



## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MoU”) is made between the U.S. Government’s Power Africa initiative (hereafter referred to as Power Africa) and New Partnership for Africa’s Development (“NEPAD”) Planning and Coordinating Agency (NEPAD Agency), collectively referred to as the “Partners.” The Partners seek to share their respective strengths, expertise and resources in order to pursue activities of mutual interest that support their common goals.

The purpose of this document is to set forth the understanding and intention of the Partners. This document provides the framework on which joint activities should be based on for implementation purposes, but does not impose any legally binding obligation (financial or otherwise) on either of the parties.

The **Power Africa** Initiative is a private sector-led innovation launched by U.S. President Barack Obama on June 30, 2013. The initiative aimed primarily at adding at least 10,000 megawatts (MW) of new, cleaner electrical power capacity and increasing access to modern energy sources by at least 20 million household and business connections.

In the recently held U.S. /African Leaders Summit in Washington, August 2014, President Obama extended the target of new power generation to 30,000 MW and the access to electricity to 60 million connections. **Power Africa** aims to double the number of people with access to electricity in sub-Saharan Africa by unlocking the substantial wind, solar, hydropower, natural gas, and geothermal resources in the region to enhance energy security, decrease poverty, and advance economic growth.

**Power Africa** is a U.S. government-led partnership among U.S. government agencies, African governments, the private sector, and other partners such as the World Bank, the African Development Bank (AfDB) and the Government of Sweden to add more than 30,000 megawatts (MW) of cleaner, more efficient electricity generation capacity. By expanding mini-grid and off-grid solutions and building out power generation, transmission, and distribution structures, Power Africa intends to make electricity access available for 60 million household and business connections. At the same time, Power Africa intends to enhance energy resource management capabilities, allowing partner countries to meet their critical energy needs and achieve sustainable, long-term energy security.

**Power Africa** has developed an innovative transaction-based model whereby private investments are leveraged to help push policy and regulatory reforms that will enable key energy projects to advance. Power Africa is galvanizing collaboration, making impactful interventions, and driving systemic reforms to facilitate future investment.

**Power Africa** has partnered with Tony Blair’s African Governance Initiative (“AGI”) to develop a Senior Advisors Group that comprises senior political and energy industry leaders

who focus on providing African leaders with counsel on how they might best advance the reforms that are critical to stimulating private investment in the energy sector.

**WHEREAS NEPAD** is a pledge by African leaders based on a common vision and shared conviction, and a programme of the African Union, aimed at eradicating poverty and fostering Africa's sustainable growth and development through the promotion of regional and continental integration; halting the marginalization of Africa in global processes and enhancing its full and beneficial integration into the global economy; and accelerating the empowerment of socially disadvantaged groups, such as women and children.

**WHEREAS** the Assembly of the African Union at its Fourteenth Ordinary Session, in Assembly/AU/Dec.283 (XIV) adopted in Addis Ababa, Ethiopia, on 2 February 2010, agreed to proceed with the integration of NEPAD into the African Union structures and processes and to establish the NEPAD Planning and Coordinating Agency as the technical body of the African Union to replace the NEPAD Secretariat.

**WHEREAS**, the mandate of NEPAD Agency primarily includes (a) facilitating and coordinating the implementation of Africa's priority programmes and projects at the regional and continental levels; (b) mobilizing partners and resources for the implementation of Africa's priority programmes/projects; (c) conducting research and knowledge management; (d) monitoring and evaluation of programme/project implementation; and (e) advocating core principles and values of the African Union and the NEPAD framework and visions.

**PIDA** is an Africa owned and led Programme for the development of Africa's regional and continental Infrastructure up to the year 2040. The programme is jointly sponsored by NEPAD Agency, the African Union Commission (AUC), AfDB, and the Economic Commission for Africa (ECA), in close collaboration with Africa's Regional Economic Communities (RECs), and by extension, their member states. The Programme covers infrastructure development in four (4) sectors: Energy, Transport, Trans-boundary Water and ICT.

**PIDA** has two (2) main Infrastructure priority action plans (PAPs): a short to medium term plan (PAP2020), estimated at USD68 billion, to be implemented from 2012-2020. The total long term investment to 2040 is estimated at more than US\$360 billion.

The **PIDA** short term energy programme comprises nine (9) hydro power generation projects; four (4) power transmission corridors that link African power utilities from North to South and from West to East; thus, enabling energy to be generated where it is most economical, and transmitted and traded, where it is highly needed. In addition, the PIDA priority action plan includes one (1) petroleum products pipeline project; and one (1) gas pipeline project.

**NEPAD Agency** in its role as executing agency for the PIDA PAP, and lead partner in the implementation of the Dakar Financing Summit Outcomes (i.e. Dakar Agenda for Action (DAA)) - has been tasked with developing the Implementation Strategy for the 16 PIDA strategic and regionally balanced projects, of which, six (6) are high impact energy projects/programmes.

