



**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made between the United States of America, through the Office of the Coordinator for Power Africa, a United States Presidential Initiative coordinated by the United States Agency for International Development (hereafter referred to as “Power Africa”), and the Swedish International Development Cooperation Agency, (hereafter referred to as “Sida” and collectively with Power Africa referred to as the “Participants.”) The Participants seek to share their respective strengths, expertise and resources in order to pursue activities of mutual interest that support their common goals.

This MOU sets forth the intentions of the Participants regarding collaboration with respect to certain Power Africa 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.

United States President Barack Obama launched Power Africa in 2013 to leverage private and public sector partnerships to double access to electricity in sub-Saharan Africa. 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, Sida, the United Nations’ Sustainable Energy for All (SE4All) initiative, the African Union’s New Partnership for Africa’s Development (NEPAD) and approximately 100 public and private sector entities, including several African governments. To date, the Power Africa partners collectively have committed more than \$30 billion USD in grants, financing and investment to advance Power Africa’s goals. This \$30 billion commitment includes \$7 billion from the USG, \$5 billion from the World Bank, \$3 billion from the African Development Bank, and more than \$20 billion from the private sector.

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.

During the US African Leaders Summit in Washington, D.C. in August 2014, Sida made a commitment to catalyze \$1 billion USD toward sustainable energy investment within the framework of the Power Africa initiative over the next ten years.

Sida's commitment to Power Africa builds on an existing cooperation between Sida and USAID as well as Sida's already extensive assistance in the energy sector in Africa and is a concerted effort to complement ongoing and planned energy sector development cooperation using grants and guarantees to catalyze public, private and institutional investments that contribute to Power Africa's goals.

Sida's collaboration with Power Africa will take place within the context of Sweden's Aid Policy Framework and is expected to be accommodated within Sida's budgets, the Swedish bilateral cooperation/result strategies for 15 countries in sub-Saharan Africa and two regional strategies, as well as Sida's guarantee framework.

Sida's commitment to Power Africa is restricted to interventions that stimulate investment in socially, economically and environmentally sustainable efforts in the Swedish partner countries. Further, Sida will give priority to; (i) institution and capacity development to create better conditions for local ownership, efficient production (based on renewable energy sources), distribution and consumption of energy and an effective and non-corrupt framework for the regulation and monitoring of energy markets; (ii) increased use of renewable energy; (iii) more efficient use of energy in both production and consumption; (iv) reduced emissions of greenhouse gases; and (v) contribute to developing models to mobilize and facilitate private and institutional investors to invest in sustainable and renewable energy.

Recognizing that through coordination and collaboration between the Power Africa Coordinator's office in South Africa and Washington, D.C., and Sida headquarters in Stockholm, Swedish embassies in Africa, Power Africa and Sida 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 and Sida intend to coordinate to support projects of mutual interest. The Participants intend to leverage one another's expertise, relationships and resources to achieve the goals of Power Africa.

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

Section I: Partnership focus areas

The Participants share common goals regarding Power Africa and intend to collaborate in the following ways:

- (a) **Expand mini and off grid efforts to extend renewable electricity across sub-Saharan Africa.** This objective reflects Power Africa's target to double access to electricity in sub-Saharan Africa. Both Participants have already demonstrated their expertise and commitment to increasing access through

projects that include support to rural electrification agencies, mini and off grid transactions and financial and technical support to off grid technologies and approaches. The Participants expect to continue their respective work in these areas and identify additional opportunities where they can leverage one another's expertise, reach and resources to support Power Africa access targets.

