

## MEMORANDUM OF UNDERSTANDING

For

Power Africa

Among

**the United States Agency for International Development**

and

**Africa50 – Project Development and Africa50 – Project Finance**

### **Purpose**

1. Nearly two out of three people in sub-Saharan Africa (“SSA”) do not have access to electricity, which limits access to quality health care, education, and economic opportunities for more than 600 million people. The United States Agency for International Development (“USAID”) through Power Africa, Africa50 – Project Development and Africa50 – Project Finance (together with Africa50 – Project Development, “Africa50”) (USAID and Africa50 each a “Participant” and, together the “Participants”) seek to contribute their respective strengths, expertise and resources, to support one another's efforts to (1) catalyze the sustainable development of power sectors across SSA and (2) increase the bankability of power transactions in SSA. By working together, the Participants hope to extend the impact and increase the efficiency of their programs to achieve these goals.
2. The primary intention of the cooperation between Africa50 and USAID is to deepen collaboration to bring additional power projects to financial close, to support transmission and distribution line expansion, and to increase energy access, for the purpose of reducing energy poverty and promoting economic growth in SSA. This Memorandum of Understanding (“MOU”) articulates some of the commonalities between the Participants’ objectives and approaches, and establishes a basis for ongoing dialogue and cooperation between the Participants.

### **Participants**

3. The United States Government (“USG”) launched the Power Africa Initiative, coordinated by USAID, in June 2013 to leverage private and public sector partnerships to double access to electricity in SSA. The United States Congress later unanimously passed the Electrify Africa Act of 2015, signaling to the global community that expanding electricity access in SSA is a long-term bipartisan foreign policy priority of the USG. Power Africa, comprised of 12 USG agencies and more than 170 public and private sector partners, aims to add at least 30,000 megawatts (MW) of new, cleaner electrical power capacity and 60 million electrical connections across SSA by 2030. Under Power Africa’s 2.0 Strategy, the initiative has also adopted transmission targets, including the

installation of 5,000 kilometers (km) of new transmission lines and mobilization of USD \$3 billion in support of transmission projects.

4. Africa50 is an infrastructure investment platform that contributes to Africa's growth by developing and investing in bankable projects, catalyzing public sector capital, and mobilizing private sector funding, with differentiated financial returns and impact. Africa50's investor base is currently composed of 28 African countries, the African Development Bank, the Central Bank of West African States (BCEAO), and Bank Al Maghrib, with over US \$870 million in committed capital.

## Goals and Objectives

5. The Participants have the following joint strategic goals and objectives:
  - **Advance transmission line development through new and innovative investment and operating models that leverage private sector capital:** Recognizing the importance of transmission line development and maintenance and regional trading opportunities to SSA's energy sector, the Participants seek to identify transmission-related projects where they may collaborate. Collaboration may include facilitating Public-Private Partnerships in transmission, promoting reforms to enhance private sector collaboration in transmission, encouraging mobilization of public and private sector finance for transmission with Participant resources, and undertaking coordinated advocacy with respect to targeted projects.
  - **Leveraging financial products and cooperation opportunities to advance power sector transactions:** The Participants intend to coordinate resources in support of identified projects under this MOU, which may include seeking to improve project developers' access to sustainable financial solutions such as lines of credit, co-financing, blended financing, syndicated loans, bilateral loans and guarantees. Coordination takes into account possible equity support from Africa50 and other financial products of Power Africa related institutions, including but not limited to the United States International Development Finance Corporation ("USDFC"), United States Trade and Development Agency ("USTDA"), Millennium Challenge Corporation ("MCC"), and the Export-Import Bank of the United States ("US EXIM") and others. In doing so, the Participants will seek to identify ways to increase market efficiencies, encourage deal referral and foster new projects.
  - **Identification of opportunities to share relevant market information and provide technical assistance:** Where feasible and appropriate, the Participants intend to devote resources, including through transaction and other advisors, to

support the Participants' identified power sector transactions. Resources may include (a) sharing market intelligence and insights, (b) providing guidance regarding the enabling environment (IPP, regulatory and legal frameworks), and (c) supporting feasibility and environmental studies to bring identified power transactions to a bankable stage.

- **Mobilization of institutional capital for the benefit of SSA's energy sector:** The Participants intend to identify collaborative opportunities to encourage institutional capital investments in SSA energy infrastructure. The Participants seek to collaborate on opportunities to drive investment into the African power sector particularly, where possible, in support of transboundary projects. These efforts will support both Africa50's and Power Africa's ambitions to catalyze new and innovative sources of capital to support SSA's energy markets.

The areas of cooperation coordination and collaboration listed above are illustrative. The Participants intend to mutually agree on planned areas of collaboration, which are not necessarily intended to be limited to the activities listed above. Where applicable, the Participants intend to coordinate their resources in support of the energy programs and projects they have agreed to prioritize through this collaboration.

### **Roles and Responsibilities**

6. The Participants intend to join efforts and to maintain a close working relationship in order to achieve the objectives of this collaboration. USAID and Africa50 will each designate a point of contact for the partnership. The Participants intend to inform their relevant respective personnel and, in the case of Power Africa, its interagency counterparts, of this joint commitment to collaborate between Power Africa and Africa50.
7. Under this MOU, USAID intends to accomplish the following:
  - Deliver transaction advisory assistance and market-related intelligence to Africa50 on an as needed basis.
  - Share information on its proposed Mobilizing Institutional Investors programming for the purpose of identifying concrete ways in which to collaborate with Africa50.
  - Identify opportunities for Africa50 to collaborate with Power Africa's interagency counterparts and public and private sector partners.
  - Explore innovative financing models for transmission line development with Africa50.

