

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) has been entered into this 23rd day of January, 2008, by the Municipality of Gramsh and USAID's Local Governance Program in Albania (LGPA). The LGPA is funded by USAID, and implemented by ARD, Inc.

The Parties to the MOU recognize the need to encourage greater local economic development as a means to increase jobs, incomes, and local tax revenues, which in turn will provide the necessary resources to improve the quality of life for the citizens and businesses of Gramsh. In order to achieve these program goals, USAID's Local Governance Program in Albania, intends to include the Municipality of Gramsh as one of ten Target Municipalities to participate in the activities of the LGPA, and the Municipality of Gramsh and LGPA agree to cooperate for the duration of the program which is expected to conclude on June 30, 2011. It is understood that this assistance is subject to continued funding from USAID.

LGPA is designed to provide training and technical assistance to enable the ten Municipalities to increase local economic development; to procure a limited amount of equipment for the Municipality if LGPA deems necessary to achieve program objectives; to improve municipal tax administration and asset management; to improve service provision; to help establish the creditworthiness of the Municipality; and to undertake other related activities over the life of the LGPA.

The Municipality of Gramsh agrees to support the LGPA through the active participation of the Mayor and other key staff of the Municipality; to convene a bipartisan and broadly representative Local Economic Growth Committee, including representatives of the public, business and civil society sectors; to develop, through the Committee, a strategic vision of the future economic development of the Municipality; to prioritize immediate actions within the context of a short-term 'action plan'; and to seek ways to improve the efficiency and effectiveness of municipal services and functions. The Municipality understands that in order to achieve program goals, the Municipality will have to contribute significant staff resources as counterparts.

LGPA and the Municipality will develop an Annual Action Plan for activities aimed at achieving program goals. The action plan will elucidate the responsibilities of both LGPA and the Municipality and elaborate a timeframe for program activities. The Municipality is obligated to fulfill its responsibilities outlined in the Annual Action Plan. The Annual Action Plans will become addenda to this Memorandum of Understanding.

The assistance discussed in this MOU is part of the United States' program of assistance to Albania within the scope of the Economic Bilateral Agreement Between the Government of the Republic of Albania and the Government of the United States of America, dated June 10, 1992, and is subject to the terms and conditions of that agreement, including provisions relating to exemptions from taxes and customs duties.

In order to provide the assistance described in this MOU, USAID may enter into such contracts and other instruments with public and private parties as USAID deems appropriate. All undertakings of USAID and the U.S. Government pursuant to this MOU are subject to the availability of funds and to further agreement between USAID and such public and private parties regarding the provision of such assistance.

Activities described in this agreement are also included in other USAID contracts. Should the terms of this MOU conflict with USAID's other contracts, our other contracts will prevail. USAID will only spend funds for goods and services under this MOU if those purchases accord with US laws and regulations.

The MOU may be modified by the parties, provided such modification is in writing and signed by an authorized representative of each party. The MOU may be terminated by either party with 60 days prior written notice.

The Parties have affixed their signatures this 23 rd day of January, 2008

Municipality

Local Governance Program in Albania

Mayor

David B. Smith

ARD, Inc.,

Chief of Party

In Witness Thereof:

Edward Landau
USAID Albania Mission Director