Considering that NEPAD Agency is also playing a leading role in developing and implementing an initiative called the **Africa Power Vision, "From Vision to Action"**.

**Whereas**, the Africa Power Vision (APV) is an effort initiated by several African leaders during the 2014 World Economic Forum annual meeting in Davos, Switzerland, designed to reach consensus among African leaders regarding which energy infrastructure projects should be prioritized for rapid implementation. The APV is a framework and list of energy sector projects (still under development) that reflects African-driven priorities for the power sector. The priority projects overlap closely with the PIDA list of projects and attempt to identify one or two projects from each region in sub-Saharan Africa for prioritization. The APV represents an opportunity for African leaders to elevate energy infrastructure projects that have a broad, regional impact on the sector. Power Africa looks forward to collaborating with African-led institutions to support local priorities. NEPAD, AUC, AfDB, the Economic Commission for Africa (ECA) and African country leadership have participated in several APV meetings over the last six months, working towards shaping the APV. Therefore, the participating institutions of the APV process have agreed that NEPAD is best poised to lead this effort. Implementing the APV and bringing APV transactions to financial close will require close coordination of political leadership across sub-Saharan Africa.

**Recognizing that;** through coordination and collaboration between the Power Africa Coordinator's office in South Africa and Washington, DC, and NEPAD headquarters in South Africa, Power Africa and NEPAD intend to work together to support key transactions that meet the shared goals of increased energy production and access. This collaboration is expected to extend to the regional and national level, where Power Africa and NEPAD intend to coordinate to support projects of mutual interest. The Partners intend to leverage one another's expertise, relationships and resources to bring key energy projects to financial close.

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

**Section I  
Partnership activities**

Given Power Africa's transaction-based approach for expediting project development, the Partners have the common understanding regarding the use of the Power Africa approach to collaborate on advancing the implementation of Power Africa and APV projects in the following ways:

- (a) **Power Africa Support to NEPAD to finalize the selection of Africa Power Vision priority projects.** This objective is expected to be achieved through the provision of Power Africa technical support to NEPAD with the goal of NEPAD finalizing and obtaining approval of the APV list from the Heads of State and Government Orientation Committee (HSGOC) chaired by President Macky Sall of Senegal by January 2015. The APV list may include projects that currently do not appear on the PIDA list of projects as well as other projects;
- (b) **Power Africa-APV Transaction Advisors.** Once the APV list of priority projects is determined by the HSGOC, Power Africa intends to work with NEPAD to

identify possible opportunities for collaboration on the APV list of priority projects. Power Africa intends to also seek opportunities to support and reinforce efforts to advance policy, legal and regulatory reforms in the energy sector aimed at improving the enabling environment and attracting private sector investment. In those countries where priority projects are located and where Power Africa already has a field presence, Power Africa and NEPAD intend to explore opportunities for Power Africa Transaction Advisors who reside in those countries to play a dual-hatted role of Power Africa and NEPAD Transaction Advisor to provide technical support to select APV priority transactions as appropriate. Such support may include helping to identify obstacles to those priority projects, and seeking to identify and mobilize resources and tools necessary to overcome those obstacles, which may be available from diverse sources;

- (c) **New Transaction Advisors to Support APV Projects.** In those countries where APV priority projects are located and where there is limited or no Power Africa presence, Power Africa intends to explore the possibility of hiring new Transaction Advisors to help advance select priority projects as appropriate (subject to the availability of funding and other necessary approvals);
- (d) **Power Africa Senior Advisors Group to Advance APV Goals and Priorities.** Because the implementation of priority projects will require close coordination among many leaders of many countries (due to the regional nature of most of the priority projects), Power Africa's Senior Advisors Group intends to work with the NEPAD to identify appropriate senior political and industry leaders who can advise and advance APV projects.

Power Africa's and NEPAD's collaboration is not intended to be limited to these activities. Other areas of collaboration may include working to align Power Africa's and NEPAD's support for the United Nations' Sustainable Energy for All (SE4ALL) efforts. Other entities, such as AUC, AfDB, the World Bank Group, and SE4ALL Global Facilitation Team, may become partners to this MOU at a later date.

Where applicable, Power Africa and NEPAD intend to jointly rally and deploy their resources in support of the Power Africa and APV energy programmes/ projects they prioritize.

## Section II

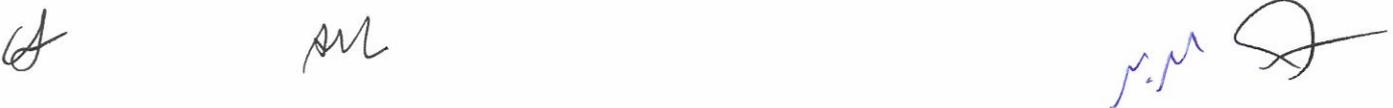
### Designated Focal Points

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

- (a) Power Africa:

Mr. Andrew Herscowitz

U.S. Coordinator for Power Africa is expected to be the lead focal point, with support from Mrs. Elizabeth Cohan and other Power Africa implementers.



