board. Notice for regular meetings normally requires at least seven (7) days written notice, while notice for special meetings may be forty-eight (48) hours. Such notice shall (a) be given to both Voting Members and nonvoting members of the Board; (b) specify the date, time and location of the meeting; and (c) include a copy of an agenda of issues and documents to be considered. Notwithstanding the foregoing, (x) any member of the Board may waive, in writing, the requirement to receive notice in respect of any such meeting, and (y) the presence of a member of the Board at any such meeting shall constitute waiver by such member of the requirement to receive notice of such meeting. A valid meeting of the Board may not be held unless each member of the Board receives notice (or waives or is deemed to waive notice) of such meeting.

(ii) Quorum. A quorum for all meetings of the Board shall be nine (9) Voting Members consisting of (a) at least four (4) Mandated Government Board Members and at least (b) five (5) of any combination of Additional Government Board Members and Private Sector Members. The Mandated Government Board Members may be represented by their alternates appointed pursuant to Section 3.11(c). If the size of the Board is altered with the approval of MCC, the thresholds for quorum and voting shall also be adjusted in a manner approved by MCC. If a quorum is not present at any meeting of the Board, the members of the Board present at the meeting shall adjourn the meeting until a total quorum shall be present.

(iii) Voting. Decisions of the Board shall be taken by a majority of the Voting Members present at a meeting at which there is a quorum, *provided* that such majority includes at least four (4) Mandated Government Board Members. Each Voting Member shall have one vote. In the event of an equality of votes, the Chairperson presiding at the meeting shall have a casting or tie-breaking vote. Each decision, election, appointment or action by the Board, whether specifically set forth in these Bylaws or otherwise, shall be made in accordance with the procedure set forth in this Section 3.11(b).

(iv) Decisions without a meeting. Urgent decisions may be taken by the Board without a formal meeting if (a) a written draft resolution is circulated to all members of the Board, (b) each member of the Board submits a vote and (c) a majority of the Board consent in writing to the resolution, *provided* that such majority includes at least four (4) Mandated Government Board Members.

(v) Meetings by Telephone Conference. Except as otherwise provided in these Bylaws, the members of the Board may participate in a meeting of the Board by means of a telephone conference or similar communications equipment that enables all persons participating in the meeting to hear and speak to each other. Participation in a Board meeting pursuant to this Section 3.11(b)(v) constitutes presence in person at such meeting.

(c) In the event that a Voting Member who is a Mandated Government Board Member is unable to participate in a meeting of the Board, such Voting Member may appoint in writing, specifying the duration of such appointment, an alternate to participate for such Voting Member, *provided* that such alternate shall be such member's principal deputy or an official of equivalent rank from the same government body as the Voting Member. In the event that a

Voting Member who is an Additional Government Board Member or Private Sector Member is unable to participate in a meeting of the Board, no alternate may be appointed.

(d) The Chairperson shall preside at every meeting of the Board and in the absence of the Chairperson, a Voting Member elected by a majority of the Voting Members present at the meeting shall preside. Once Board members have had an opportunity to discuss a particular issue, the Chairperson should facilitate the decision-making process and formal action by the Board to approve, disapprove or delay its decision on the item or document.

(e) The Board shall ensure that MCA-Namibia will not take (or fail to take) any action with respect to which MCC approval is required pursuant to the Compact, any Governing Document, the Program Implementation Agreement, any Implementation Plan Document, any other Supplemental Agreement, or as otherwise agreed by the Parties, without in each case obtaining the prior approval of MCC (which approval shall be in writing unless otherwise indicated).

Section 3.12 MCC Representative.

(a) MCC's Resident Country Director for Namibia, or such other person as MCC may appoint (the "***MCC Representative***"), will participate in all Board meetings. This shall include the right to attend all Board meetings, participate in Board discussions, and receive and review all correspondence and documentation provided to the Board.

(b) The MCC Representative represents MCC's interests with respect to implementation of and compliance with the Compact, and does not owe any fiduciary duty to MCA-Namibia.

(c) Each of the Government and MCA-Namibia hereby waives and releases all claims related to any liability or action arising out of the MCC Representative's role as a non-voting Observer on the Board.

ARTICLE 4.

MANAGEMENT UNIT

Section 4.1 Role and Duties of Management Unit.

