

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF THE UNITED STATES THROUGH
POWER AFRICA**

AND

UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

FOR

**REDUCING ENERGY POVERTY AND INCREASING ACCESS TO SUSTAINABLE ENERGY
IN AFRICA**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made between the Government of the United States of America, through the Power Africa Coordinator's Office housed within the United States Agency for International Development (USAID), (hereinafter referred to as "Power Africa"), and the UK Department for International Development (hereafter referred to as "DFID" and collectively with Power Africa referred to as the "Participants.") On June 30, 2013, U.S. President Barack Obama launched Power Africa, a partnership among more than 100 public and private sector entities to double access to electricity in sub-Saharan Africa. On October 22, 2015, DFID and a range of African governments launched the Energy Africa campaign to accelerate the expansion of the household solar market in Africa, helping bring universal energy access in the continent forward from 2080 on current trends to 2030. Energy Africa is part of DFID's wider strategy to tackle the lack of access to energy for households and firms that is a binding constraint to inclusive growth and poverty reduction in many developing countries.

Power Africa and DFID share the goals of reducing energy poverty and increasing access to sustainable energy in sub-Saharan Africa. The Participants seek to share their respective strengths, expertise and resources to pursue activities of mutual interest that support their common goals in the energy sector in sub-Saharan Africa.

This MOU sets forth the intentions of the Participants regarding collaboration with respect to certain Power Africa and DFID activities. This document provides the framework on which joint activities should be based for implementation purposes, but does not impose any legally binding obligation (financial or otherwise) on either of the Participants.

Power Africa aims to add at least 30,000 megawatts (MW) of new, cleaner electrical power capacity and 60 million electrical connections across sub-Saharan Africa by unlocking sub-Saharan Africa's substantial wind, solar hydropower, natural gas and geothermal resources.

Power Africa is a partnership among US Government (USG) agencies, the World Bank, the African Development Bank, Swedish International Development Agency, the United Nations' Sustainable Energy for All (SE4All) initiative, the African Union's New Partnership for Africa's Development, the European Commission and many other public and private sector entities, including several African governments. To date, Power Africa's partners have committed more than \$40 billion towards achieving Power Africa's goals.

Power Africa uses a transaction-based model whereby private investments are leveraged to help push policy and regulatory reforms that enable key energy projects to advance. In addition, Power Africa demonstrated its commitment to increasing access for people living away from the electrical grid by launching Beyond the Grid during the US-Africa Energy Ministerial in 2014.

DFID leads the UK's international development cooperation in the energy sector, working closely with other UK departments. Through a range of instruments, and working through multilateral partners, DFID aims to contribute to three interlinked objectives: universal access to energy for households, reliable and affordable electricity to drive economic transformation, and support for countries to adopt low carbon growth paths.

Within this wider framework, through the **Energy Africa campaign** DFID seeks to work together with African governments, donor partners, Power Africa, the African Development Bank, the African Union, private sector firms, NGOs and others - to generate the policy and market shifts necessary to overcome the barriers and rapidly accelerate growth in the African household solar industry. It seeks to align supportive policy with coordinated donor support in Energy Africa Compacts, to improve market conditions and increase investment.

The cooperation between Power Africa and DFID builds on the existing cooperation between USAID and DFID, as well as DFID's current support in the energy sector in Sub-Saharan Africa. The cooperation is a concerted effort to complement ongoing and planned energy sector development cooperation using grants, equity, loans and guarantees to catalyse public, private and institutional investments that contribute towards the **Global Goal 7 to ensure access to affordable, reliable, sustainable and modern energy services by 2030**.

DFID's collaboration with Power Africa should take place within the context of DFID's development cooperation policy and should be accommodated within DFID's annual energy budgets, subject to Parliamentary approval.

The Participants fully support the Sustainable Development Goal on Energy to ensure access to affordable, reliable, sustainable and modern energy for all by 2030.