8. Africa50 intends to accomplish the following:
- With technical and transaction advisory support from Power Africa, work to bring at least two transmission projects totaling up to 500 kilometers of transmission line to financial close.
  - Collaborate on project development and technical assistance with Power Africa as appropriate to advance transactions and to bring them to financial close.
  - Collaborate with Power Africa on sectoral analysis and synthesis of new and innovative approaches to expand private participation in infrastructure investment.

### **Implementation**

9. The above list of intended actions is illustrative and the Participants' planned activities and contributions may be altered as mutually agreed. Where applicable, each Participant intends to mobilize and deploy its suite of resources in support of the projects they jointly agree to prioritize through this collaboration. Upon the execution of this MOU the Participants will develop a work plan that will include a schedule to review progress towards mutually established goals, and organize a "kick off" meeting to be held sometime within the first six months of executing this MOU.

### **Publicity and Communications**

10. Public communications related to this MOU should appropriately attribute the efforts of both Participants, in each case subject to their consent.
11. Joint branding may be used with the written consent of each Participant in accordance with the communication policy agreed with respect to each project. Each Participant may make its logo available for use on specific materials at its sole discretion. Each Participant will obtain written approval prior to the publication of all information and materials that contain the other's logo. The Participants expect that any such materials give equal prominence.
12. The Participants intend to respect each other's confidentiality policies, with the mutual understanding that they publicize their collaboration and its objectives without disclosing any confidential or proprietary information of the other.
13. Each Participant should obtain written consent to the extent a Participant issues a press release or public statement, referencing the other Participant, the existence of this MOU, or such Participant's involvement in any collaboration activities under this MOU.

## **Reporting and Collaboration**

14. The Participants acknowledge the need for regular reporting on activities and results and intend to collaborate to meet any information needs or applicable reporting requirements in connection with the cooperation under this MOU. At a minimum, the Participants should communicate via quarterly telephone calls between the designated Points of Contact identified in Paragraph 18 below and annual executive meetings. Power Africa's Development Partnerships team will invite Africa50 to participate in a semiannual data verification event to ensure that information on Africa50 supported transmission and power generation transactions is included in Power Africa's database and results will be counted towards Power Africa's goals. The Participants expect that joint efforts in many locations may necessitate more frequent, working-level contact and intend that the designated Points of Contact at headquarters facilitate establishing country-level Points of Contact, as needed to coordinate implementation under this MOU.

## **General Provisions**

15. **Duration:** This MOU is expected to continue for three years from the date of signature and may be extended in writing. The Participants may renew or extend it by mutual written agreement. It is understood that either Participant may withdraw from this MOU by giving thirty (30) days prior written notice to the other Participant.
16. **Modifications:** It is intended that the Participants may modify this MOU only in writing.
17. **Effect of MOU:** This MOU is not a treaty and does not give rise to rights or obligations under international law. The Participants specifically acknowledge that this MOU is not an obligation of funds, nor does it constitute a legally binding commitment by any Participant or create any rights in any third party. The Participants intend to maintain their own separate and unique missions and mandates and their own accountabilities. Unless specifically provided otherwise, the cooperation among the Participants as outlined in this MOU shall not be construed as a partnership or other type of legal entity or personality. Each Participant shall accept full and sole responsibility for any and all expenses incurred by itself related to this MOU. Nothing in this MOU shall be construed as superseding or interfering in any way with any agreements or contracts entered into among the Participants, either prior to or subsequent to the signing of this MOU. Nothing in this MOU shall be construed as an exclusive working relationship.

**Points of Contact**

18. The primary Points of Contact for each Participant for administering this MOU appear below. Each Participant may, by written notice, replace or identify additional representatives.

USAID  
Power Africa  
1300 Pennsylvania Avenue, NW  
Washington, D.C. 20004

Africa50  
Tour Ivoire 3, 8<sup>ème</sup> étage  
Marina de Casablanca  
Boulevard des Almohades  
20000, Casablanca, Maroc

████████████████████  
████████████████████  
Contact Person: John Irons

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Contact Person: Koffi Klousseh

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The Participants, each acting through its duly authorized representative, have caused this Memorandum of Understanding to be signed in their names and delivered as of this 12th day of November, 2019.

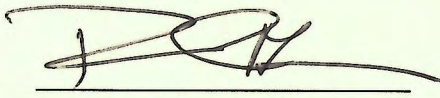
UNITED STATES AGENCY FOR  
INTERNATIONAL DEVELOPMENT

AFRICA50 – PROJECT DEVELOPMENT

and

AFRICA50 – PROJECT FINANCE

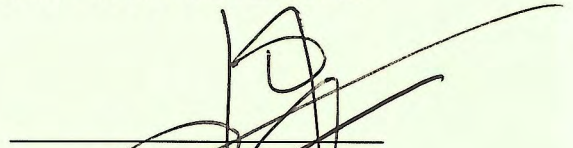
By:



(Signature)

Richard Nelson  
Power Africa Deputy Coordinator

By:



(Signature)

Koffi Klousseh  
Director of Project Development