(a) The Management Unit shall assist the Board in overseeing the implementation of the Program and shall have the principal responsibility (subject to the direction and oversight of the Board, and subject to MCC's rights of approval as set forth in the Compact, the Program Implementation Agreement, these Bylaws, the Governance Guidelines and in any Supplemental Agreement) for the overall management of the implementation of the Program, including those roles and responsibilities specifically set forth in the Program Implementation Agreement. The specific duties of the Management Unit include the following:

- (i) development and administration of financial, procurement, monitoring and evaluation, fiscal accountability, work, audit and staffing plans, including the Implementation Plan Documents and the M&E Plan;
- (ii) maintenance of accounting records for the Program and its projects;
- (iii) preparation, review and submission of reports regarding finances, accounting, audits, monitoring and evaluation, procurement and performance of MCA-Namibia and the Program, including all compliance reports required under the Compact, the Program Implementation Agreement and applicable law, and such other reports and accounts as may be required by the Board;
- (iv) coordination of the Program and the Projects consistent with the Compact, the Program Implementation Agreement and other ancillary agreements related thereto;
- (v) management, implementation and coordination of all components of the M&E Plan;
- (vi) oversight of the implementation of the Program, including preparation of the Disbursement Requests (as defined in the Program Implementation Agreement) to be submitted to MCC for approval by the CEO;
- (vii) ongoing oversight of procurements and procurement-related activities in accordance with the MCA-Namibia Procurement Rules as required by the Compact;
- (viii) preparation and submission of appropriate documentation pertaining to the tax exemption of MCC Funding required by Section 2.8 of the Compact;
- (ix) the acquisition and maintenance of a management information system to allow the systematic tracking of programmatic and financial implementation of, and performance under, the Compact, including for each Project;
- (x) the administration of the MCA-Namibia website to post current information about Compact related activities, M&E Plan reporting, financial reporting, and Compact related procurements;
- (xi) development, oversight, management, coordination and implementation of such policies and procedures as may be necessary to facilitate the effective implementation of the Compact and as may be advisable in connection with any Supplemental Agreement, and such other policies, procedures or activities as may be required or requested by the Board in furtherance of the Compact;
- (xii) provision of the advice and written recommendations to the Board in matters requiring Board actions and, in connection therewith, the Management Unit shall prepare and submit to the Board the relevant agreements, documents or actions to be approved, along with a written recommendation to the Board on how to proceed with such agreements, documents or action needed to support such recommendation;

(xiii) preparation of and submission to the Board of any other report, document, agreement or action required by the Compact, the Program Implementation Agreement or other Supplemental Agreement, or as may be designated or requested by the Board from time to time, along with the written recommendation to the Board on how to proceed;

(xiv) reporting to and meeting with the Stakeholders/Consultative Committees on at least a quarterly basis with respect to the MCA-Namibia Program implementation progress; and

(xv) undertaking any other responsibilities within the scope of Program implementation that may be required or requested from time to time by the Board, and any other responsibilities set forth in the Compact, the Program Implementation Agreement, or any other Supplemental Agreement.

(b) All plans, reports and other documents delivered to MCA-Namibia's Board should also be delivered by the Management Unit to MCC.

(c) Each member of the Management Unit shall exercise his or her duties solely in accordance with the best interests of MCA-Namibia, the Program, the Compact Goal, Program Objective and the Project Objectives, and shall not undertake any action that is contrary to those interests or would result in personal gain or a conflict of interest.

Section 4.2 Composition.

(a) The Management Unit shall be composed of the following positions (each, an "*Officer*"): (i) Chief Executive Officer ("*CEO*"); (ii) two Deputy Chief Executive Officers for Operations and Program Implementation; (iii) Director of Administration and Finance; (iv) Procurement Director, (v) Legal Advisor; (vi) Director of Environment and Social Assessment, (vii) Director of Monitoring and Evaluation, (viii) Director of Education; (ix) Director of Tourism; (x) Director of Agriculture; and (xi) such other key officers as may be agreed upon by the Government and MCC.

(b) The CEO will manage the day-to-day activities of MCA-Namibia and will be supported by the Deputy Chief Executive Officers. The CEO may enter into contracts on behalf of MCA-Namibia, subject to the prior approval of the Board and MCC as set forth herein, in the Compact and in other Supplemental Agreements; and review and approve Disbursement Requests to be submitted to MCC. Copies of any Disbursement Requests so approved will be submitted to the Board within seven (7) calendar days after such approval. In addition to those duties set forth in this Article 4 of these Bylaws, the CEO shall keep the Permanent Secretary of the National Planning Commission informed of the activities of MCA-Namibia in accordance with the Namibia Public Service Act 13 of 1995.