Tel: Mobile: +27 71 862 1790, Office: +27 12 452 2000; +1 202 216 3168

Email: [aherscowitz@usaid.gov](mailto:aherscowitz@usaid.gov); [ecohan@usaid.gov](mailto:ecohan@usaid.gov)

(b) NEPAD Agency:

Prof. M.M. Elmissiry, Advisor, Energy Programmes, NEPAD Agency, is expected to lead the collaborative process with support from Miss Elisabeth Tedros, Senior Investment Officer under the overall coordination of Mr Adama Deen, Head of the Infrastructure Strategic Business Unit (ISBU).

E-mail : [mosade@nepad.org](mailto:mosade@nepad.org); + 27 (0)11 256 3674; [elsabeth@nepad.org](mailto:elsabeth@nepad.org); +27 (0) 71 348 8593; [adamad@nepad.org](mailto:adamad@nepad.org); + 27 (0)11 256 3600

### **Section III**

#### **General Responsibilities of the Partners**

1. The Partners intend to carry out their respective responsibilities in accordance with the provisions of this MoU. The Partners intend to join efforts and to maintain a close working relationship in order to achieve the objectives of this collaboration.
2. The Partners intend to keep each other informed of all relevant activities pertaining to this collaboration and to hold meetings and consultations whenever needed in order to evaluate the progress of implementation of this MoU and to introduce or modify activities, as deemed necessary.
3. Each Partner should endeavour to refrain from any action that may adversely affect the interests of the other Partner.
4. This MoU does not in any way commit either Partner to financial or human resource obligations. The Partners should endeavour to clearly identify any proposed commitment of financial and human resources for each jointly determined Work.
5. The Partners intend that neither Partner should, in any manner whatsoever, use the name, emblem, logo or official seal of the other Partner, or any abbreviation thereof in connection with their business or otherwise, unless expressly authorised by the other Partner in writing.
6. The Partners intend that all press releases or public statements regarding jointly determined activities under this MoU be conducted jointly.
7. This MoU is a non-binding expression of the current intentions of the Partners who intend to collaborate. 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 Partner enjoys by virtue of international agreements and/or laws.
2. **Settlement of disputes**

**Amicable settlement.** The Partners 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 only by written consent of the Partners.
4. **Duration and renewal.** This MoU is intended to become effective upon signature by both Partners and to remain effective for a period of five (5) years. It may be renewed by mutual consent of the Partners in writing.
5. **Discontinuation.** This MoU may be discontinued by mutual consent of the Partners or by either Partner, which should endeavour to provide ninety (90) days written notice to the other. In any such event, the Partners should endeavour to take all necessary action as required to promptly and in an orderly manner terminate any Work Plan or project carried out under this MoU in a cost-effective manner.
6. Each Partner is recognized to be separate and independent from each other and neither Partner has the authority to bid or act on behalf of the other. As such, each Partner retains its own individual identity and each Partner is responsible for establishing its own policies.

## **Section V** **Notices**

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

Address: U.S. Embassy/Pretoria  
Church St, Pretoria 0007, South Africa  
Telephone: +27 12 452-2000  
E-mail: aherscowitz@usaid.gov  
Attention: Power Africa Coordinator  
Mr. Andrew M. Herscowitz

- 1.1. In the case of **NEPAD Agency**

Postal Address: Private Bag 218, Halfway House 1685, Midrand, Johannesburg,  
South Africa.



Physical Address: International Business Gateway Park, Block B, Gateway Park, corner Challenger and Columbia Avenues, Midridge Office Park, New Road, Midrand, Gauteng, South Africa

Attention: Mr. Adama Deen  
Head, ISBU  
Telephone: + 27 (0)11 256 36 00  
Fax: N/A  
E-mail: adamad@nepad.org

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

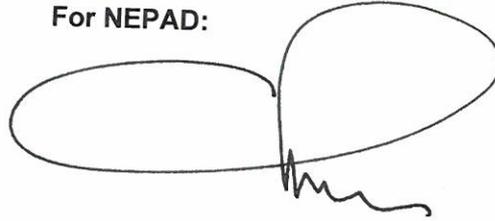
Signed at Johannesburg, South Africa on September \_\_\_\_, 2014, in the English language.

**For Power Africa:**



Mr. Earl Gast  
Assistant Administrator for Africa  
U.S. Agency for International Development

**For NEPAD:**



Dr. Ibrahim Assane Mayaki  
Chief Executive Officer  
NEPAD Agency



Andrew M. Herscowitz  
U.S. Coordinator for Power Africa & Trade Africa



Prof. M.M. Elmissiry  
NEPAD Focal Point for Power Africa  
Head of NEPAD Energy Programmes