

MEMORANDUM OF UNDERSTANDING

Between
the European Union
and
the United States of America

For a Just and Green Energy Transition and Sustainable Development of the Energy Sector in Sub-Saharan Africa

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 up to 600 million people. The United States of America ("U.S."), represented by the Power Africa Coordinator's Office within the U.S. Agency for International Development ("USAID"), and the European Union ("EU"), represented by the European Commission (U.S. and EU each a "Participant" and together the "Participants"), seek to contribute their respective strengths, expertise, and resources to support their common goals of boosting a just and green energy transition, reducing energy poverty, and increasing access to affordable, reliable, and modern energy for all in SSA, per Sustainable Development Goal (SDG) 7. 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 the EU and U.S. is to deepen collaboration in order to advance the sustainable development of the energy sector in SSA. This Memorandum of Understanding ("MOU") articulates some of the commonalities between the Participants' objectives and approaches toward that goal and establishes a basis for ongoing dialogue and cooperation between the Participants. It builds on the objective expressed in the U.S.-EU Energy Council statement of February 7, 2022, which states that *"the United States and the EU plan to coordinate their efforts in support of third countries to: promote relevant market and regulatory reforms to ensure robust decarbonisation efforts; a swift, just and socially inclusive energy transition to a climate-neutral future; and to address energy poverty including in Africa."* This MOU supersedes the previous MOU that was signed in 2015 and expired in 2020.

Participants

3. The United States Government ("USG") launched the Power Africa Presidential Initiative, coordinated by USAID, in June 2013 to leverage private- and public-sector partnerships to double access to electricity in SSA. The U.S. Congress later unanimously passed the Electrify Africa Act of 2015 [Public Law 114-121], 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 public- and private-sector partners, aims to add at least 30,000 megawatts (MW) of new, cleaner electrical power generation 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 USD3 billion in support of transmission projects. To achieve these goals, Power Africa uses an innovative transaction-based model that leverages private- and public-sector investments and provides technical assistance to facilitate policy and regulatory reforms and enable key energy projects to advance.

4. The European Green Deal, the Global Gateway, and the Joint Communication “Towards a Comprehensive Strategy with Africa” from March 2020 are laying the foundation for prioritizing green transition and energy access on the African continent. The European Green Deal is the EU’s blueprint to become climate neutral by 2050 and to decouple economic growth from resource use. The Africa-EU Green Energy Initiative is designed to implement these priorities, especially focusing on deployment of renewable energy generation, ensuring access to energy services, and promoting energy efficiency. The Initiative will be delivered through the Global Gateway, which is the EU’s strategy to boost smart, clean, and secure links in digital, energy, and transport sectors and to strengthen health, education, and research systems across the world. At the EU-African Union Summit in February 2022, the Global Gateway Africa-EU Investment package was launched to mobilize EUR150 billion of investments for connectivity in Africa.
5. The European Commission has earmarked funds in the current EU Multiannual Financial Framework (MFF 2021-2027) for bilateral and regional development cooperation with Africa and established several tools to drive development goals by unlocking the potential resources of the private sector, such as the European Fund for Sustainable Development plus (EFSD+), including instruments such as the Electrification Financing Initiative (ElectriFI). Sustainable energy featured prominently under the previous EU MFF (2014-2020), with more than EUR3 billion mobilized for energy cooperation in Africa. The European Commission anticipates a comparable amount will be dedicated to sustainable energy in Africa for the current MFF (2021-2027).

Goals and Objectives

6. The Participants’ efforts to increase energy access and accelerate a just and green energy transition in SSA are intended to support poverty reduction, foster inclusive and sustainable economic growth, mitigate climate change, and enhance energy security. The Participants aim to amplify their support through energy compacts, the UN Global Roadmap for accelerated SDG7 action in support of the 2030 Agenda for Sustainable Development, and the Paris Agreement on Climate Change.
7. The Participants resolve to work together to support key activities that meet the shared goals of increased sustainable energy availability and access. This collaboration is expected to extend to the regional and national levels, where the Participants intend to coordinate to support projects of mutual interest in the following areas:
 - a. Expand small-scale and off-grid power generation efforts to markedly increase access to renewable energy across SSA, including the electrification of social infrastructure, such as health facilities and schools, women- and youth-led businesses, and rural households. This objective reflects Power Africa’s target to double access to electricity in SSA and the EU’s goals to significantly expand the availability of sustainable and modern energy services to the African

population, including the rural poor, and increase the share of renewable energy sources in national energy mixes. Both Participants already have demonstrated their expertise and commitment to increase access through activities that support rural electrification, mini- and off-grid transactions, and financial and technical support to innovative off-grid technologies and service delivery approaches. The Participants expect to continue their respective work in these areas, particularly through innovative instruments and initiatives such as the EU's ElectriFI and FEI (Facility for Energy Inclusion) and Power Africa's Beyond the Grid program.