(c) The Officers will be supported by appropriate administrative and other personnel as needed and in accordance with the staffing plan agreed with MCC and the Detailed Financial Plan.

Section 4.3 Selection; Appointment; Dismissal.

- (a) The CEO will be selected and appointed by the Government, subject to MCC's approval.
- (b) All Officers of the Management Unit will be selected and hired by the Board following an open and competitive recruitment and selection process. The appointment of the Officers will be subject to MCC's approval. MCA-Namibia will be responsible for and will take all necessary action with respect to any misconduct or failure of the Officers retained by MCA-Namibia.
- (c) The non-Officer staff of the Management Unit will be selected and hired by the CEO following an open and competitive recruitment and selection process. MCA-Namibia will use only qualified and experienced staff for the performance of its responsibilities under the Compact, the Program Implementation Agreement and other Supplemental Agreements. MCA-Namibia will be responsible for and will take all necessary action with respect to any misconduct or failure of any staff retained by MCA-Namibia.
- (d) The terms of employment for each Officer and for any other employee shall be governed by an employment agreement, subject to MCC's approval, to be entered into between MCA-Namibia and each such employee. MCC will not have any direct or indirect liability under such agreements or arrangements.
- (e) The appointment and dismissal of each Officer (and the terms of their respective employment agreements) shall be subject to the prior approval of MCC and the Board.
- (f) The Board is responsible for ensuring that the Management Unit is composed of qualified experts from the public or private sectors, hired through an open and competitive recruitment and selection process.
- (g) The CEO, Officers and staff of the Management Unit may be nationals of the Republic of Namibia or of any other country. They shall not be considered civil servants.
- (h) Neither MCA-Namibia nor any of its staff will be subject to the provisions of the Public Service Act 13 of 1995.

Section 4.4 Remuneration. The remuneration of each member of the Management Unit shall be determined by the Board, *provided* that such remuneration shall be approved in advance by MCC and comply with the Detailed Financial Plan and the standards provided in the MCC "Cost Principles for Government Affiliates Involved in Compact Implementation," which may be found on the MCC Website.

ARTICLE 5.
STAKEHOLDERS/CONSULTATIVE COMMITTEES

Section 5.1 Role of the Stakeholders/Consultative Committees.

(a) MCA-Namibia will rely on the following existing consultative mechanisms to represent the constituencies of each of the Projects and serve as Stakeholders/Consultative Committees: (i) for the Education Project, the ETSIP Programme Coordinating Committee and the NTA Board, (ii) for the Tourism Project, the Namibian Association for Conservancy Support Organisations (NACSO) and (iii) for the Agriculture Project, the Technical Committee on Land and Social Issues, the Veterinary Cordon Fence Task Force, farmers' organizations, and the Indigenous Plants Task Team.

(b) These committees include members from the public and private sectors and civil society. They are broad-based and offer relevant technical expertise plus a solid understanding of socio-economic and environmental realities in Namibia.

(c) MCA-Namibia will use the Stakeholders/Consultative Committees to continue the consultative process throughout Compact implementation. The Stakeholders/Consultative Committees will be used primarily to inform the various constituent groups about Program implementation and provide advice and input to MCA-Namibia concerning the Program, with the goal of promoting transparency. To that end, the MCA-Namibia Project directors will present Program-related matters to these consultative bodies and report back to the Board on the advice provided by them. The committees may also pro-actively approach MCA-Namibia with their concerns related to the Program design and implementation. Regular, periodic interaction between MCA-Namibia and the Stakeholders/Consultative Committees is anticipated.

(d) The Stakeholders/Consultative Committees shall be provided with copies of relevant documents with respect to implementation of the Compact, as well as periodic reports related to those documents to permit the Stakeholders/Consultative Committees to achieve the goals provided herein.

(e) Members of the Stakeholders/Consultative Committees shall regularly have the opportunity to present their views and recommendations to the Management Unit and the Board. Members of the Stakeholders/Consultative Committees shall be accessible to the beneficiaries they represent in order to receive their comments or suggestions regarding the Program.

Section 5.2 Corporate Governance.

Each Stakeholder/Consultative Committee shall adhere to appropriate principles and policies of corporate governance, as adopted by each Committee. Such principles shall afford that Committee the proper level of accountability, independence and transparency to permit the necessary level of input and advice expected of that Stakeholder/Consultative Committee as envisioned under the Compact and these Bylaws.