- (b) **Improve energy efficiency as a means of making additional megawatts available.** The Participants intend to collaborate on programs dedicated to enhancing energy efficiency as an approach to make more megawatts available on the grid. The Participants emphasize that energy efficiency is often a cost-effective and fast way to free up power and can complement the deployment of new power generation.
- (c) **Leverage financial guarantees to facilitate power sector transactions.** Both Participants intend to facilitate the use of financial guarantee tools that can be used to enable transactions in the power sector. For Sida, guarantees offer a particularly large opportunity within the scope of its US\$1billion commitment to Power Africa. Both Participants understand any transactions involving such financial guarantees should abide by the applicable regulations that govern such mechanisms. The Participants should seek opportunities to complement and supplement each other's work in this area wherever possible.
- (d) **Support Power Pools as well as other interventions to increase renewable energy power generation and access to power through regional integration.** The Participants intend to build on their existing 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 that contribute to improved regional integration and power trading.

The above list is illustrative. Sida and Power Africa collaboration is not intended to be limited to these activities.

Where applicable, USG and Sida intend to jointly rally and deploy their resources in support of the energy programmes/projects they prioritize.

Section II: Designated Points of Contact

For the purpose of efficient attendance to the business of this MOU, a point of contact is appointed in each organization as follows:

(a) US:

Mr. Andrew Herscowitz

Mr. Herscowitz, as US Coordinator for Power Africa, is expected to be the lead focal point, with support from the Power Africa donor coordination team and other Power

Africa implementers.

(b) Sida:

Mr. Torbjörn Pettersson, Head of Africa Department of Sida, is expected to be the lead focal point, with support from Mr. Bengt Johansson and other Sida staff.

Section III: General Responsibilities of the Participants

1. The Participants intend to carry out their respective responsibilities as foreseen in this MOU. 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 of all relevant activities pertaining to this collaboration and to hold meetings and consultations at least quarterly and whenever needed in order to evaluate the progress of implementation of this MOU and to introduce or modify activities, as deemed necessary.
3. Each Participant should endeavour to refrain from any action that may adversely affect the interests of the other Participant.
4. This MOU does not create any commitments for either Participant to financial or human resource obligations.
5. 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.
6. The Participants intend that all press releases or public statements regarding partnership activities under this MOU be coordinated with one another.
7. This MOU is a non-binding expression of the current intentions of the Participants. It does not create any legal rights or obligations under domestic or international law.

Section IV: General Provisions

1. **Privileges and immunities:** Nothing in this MOU should be deemed to be a waiver, express or implied, of any of the privileges and immunities that either Participant enjoys by virtue of international agreements and/or laws.
2. **Amicable settlement:** The Participants intend to endeavour to use their best efforts to settle amicably any dispute, controversy or claim arising out of this MOU.
3. **Modification.** This MOU may be modified by written consent of the Participants.
4. **Duration and renewal.** This MOU is intended to extend from the date of signature by both Participants for a period of ten (10) years. It may be renewed by mutual consent of the Participants in writing.

- 5. Discontinuation.** This MOU may be discontinued by mutual consent of the Participants or by either Participant, which should endeavour to provide ninety (90) days written notice to the other.

Section V: Notices

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

- 1.1. In the case of Power Africa:

Address: Power Africa/USAID/Pretoria
100 Totius Street, Groenkloof, Pretoria, South Africa 0027
Attention: Power Africa Coordinator
Mr. Andrew M. Herscowitz
Telephone: +27 12 452-2000
E-mail: aherscowitz@usaid.gov

With a copy to Amanda Van den Dool (avandendool@usaid.gov) and Elizabeth Cohan (ecohan@usaid.gov).

- 1.2. In the case of Sida:

Address: Swedish International Development Cooperation Agency (Sida)
SE-105 25 STOCKHOLM, Sweden
Attention: Head of Africa Department
Telephone: +46 8 698 50 00
E-mail: torbjorn.pettersson@sida.se

With a copy to Bengt Johansson (bengt.johansson@sida.se)

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

Signed at Addis Ababa, Ethiopia, in duplicate, on the 15th day of July, 2015.

For Power Africa:



Ambassador Alfonso E. Lenhardt
Acting Administrator, USAID

For Sida:



Ms. Charlotte Petri Gornitzka
Director General, Sida