- b. Coordinate on policy dialogue and key regulatory reforms that improve the business enabling environment for investment in renewable energy. The Participants intend to enhance policy dialogue with partner countries on a number of important areas for the energy sector in SSA, such as transparent and competitive procurement procedures for energy services, legal and regulatory reforms for improved energy market integration, climate-proofing of energy infrastructure covering mitigation and adaptation, and ensuring a just and green energy transition. At the country level, the Participants plan to look for opportunities to cooperate on specific reform activities, including facilitating the uptake of innovative energy solutions, such as renewable hydrogen.
- c. Establish knowledge sharing mechanisms to maximize mutual technical assistance support across SSA and the progress of reforms and capacity-building activities. Both Participants have comprehensive technical assistance (TA) facilities at their disposal, such as the EU's Technical Assistance Facility (TAF) for sustainable energy and the Africa-EU Energy Partnership (AEEP) and Power Africa's regional programs, to facilitate the development and execution of energy projects, support regulatory reforms of partner governments, and improve capacities of utilities and other actors in the on- and off-grid power sectors. The Participants further intend to engage in information-sharing, particularly regarding technical assistance activities and project pipelines.
- d. Explore opportunities to promote specific flagship projects, where and when appropriate, to mobilize public resources and leverage private-sector investments. For example, the Participants could seek to expand the participation of U.S., European, and African financial institutions as co-financiers of electricity infrastructure projects under USAID's Unlocking Southern African Solar (i.e., "Mega Solar") program in Botswana and Namibia and/or the African Union's pan-African Continental Power System Masterplan, which is under development with EU support, as well as expand development partner and private-sector partner participation under the multilateral Health Facility Electrification (HFE) Compact and/or support the implementation of the Africa-EU Green Energy Initiative. The Participants further intend to work together to identify constraints to project development and investment, and to seek tools to overcome them, to achieve improved economic activity, sustainable livelihoods, and enhanced provision of essential services, such as agriculture, water, education, and health care.
- e. Collaborate with and foster the burgeoning energy storage industry to support the development of sustainable electricity systems in SSA. The Participants aim to collaborate on supporting and advancing the energy storage lifecycle (planning, procurement, deployment, operations and maintenance, decommissioning and recycling). Power Africa and the EU intend to work with SSA host governments to enhance enabling environments for investment in energy storage

solutions, and assist in the establishment of transparent competitive procurement processes for energy storage technologies and associated use cases.

- f. Empower women in the SSA power sector. The Participants intend to pursue joint efforts to empower women through embedding gender-equity considerations into their respective programs and investments in the energy sector in SSA. Collaboration may focus on increasing women's participation, leadership, and economic engagement within the energy sector and increasing women's access to electricity and financing. The Participants intend to identify specific areas for collaboration, which may be associated with Power Africa's Young Women in African Power Leadership Training, Women in African Power Network, or USAID's Engendering Utilities program.
- g. Mobilize institutional capital investments to leverage new and innovative sources of capital and drive investment into the SSA power sector. The Participants intend to cooperate on opportunities to drive institutional investment into the African power sector, inclusive of renewable energy generation, access, transmission (where possible in support of transboundary projects), and distribution. Areas of cooperation could include the identification of specific transaction opportunities; engagement with and technical assistance to African pension funds, sovereign wealth funds, international institutional investors, public development banks, and their advisors; and technical assistance through the European Fund for Sustainable Development/European Fund for Sustainable Development+ and other cooperating partners on structuring and delivering credit-enhancement to generate capital.
- h. Explore opportunities to expand energy efficiency awareness and investments across SSA to ensure the many benefits that energy efficiency provides are captured. The Participants expect to continue their respective work in these areas and explore new areas for energy efficiency collaboration. The Participants intend to place special attention on energy efficiency in buildings, cooling, and industries.
- i. Advance transmission line development through new and innovative investment and operating models. Following from clause G above and recognizing the importance of strengthening national and regional power infrastructure, particularly transmission line development and maintenance and advancing regional power trading opportunities, the Participants seek to collaborate in using their respective resources to advance transmission-related transboundary projects and improve the capacity of utilities to reliably interconnect. Collaboration may include, but is not limited to, 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, strengthening utility capacity in transmission, support to regional power pools, and undertaking coordinated national and regional advocacy with respect to targeted projects.

