

MEMORANDUM OF UNDERSTANDING

For

Power Africa

Between

the United States Agency for International Development

and

the Ministry of Foreign Affairs of Denmark

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, job creation, and economic opportunities for almost 600 million people. Africa has an abundant renewable energy potential to close the energy gap with affordable renewable energy sources in ways that meet the goals of the Paris Agreement and the United Nations’ Sustainable Development Goal (“SDG”) 7.
2. The United States Agency for International Development (“USAID”), through the Power Africa Coordinator’s Office, and the Government of Denmark’s Ministry of Foreign Affairs (“MFA”), through the Danish Investment Fund for Developing Countries (“IFU”), (USAID and MFA 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, (2) increase the bankability of power transactions in SSA, and (3) ensure access to affordable, reliable, sustainable, and modern energy for all in SSA in accordance with SDG 7. By working together, the Participants hope to extend the impact and increase the efficiency of their programs and thus achieve more scalable development outcomes.

The primary intention of the cooperation between the Participants is to deepen collaboration in order to bring additional sustainable and climate-change-neutral power projects to financial close, support transmission and distribution line expansion, and increase energy access for all to reduce energy poverty and promote low-carbon 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, comprising 12 USG agencies and more than 170 private- and public-sector partners, aims to add at least 30,000 megawatts (MW) of new and clean 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 three (3) billion in support of transmission projects. Through these efforts, Power Africa is working with its partners to meet the goals of SDG 7 and the Paris Agreement on Climate Change.

Denmark’s collaboration with Power Africa is intended to take place within the context of the Danish Strategy for Development Cooperation and the Danish Government’s long-term Strategy for Global Climate Action. Through bilateral and multilateral collaborations, Denmark expects to actively advance the Paris Agreement and aims to be a driving force in the international effort for a green and sustainable transition that will increase access to clean, affordable, and renewable energy in developing countries in line with SDG 7. Denmark intends to work to accelerate a shift to green public and private investments across sectors and country groups, including mobilizing green investment for the poorest and most fragile countries. The collaboration with Power Africa is expected to be accommodated within IFU’s support for the establishment and development of profitable and sustainable enterprises and Danida Sustainable Infrastructure Finance (“DSIF”) through activities funded by their annual budgets, subject to Parliamentary approval. DSIF provides subsidized loans for sustainable and climate-relevant public infrastructure projects. IFU, a statutory body with limited liability, is the main instrument of the Government of Denmark to promote investments in renewable energy in developing countries.

Goals and Objectives

4. Through coordination and collaboration at the headquarters, regional, and national levels, the Participants intend to pursue the following joint strategic goals and objectives under this MOU:

- **Mobilization of institutional capital for the benefit of SSA’s energy sector:** The Participants intend to create collaborative opportunities to encourage institutional capital investments, such as pension fund capital, to drive investment into the SSA power sector. These efforts are intended to support shared ambitions to catalyze new and innovative sources of capital to support SSA’s energy markets, with a particular focus on mobilizing investments in renewable energy sources such as solar, wind, biomass, hydropower, and geothermal resources.

- **Advance transmission line development and integration of renewable energy through new and innovative investment and operating models that leverage private-sector capital:** Recognizing the importance of infrastructure, particularly transmission line development and maintenance, and regional trading opportunities to SSA’s energy sector, the Participants seek to collaborate in using their respective resources to advance transmission-related transboundary projects. Collaboration may include facilitating Public-Private Partnerships in transmission, promoting reforms to enhance private-sector collaboration in transmission, encouraging the mobilization of public- and private-sector finance for transmission with Participant resources, and undertaking coordinated national and regional advocacy with respect to targeted projects.

- **Leveraging financial products and cooperation opportunities to advance power-sector transactions in conflict-impacted areas and fragile states:** The Participants intend to coordinate resources to help increase market efficiencies, encourage deal referral, and foster new projects providing energy access, particularly in conflict-impacted and fragile states. This may include efforts to improve project developers’ access to financial resources, such as lines of credit, co-financing, blended financing, syndicated loans, bilateral loans and guarantees, and equity from sources such as the IFU and Power Africa-related institutions (including but not limited to the United States International Development Finance Corporation [“DFC”], United States Trade and Development Agency [“USTDA”], Millennium Challenge Corporation [“MCC”], and the Export-Import Bank of the United States [“US EXIM”]).

- **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 Advisors and other Technical Advisors, to support target power-sector transactions. Resources may include (a) sharing market intelligence and insights; (b) providing guidance regarding the enabling environment (independent power producers [IPPs], regulatory and legal frameworks); and (c) supporting feasibility and environmental studies to bring selected power transactions to a bankable stage.

- **Support Women’s Empowerment:** The Participants intend to collaborate on efforts to empower women by increasing their participation and leadership within the energy sector as well as access to electricity through their respective programs and investments in SSA. Potential collaboration could include programs such as the Women in African Power network and the Young Women in African Power Leadership training (a collaboration with the Young African Leaders Initiative [“YALI”]).
- **Explore and support the utilization of financial technologies, e.g., blockchain, to advance the energy sector within SSA:** The Participants intend to explore opportunities to deploy projects that might benefit from the utilization of advanced financial technologies (“fintech”). These technologies could include blockchain, or other fintech areas, where developing markets could benefit from both pilot programs as well as the implementation of proven technologies that are not readily available on the African continent. This technology transfer could be achieved through training, seminars, reverse-trade missions, or similar activities.
- **Collaborate and participate in the burgeoning energy-storage industry to support the development of sustainable electricity systems in SSA:** The Participants intend to collaborate on supporting and advancing the energy-storage lifecycle (planning, procurement, deployment, operations and maintenance, and decommissioning) in SSA. The Participants intend to work with SSA host governments to enhance enabling environments that ensure a conducive climate for investment in energy-storage solutions and assist in the establishment of transparent competitive procurement processes across energy-storage technologies and associated use cases.