Section 5.3 Meetings; Decisions. Each Stakeholders/Consultative Committee shall hold the number of periodic general meetings per year that may be required to discharge its functions. In

compliance with requirements of the Compact and in related governing documents, each Stakeholders/Consultative Committee shall prepare written summaries of its meetings, including, but not limited to, the following information for each meeting: names of all attendees, agenda items discussed and recommendations made by the Stakeholders/Consultative Committee at the meeting. Each Stakeholders/Consultative Committee and its members should be subject to the same conflict of interest and confidentiality rules contemplated in Article 6 below.

Section 5.4 Compensation. Members of the Stakeholders/Consultative Committees shall not be entitled to receive remuneration in connection with the performance of their duties as members, except for reimbursement for reasonable expenditures incurred for attendance at Stakeholder/Consultative Committee meetings as budgeted for and approved by the Board, with the prior approval of MCC.

ARTICLE 6.

POLICIES OF MCA-NAMIBIA

Section 6.1 Conflict of Interest Policy.

(a) MCA-Namibia shall develop and maintain a conflict of interest policy designed to ensure that no employee, director, officer, subcontractor, agent or representative of MCA-Namibia shall participate in the selection, award or administration of a contract, grant or other benefit or transaction financed in whole or in part (directly or indirectly) by MCC Funding in which (i) the entity, person, members of the person's immediate family or household or his or her business partners, or organizations controlled by or substantially involving such person or entity, has or have a financial interest, or (ii) the person is negotiating or has any arrangement concerning prospective employment, unless such person or entity has first disclosed in writing to MCA-Namibia and MCC the conflict of interest and, following such disclosure, MCC-Namibia and MCC have agreed in writing to proceed notwithstanding such conflict. MCA-Namibia's directors, officers, employees, contractors, subcontractors, affiliates, agents, advisors and representatives shall not, and MCA-Namibia shall ensure that no person or entity involved in the selection, award, administration or implementation of any contract, grant or other benefit or transaction financed in whole or in part (directly or indirectly) by MCC Funding shall, solicit or accept or offer a third-party or seek or be promised directly or indirectly for itself or for another person or entity any gift, gratuity, favor or benefit, other than items of *de minimis* value and otherwise consistent with such guidelines that MCC may provide from time to time. None of MCA-Namibia's directors, officers, employees, contractors, subcontractors, affiliates, agents, advisors and representatives active in the Program shall engage in any activity which is, or gives the appearance of being, a conflict of interest.

(b) Except for the MCC Representative on the Board, all Board members, Officers and employees and agents of MCA-Namibia shall assume a duty of undivided loyalty to MCA-Namibia when making decisions impacting or in respect of MCA-Namibia. In this regard, the Board shall formulate and adopt a conflict of interest policy consistent with Section 6.1(a) and approved by MCC, which will require all Board members, Officers, employees and agents of MCA-Namibia, and members of the Stakeholder/Consultative Committees, to disclose potential conflicts of interest prior to deliberating upon or handling a transaction that poses a potential

conflict of interest. Potential conflicts of interest include not only situations in which a person covered directly by the policy is involved, but also decisions in which members of such person's immediate family or household, the person's business partner(s), or entities or organizations controlled by or substantially involving (whether directly or indirectly) such person, has or have an interest.

(c) If any such person has or acquires any pecuniary interest, direct or indirect, in any matter and is present at a meeting of the Board, Management Unit deliberation, or any Stakeholder/Consultative Committee's meeting at which the matter is the subject of consideration, the concerned person shall as soon as practicable after the commencement of the meeting, disclose all material facts, and shall not take part in the consideration or discussion of the matter or vote on any question with respect to the matter.

(d) Board members, Officers, employees and agents of MCA-Namibia and members of the Stakeholder/Consultative Committees shall comply with the conflicts of interest policy adopted by the Board, which shall be incorporated by reference into the employment agreements to be entered into between MCA-Namibia and each such member or employee, as applicable.

Section 6.2 Confidentiality Policy.

(a) All documents, reports, cost estimates, technical data and information concerning the Program that is not otherwise publicly available shall be treated by the Board, the Management Unit and the Stakeholders/Consultative's Committee confidentially in a reasonable and appropriate manner and in accordance with applicable professional standards, *provided, however*, all such documents, reports, cost estimates, technical data and other information may be provided by MCC to any employees, contractors, agents, representatives of MCC, the Inspector General, the General Accountability Office, or others designated by MCC; and *provided, further*, that the Board may cause to be posted on the MCA-Namibia website or otherwise make publicly available certain information, including quarterly financial reports.