The Participants' efforts to advance the energy sector in sub-Saharan Africa are intended to support poverty reduction and inclusive and sustainable growth, sustainability and climate

compatibility, and partner country ownership and collaboration. Increasing access to electricity would enhance energy security, decrease poverty, and advance economic growth.

Recognizing that through coordination and collaboration between the Power Africa Coordinator's office in South Africa and Washington, D.C., as well as the U.S. government agencies supporting Power Africa, and the UK government, including but not limited to DFID, other relevant government agencies and DFID offices and British embassies in Africa, Power Africa and DFID intend to work together to support key activities that meet the shared goals of increased energy availability and access. This collaboration is expected to extend to the regional and national level, where the USG agencies and the UK intend to coordinate to support projects of mutual interest. The Participants intend to leverage one another's expertise, relationships and resources to achieve the common goals of Power Africa and DFID.

NOW THEREFORE, desiring to establish a mutually beneficial cooperation, the Participants have reached the following understanding:

Section I

Partnership Focus Areas

The Participants intend to collaborate on the following issues:

- (a) **Expand and leverage investments in cleaner energy.** Both Participants intend to collaborate on developing specific projects; share information on project opportunities (including making best efforts to share information in Power Africa's transaction tracking database, as appropriate); identify constraints to project development and opportunities for strengthening the enabling environment for investment (including project preparation and sector planning); participate in constructive dialogue with governments to support necessary reforms including strengthening government capacity to manage private and public investments; and provide periodic updates on its progress toward the goals set forth in its commitment.

- (b) **Expand decentralised and off-grid efforts to extend cleaner electricity across sub-Saharan Africa.** This objective reflects the joint objective of accelerating access to electricity in sub-Saharan Africa. Both Participants have already demonstrated their expertise and commitment to increasing access through mini-grid and off-grid projects that include support to rural electrification agencies, mini-grid and off-grid transactions and financial and technical support to off grid technologies, enterprises and approaches. The Participants intend to jointly work to leverage one another's expertise, reach and resources to support the access targets of Power Africa and DFID.

The primary area of co-operation in this respect will be in the **Energy Africa campaign**. The Energy Africa campaign aims to bring together the policy commitments, technical assistance and financing necessary to move off-grid solar in sub-Saharan Africa from an emerging market to an industry capable of helping bring universal electricity access forward to 2030, from 2080 on current projections. Power Africa has collaborated on the development of the campaign and brings the tools of USG and other Power Africa partners to bear to support the coordination of a multi-donor toolkit targeted for the off-grid solar market. DFID is playing a leadership role in the campaign, including in liaison with partner governments.

- (c) **Support Power Pools, as well as other interventions to increase cleaner energy power generation and access to power through regional integration.** The Participants intend to build on their existing and planned support for regional Power Pools, (cross-border electrical power trading networks) as a means of strengthening economic integration and expanding access to power. They expect to continue to collaborate on their work to enhance the capacity of power pool secretariats and where possible, support projects and initiatives that contribute to improved regional integration and power trading.

- (d) **Support efforts to advance the full participation of women in the energy sector.** The Participants intend to collaborate on projects, programs and policies that intentionally strive to reduce gender inequalities and promote effective engagement of both men and women in the energy sector in sub-Saharan Africa. This includes increasing women's participation in energy sector policy development and project planning processes, increasing consideration of gender issues in design of energy sector policies and projects, increasing women's participation in the supply chain in household solar and more generally within the energy sector work force and increasing women's access to energy services.

- (e) **Develop the geothermal sector through a regional approach.** The Participants intend to jointly support partner governments in the establishment of geothermal development policy, legal, regulatory and institutional frameworks to facilitate investment, particularly private investment, in this relatively untapped area. The Participants intend to leverage their respective mechanisms to provide various forms of assistance to the sector, such as technical assistance to conduct feasibility studies for applications of geothermal energy, training in drilling and reservoir engineering, development of business models, the role of geothermal energy in markets and other geothermal development topics, as well as support to reduce the risks of the early stages of geothermal energy development.