The areas of coordination and collaboration listed above are illustrative. The Participants intend to mutually discuss specific activities, which are not intended to be limited to the areas listed above. Where applicable, the Participants intend to coordinate their resources in support of the energy programs and projects they jointly determine to prioritize through this collaboration.

Roles and Responsibilities

5. Under this MOU, USAID intends to accomplish the following:
 - Deliver transaction advisory assistance and market-related intelligence to MFA and IFU to advance targeted power-sector transactions.
 - Include IFU and potentially Danish investors in the implementation of USAID’s Mobilizing Institutional Investors activities.

- Facilitate Public-Private Partnerships with the Danish government and private-sector actors to mobilize finance and promote enabling environment reforms for transmission projects.
 - Include IFU in discussions with Power Africa’s interagency counterparts and public- and private-sector partners to collaborate on SSA energy projects.
 - Through Power Africa’s Private-Sector Engagement (PSE) team, utilize the Power Africa network and ecosystem to work with Danish private-sector companies to develop power projects.
6. Under this MOU, MFA and IFU intend to accomplish the following:
- Collaborate on sustainable energy project development and technical assistance with Power Africa as appropriate to advance transactions and to bring them to a financial close.
 - Work with Power Africa on sectoral analysis and synthesis of new and innovative approaches to expand private-sector participation in infrastructure investment that can unlock SSA wind, solar, hydropower, biomass, and geothermal resources.
 - Cooperate with Power Africa to ensure women’s participation and leadership within the energy sector as well as access to electricity.
 - Strive to enhance opportunities for employment and/or training of skilled young workers through collaboration with local technical and vocational education and training systems during preparation and implementation of projects, where feasible.
 - With technical and transaction advisory support from Power Africa, work to substantially increase access to clean and climate-relevant electricity in SSA in accordance with SDG 7 and the 1.5°C Paris Agreement climate change target.

Implementation

7. The above lists of Roles and Responsibilities are illustrative, and the Participants’ planned activities and contributions may be altered by mutual arrangement. Where applicable, each Participant intends to mobilize and deploy its suite of resources in support of the projects they jointly determine to prioritize through this collaboration. The Participants intend to develop a work plan that includes specific activities and a schedule to review progress towards mutually established goals during a “kick-off” meeting to be held sometime within six (6) months of the last signature of this MOU.

Publicity and Communications

8. Public communications related to this MOU should appropriately attribute the efforts of both Participants, in each case subject to their consent. Each Participant intends to respond to a communication request by the other within three business days.

Joint branding is expected to be used only with the written consent of each Participant. Each Participant may make its logo available for use on specific materials and should 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 to both Participants' logos.

The Participants intend to respect each other's confidentiality policies, with the mutual understanding that they publicize their alliance and its objectives without disclosing any confidential or proprietary information of the other.

Each Participant may make the existence and content of this MOU publicly available by press release, public commentary, or other disclosure, and is expected to do so in accordance with their policies or procedures regarding the public disclosure of information and subject to the prior written consent of the other.

Reporting and Collaboration

9. 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 below or their designees and annual executive meetings. Power Africa's Development Partnerships Team plans to invite IFU to participate in an annual data verification event to ensure that information on Denmark-supported power projects is included in Power Africa's database and results are 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 regional- and country-level Points of Contact as needed to coordinate implementation under this MOU.

General Provisions

10. **Duration:** This MOU may commence upon the date of the last signature of the Participants and is expected to continue for five (5) years. The Participants may renew or extend this MOU by mutual written agreement. Either Participant may discontinue its participation from this MOU at any time but should endeavor to provide thirty (30) days' prior written notice to the other Participant.
11. **Modifications:** It is intended that the Participants may modify this MOU only in writing, signed by both Participants.

12. **Effect of MOU:** This MOU is not intended to be legally binding and does not give rise to rights or obligations under international or domestic 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 is not intended to be construed as a partnership or other type of legal entity or personality. All costs and expenses incurred in connection with this MOU are intended to be the responsibility of the Participant that incurs them, and all activities are dependent upon the availability of appropriated funds. Nothing in this MOU is intended to 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 is intended to be construed as an exclusive working relationship.

Points of Contact

13. The Participants intend to join efforts and to maintain a close working relationship in order to achieve the objectives of this collaboration. The Participants have each designated a point of contact for the partnership, listed below. The Participants intend to inform their relevant personnel and, in the case of Power Africa, its interagency counterparts, of this joint commitment to collaborate between Power Africa and IFU.

The primary Points of Contact for each Participant under 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. 20523

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


Ministry of Foreign Affairs of Denmark

IFU
Fredericiagade 27
1310 Copenhagen, Denmark

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Contact Person: Tina Kollerup Hansen

Signed, in triplicate, in the English language.

**UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT**

By: 
(Signature)

Ambassador Samantha Power
USAID Administrator

Date: September 24, 2021

Place: Washington, DC

**DENMARK MINISTRY OF FOREIGN
AFFAIRS**

By: 
(Signature)

Mr. Flemming Møller Mortensen
Minister for Development Cooperation and
Minister for Nordic Cooperation

Date: 24/9.21

Place: Washington, DC

Witnessing

**UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT**

By: 
(Signature)

Mr. Mark Carrato
Power Africa Coordinator

Date: September 24, 2021

Place: Washington, DC