The above list of potential areas of collaboration is illustrative, and the Participants' planned contributions are not intended to be limited to these activities or resources. Where applicable, the Participants intend to jointly mobilize and deploy their suite of resources in support of the energy programs and projects they prioritize collectively.

Roles and Responsibilities

8. The Participants intend to join efforts and to maintain a close working relationship in order to achieve the above objectives. The Participants have each designated a point of contact for the partnership under Section 21 below. The Participants intend to inform their relevant personnel and any interagency counterparts of this joint commitment to collaborate.
9. Under this MOU, the U.S., through Power Africa, intends to accomplish the following:
 - a. Share technical assistance and market-related intelligence with the EU on an as-needed basis, including market intelligence and insights and guidance regarding the enabling environment (Independent Power Producer [IPP], regulatory and legal frameworks).
 - b. Identify market needs, information on project opportunities, and constraints to project development and investment for transaction support in countries where the EU Member States have projects or potential for investment.
 - c. Identify opportunities for the EU to collaborate with Power Africa's interagency counterparts, transaction advisors, and other public- and private-sector partners.
10. Under this MOU, the EU intends to accomplish the following:
 - a. Coordinate on project development and technical assistance with Power Africa, as appropriate, to advance transactions supporting project implementation.
 - b. Coordinate with Power Africa as appropriate on sectoral analysis and synthesis of new and innovative approaches to expand energy infrastructure projects and investment.
 - c. Provide technical assistance as appropriate to improve project feasibility and sustainable development of energy projects.

Implementation

11. The list under Section 7 of illustrative actions and the Participants' planned activities and contributions under this MOU may be altered as mutually agreed. Where applicable, each Participant intends to mobilize and deploy its support of the projects they jointly agree to prioritize through this collaboration. Upon the execution of this MOU, the Participants intend to develop an implementation framework that includes a schedule to track and review progress toward mutually established goals and organize a "kick off" meeting to be held within the first six months of executing this MOU.

Publicity and Communications

12. Public communications related to this MOU and to a Participant's involvement in any collaboration activities under this MOU, including co-financing of investment projects, should appropriately attribute the efforts of both Participants, in each case subject to their consent.
13. 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 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.

14. 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.
15. 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

16. 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 Section 21 below and annual executive meetings. Power Africa's Development Partnerships team intends to invite EU counterparts to participate in a semiannual data verification event to ensure that information on EU-supported power generation transactions is included in Power Africa's database and results are counted toward Power Africa's goals with full acknowledgment of the EU and financing partners within Team Europe¹ approach. 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

17. **Duration:** This MOU is intended to become operative on the date of last signature and to remain operative for five years, or until one of the Participants discontinues its participation in this MOU with written notice to the other. The Participants may extend the duration of this MOU mutually in writing.
18. **Modifications:** This MOU may be modified by the Participants mutually in writing.
19. **Electronic Signature:** A signature to this MOU transmitted electronically will have the same authority and effect as an original signature.
20. **Effect of MOU:** This MOU is not a treaty 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. The cooperation between the Participants as

¹ Team Europe refers to joint or parallel financing by EU Member States as well as EU financial institutions as agreed under the programme NDICI - Global Europe.

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 by 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

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

United States of America

represented by the U.S. Agency for International Development

USAID/Power Africa
1300 Pennsylvania Avenue, NW
Washington, D.C. 20523
Contact Person: Mark Carrato

European Commission

represented by the Directorate-General for International Partnerships (DG INTPA)

Directorate-General for International Partnerships
1049 Brussels, Belgium
Contact Person: Georgios Grapsas

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 14 day of October, 2022.

UNITED STATES OF AMERICA

EUROPEAN UNION

By: 
(Signature)

Samantha Power
USAID Administrator

By: 
(Signature)

Jutta Urpilainen
European Commissioner for
International Partnerships

Date: 10/14/22

Date: 10/14/22