- (f) **Maximise impact of our interventions by strengthening donor coordination in the sector, beyond key Power Africa partners.** Participants should endeavour to work closely with others that share the mutual interests, and minimise duplication of efforts across donors working in the energy sector in SSA.

The above list is illustrative. The Participants' collaboration is not intended to be limited to these activities. Where applicable, the USG and the UK intend to jointly rally and deploy their resources in support of the energy programmes/ projects they prioritize.

NEXT STEPS: The Participants plan to schedule an initial coordination meeting at which a general overview of the available policy, programming and funding instruments should be provided.

- a. The Participants intend to jointly identify specific areas of collaboration for supporting sub-Saharan African governments in the implementation of policy reforms to enable private and public sector investments.
- b. To the extent permitted and feasible, the Participants intend to share activity descriptions, terms of reference, work programs, and explore the possibility of participating, as appropriate, in one another's procurements processes to ensure that future technical assistance instruments developed advance the Participants' mutual goals.
- c. The Participants plan to inform their respective embassies and agencies supporting energy activities in sub-Saharan Africa of this MOU and ask that their respective teams meet with one another to develop specific areas of potential collaboration and place a priority on joint meetings with government counterparts where possible, linked to existing donor co-ordination groups.

Section II

General Intentions of the Participants

1. The Participants intend to carry out their respective tasks as foreseen in this MOU and in conformity with their respective legal and policy authorities. The Participants intend to join efforts and to maintain a close working relationship in order to achieve the objectives of this collaboration.
2. The Participants intend to keep each other informed, as appropriate, of all relevant activities pertaining to this collaboration and to hold meetings and consultations whenever needed and in coordination with other development partners, in order to evaluate the progress of implementation of this MOU and to introduce or modify activities, as deemed necessary. At least once a year, the Participants plan to meet at senior level, either bilaterally, or along with other Power Africa partners, to review and evaluate progress on this partnership and to share each Participant's annual report or

other monitoring, evaluation and progress tracking tools to measure the progress being made.

3. This MOU does not create any commitments for either Participant to financial or human resource obligations.
4. Neither Participant should, in any manner whatsoever, use the name, emblem, logo or official seal of the other Participant, or any abbreviation thereof in connection with their business or otherwise, unless expressly authorised by the other Participant in writing.
5. The Participants intend to coordinate with each on all press releases or public statements regarding partnership activities under this MOU.
6. This MOU is a non-binding expression of the current intentions of the Participants. It does not, nor is it intended to, create any binding, legal or financial rights or obligations on either side under domestic or international law.

Section III General Provisions

1. **Modification.** This MOU may be modified by written consent of the Participants.
2. **Duration and renewal.** This MOU is intended to become operative on the date of signature and to remain operative until December 31, 2020. It may be renewed by mutual consent of the Participants in writing.
3. **Discontinuation.** This MOU may be discontinued by mutual consent of the Participants or by either Participant.

Section IV Notices and Point of Contact

1. Any notices pursuant to this MOU should be given in writing and delivered to the following point of contacts:

1.1. In the case of Power Africa:

Address: Power Africa/U.S. Embassy/Pretoria

100 Totius Street, Groenkloof, Pretoria, South Africa 0027

Attention: Power Africa Coordinator

Telephone: +27 12 452-2000

1.2. In the case of UK:

Address: DFID

22 Whitehall

London SW1A 2EG

Telephone: +020 7023 0000

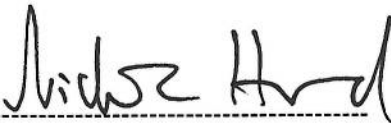
or at such other address as may be given from time to time in accordance with the terms of this notice provision.

Signed at PARIS, FRANCE, in duplicate, on the 7 day of DECEMBER, 2015.

For Power Africa:

For UK:





USAID

Associate Administrator, Eric Postel

DFID

UK Undersecretary of State for
International Development, Nick Hurd