(b) The Board and the Management Unit shall ensure that only those with a need to know and under similar obligations of confidentiality shall have access to any and all information, documents, cost estimates data and information provided to such party or otherwise generated in connection with these Bylaws and the Program.

(c) Board members, Officers, employees and agents of MCA-Namibia and members of the Stakeholder/Consultative Committees shall comply with the confidentiality policy in this Section 6.2 or that confidentiality policy adopted by the Board, which shall be incorporated by reference into the employment agreements to be entered into between MCA-Namibia and each such member or employee, as applicable.

Section 6.3 Transparency Policy.

(a) Transparency and accountability to MCC and to the beneficiaries of the Program are important aspects of the Program. Transparency is essential for facilitating accountability. In an effort to achieve these goals, MCA-Namibia shall, among other requirements included in the Compact and the Program Implementation Agreement:

(i) develop and maintain an MCA-Namibia Website in a timely, accurate and appropriately comprehensive manner;

(ii) post on the MCA-Namibia Website, the important documents of the Program including the Compact, minutes of meetings and other agreements specified in the Compact; and

(iii) establish an e-mail suggestion box as well as a means for other written comments that interested persons can use to communicate ideas, suggestions or feedback to MCA-Namibia.

Section 6.4 Audit Policy.

(a) Audits performed on MCA-Namibia shall be performed by an independent external auditor appointed by MCA-Namibia and approved by MCC, and in conformance with the requirements of the Compact and the Program Implementation Agreement.

(b) The office of the Namibia Auditor General may be consulted even though the audits of MCA-Namibia will be performed by an independent auditor.

Section 6.5 Indemnification.

MCA-Namibia shall use its best efforts to ensure that the Government, in accordance with the Program Implementation Agreement, shall indemnify and hold harmless each member of the Board, each member of the Management Unit, and each member of the Stakeholders/Consultative Committee from and against any and all claims, losses, actions, liabilities, costs, damages or expenses, including reasonable attorney's fees and expenses, arising or incurred by such member of the Board, such Management Unit member, or such member of the Stakeholders/Consultative Committee by reason of such person being a "member of the Board", a "member of the Management Unit", or a "member of the Stakeholders/Consultative Committee", as applicable, *provided* that the Government shall have no obligation to indemnify the Board, Management Unit or Stakeholders/Consultative Committee member if and to the extent any such claims, losses, actions, liabilities, costs, damages or expenses are attributable to the fraud, gross negligence or willful misconduct of such individual.

ARTICLE 7.

MISCELLANEOUS

Section 7.1 Amendments.

(a) These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by the affirmative vote of at least seventy-five percent (75 percent) of the Voting Members present at a meeting at which there is a quorum in accordance with Section 3.11(b)(ii) of these Bylaws, *provided* that any such alteration, amendment or repeal shall be subject to MCC approval and shall not conflict with the NPC Act.

(b) Prior notice of such amendments must be sent to MCC through the MCC Representative.

(c) The Board shall not have the power to alter or amend the Bylaws in such manner as to create a conflict with the terms of the Compact, the Program Implementation Agreement or any Supplemental Agreement.

Section 7.2 Defined Terms. Capitalized terms used in these Bylaws and not defined in these Bylaws shall have the following meanings or the meaning assigned to such term in the Compact or Program Implementation Agreement, as applicable:

***Additional Government Board Members** shall have the meaning set forth in these Bylaws under Section 3.6(a)(i)(2).*

***Board** shall have the meaning set forth in these Bylaws under Section 1.3.*

***Cabinet Action** shall have the meaning set forth in these Bylaws under Section 1.2.*

***Chief Executive Officer** or **CEO** shall have the meaning set forth in these Bylaws under Section 4.2(a).*

***Compact** shall mean that agreement by and among the United States of America acting through the Millennium Challenge Corporation and the Republic of Namibia, dated July 28, 2008, as amended or otherwise modified from time to time.*

***Designated Rights and Responsibilities** shall have the meaning set forth in Section 1.3(a)(i) of the Program Implementation Agreement.*

***Detailed Financial Plan** shall have the meaning set forth in Section 2.1(b) of the Program Implementation Agreement.*

***Director General** shall have the meaning set forth in these Bylaws under Section 3.9(a).*

***Disbursement** shall have the meaning set forth in Section 2.4 of the Compact.*

***Governing Document** shall have the meaning set forth in Section 2.10(f) of the Program Implementation Agreement.*

***Government** shall have the meaning set forth in Schedule 1 of the Program Implementation Agreement.*

***Government Board Members** shall have the meaning set forth in these Bylaws under Section 3.6(a)(i)(2).*

***Governance Guidelines** shall have the meaning set forth in Schedule 1 of the Program Implementation Agreement.*

***Implementation Plan Document** shall have the meaning set forth in Section 2.1 of the Program Implementation Agreement.*

***Implementing Entity Agreement** shall have the meaning set forth in Section 1.4 of the Program Implementation Agreement.*

***M&E Plan** shall have the meaning set forth in Section 2.3 of the Program Implementation Agreement.*

Management Unit shall have the meaning set forth in these Bylaws under Section 1.3.

Mandated Government Board Members shall have the meaning set forth in these Bylaws under Section 3.6(a)(i)(1).

Material Agreement shall have the meaning set forth in Section 2.10(c) of the Program Implementation Agreement.

MCC Funding shall have the meaning set forth in Section 2.3 of the Compact.

MCC Representative shall have the meaning set forth in these Bylaws under Section 3.12(a).

Multi-Year Financial Plan shall have the meaning set forth in Section 2.1(b) of the Program Implementation Agreement.

Namibian Acts shall have the meaning set forth in these Bylaws under Section 1.2.

NPC Act shall have the meaning set forth in these Bylaws under Section 1.2.

Officer shall have the meaning set forth in these Bylaws under Section 4.2(a).

Private Sector Members shall have the meaning set forth in these Bylaws under Section 3.6(a)(i)(3).

Program shall have the meaning set forth in the Preamble of the Compact.

Program Guidelines shall have the meaning set forth in Schedule 1 to the Program Implementation Agreement.

Program Implementation Agreement shall mean that certain “Program Implementation Agreement” made by and between the Government of the Republic of Namibia, acting through the National Planning Commission and the Government of the United States of America, acting through the Millennium Challenge Corporation, pursuant to the Compact.

Project(s) shall have the meaning set forth in Section 6.2(b) of the Compact.

Secretary shall have the meaning set forth in these Bylaws under Section 3.10(a).

Stakeholders/Consultative Committee(s) shall have the meaning set forth in these Bylaws under Section 1.3.

Supplemental Agreement shall mean any agreement executed in connection with the Compact.

Voting Members shall have the meaning set forth in these Bylaws under Section 3.6(a)(i)(3).

SCHEDULE 4
ANTICIPATED GOVERNMENT LMIC CONTRIBUTIONS

Component	Incremental Budget Increase from Base Period used as Contribution (USD)						
	Base Year (2007/2008)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1. Education Project							
(a) Improving the Quality of General Education	6,661,448	1,591,344	1,079,530	1,646,663	1,125,113	1,125,028	6,567,678
(b) Vocational and Skills Training	9,475,188	7,398,489	3,881,612	5,122,796	5,467,632	5,467,632	27,338,161
(c) Improving Access to and Management of Textbooks							
(d) Regional Resource Centers							
(f) Access to Tertiary Education Finance	7,178,841	19,706,801	18,743,703	14,337,406	17,595,970	17,595,970	87,979,849
(g) Cross-Project Support (HIV/AIDS Training)							
Sub-Total	23,315,477	28,696,634	23,704,845	21,106,865	24,188,715	24,188,630	121,885,688
2. Tourism Project							
(a) Improving Management and Infrastructure in Etosha National Park	3,804,030	80,101	582,536	1,067,086	576,575	576,574	2,882,872
(b) Marketing Namibia in Tourism							
(c) Ecotourism Development for Communal Conservancies							
Sub-Total	3,804,030	80,101	582,536	1,067,086	576,575	576,574	2,882,872
3. Agriculture Project							
(a) Land Access and Management Activity	730,478	58,060	74,055	129,849	87,343	87,343	436,650
(b) Livestock Activity	10,482,871	6,530,416	6,643,073	7,371,599	6,848,363	6,848,363	34,241,814
(c) Indigenous Natural Products Activity	2,141,057	770,403	1,374,937	1,476,700	1,207,368	1,207,368	6,036,776
Sub-Total	13,354,406	7,358,879	8,092,065	8,978,148	8,143,074	8,143,074	40,715,240
GRAND TOTAL	40,473,913	36,135,614	32,379,446	31,152,099	32,908,364	32,908,278	165,483,800