MEMORANDUM OF COOPERATION BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF JAPAN

FOR REDUCING ENERGY POVERTY AND INCREASING ACCESS TO ENERGY 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 Government of the United States of America ("USG"), through the Power Africa Coordinator's Office within the U.S. Agency for International Development ("USAID"), and the Government of Japan ("GOJ") through its Ministry of Foreign Affairs ("MOFA") (hereinafter individually referred to as a "Participant" and collectively referred to as 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 GOJ and the USG is to deepen collaboration in order to advance the sustainable development of the energy sector in SSA. This Memorandum of Cooperation ("MOC") 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. This third MOC builds on six years of successful cooperation between GOJ and the USG which began under the first MOC signed in August 2016 at the 6th Tokyo International Conference on African Development (TICAD VI) in Nairobi, Kenya, and is intended to promote further collaboration in the energy sector at the country and regional level in SSA.

Participants

3. The 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 United States 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, 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 generation capacity and 60 million electrical connections across SSA by 2030. Under USG's 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. 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.

USG and GOJ along with other G7 partners, launched the Partnership for Global Infrastructure and Investment (PGII) in 2022, a values-driven, high-impact, and transparent partnership to help meet the infrastructure needs of low- and middle-income countries. Africa is one of the priority regions for PGII, and Power Africa has helped facilitate PGII's regional infrastructure and development goals in the energy sector.

4. GOJ's collaboration with Power Africa is expected to take place within the context of the GOJ's National Security Strategy, Development Cooperation Charter, and commitments made under the TICAD process, which includes pillars supporting (i) Realizing a resilient and sustainable society that safeguards people's lives and supporting vibrant youth; (ii) Realizing a quality living environment that values each and every person; and (iii) Achieving a peaceful and stable Africa where people can live secure lives.

Goals and Objectives

- 5. The Participants' efforts to increase energy access 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.
- 6. 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 level, where the Participants intend to coordinate to support projects of mutual interest in the following areas:
 - a. <u>Mini-grid/Renewable energy deployment:</u> The Participants will identify opportunities for collaboration including support to rural electrification, small-scale

and off-grid electrification and technical support. This work can also include collaborating on new micro-/mini-grid development, including hybridization of existing mini-grids. The Participants intend to share market intelligence and insights, provide guidance regarding the enabling environment (IPP, regulatory and legal frameworks), and support feasibility and environmental studies to bring selected power transactions to a bankable stage.

- b. Productive Use of Energy (Health/Agriculture/Education): The Participants intend to work with private Japanese and U.S. businesses and African publics to maximize project collaboration opportunities for power sector development in SSA's health, agricultural and education sectors. The Participants plan to explore the coordinated development and implementation of projects with private and public partners in the sector of health, agriculture and education, including sharing information on project opportunities, enhancing transparency, identifying constraints to project development and investment and providing regular updates on their respective progress toward achieving shared goals.
 - i. Health/Energy Nexus: Approximately 100,000 public health facilities lack access to power and internet connectivity. Power Africa has launched a large-scale public-private partnership called the Health Electrification and Telecommunications Alliance (HETA) to electrify and digitally connect 10,000 health facilities in SSA. In cooperation with Alliance members, the Participants intend to support COVID-19 response efforts, mitigate greenhouse gas emissions, increase digital access, and improve health services across SSA through partnering with mobile network operators, infrastructure firms, technology leaders, and the donor community. HETA will provide a clean renewable power source, and mobile network connection to health facilities that will strengthen vaccine cold chains, reduce health supply wastage, decarbonize the African health sector. strengthen the digital health infrastructure needed to improve service delivery and information sharing (electronic medical records, track infection and disease rates in real time, etc.)
 - ii. Agriculture/Energy Nexus: The Participants recognize that, given the majority of off-grid customers who are located in rural areas where agriculture is the predominant livelihood, true economic development and income improvement will ultimately depend on the ability of access to off-grid energy to improve the agricultural value chain. Energy access activities must be linked to farming, including female farmers. The Participants intend to coordinate their activities in promoting, identifying and funding

- viable business models and high quality appliances in the agriculture sector to drive economic growth.
- iii. Education/Energy Nexus: The Participants recognize that Africa is very keen to promote education for African children. In addition, the participants intend to work on electrification of schools and online education by improving access to electricity and the internet.
- c. Africa Power Pool Development (Transmission/Distribution Line Development): Africa still has more than 600 million non-electrified people. The grid has not been well developed. Thus, people cannot enjoy the electricity, even though Africa has rich green energy sources such as hydro, geothermal, wind, and solar. Recognizing the importance of strengthening national and regional power infrastructure, particularly transmission/distribution 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 improving sectoral master-planning, reforming the enabling environment, increasing the operational readiness of electrical systems, mobilizing public- and private-sector finance for transmission, and carrying out joint advocacy to SSA governments.
- d. Advance the geothermal sector in East Africa: Given that geothermal is an integral aspect of SSA's renewable baseload energy supply, the Participants endeavor to support SSA governments in developing their geothermal potential. Support may include: co-leading a geothermal stakeholder coordination group; facilitating private sector-led investments as well as public investments, as needed, based on the country context; working to improve the enabling environment, building technical capacity, and/or conducting strategic assessments, so projects are consistent with and adhere to international and relevant domestic environmental and social standards.
- e. <u>Mega Solar:</u> Support the expansion of access to affordable, reliable and modern electricity through grid-connected utility-scale solar energy solutions. The participants intend to use renewable and complementary technologies to achieve improved economic activity, sustainable livelihoods and enhanced provision of essential power services to health facilities, agricultural processes, educational institutions, and water pumping.

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

- 7. The Participants intend to collaborate 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 18 below. The Participants intend to inform their relevant personnel and any interagency counterparts of this joint commitment to collaborate.
- 8. Under this MOC, the USG, through Power Africa, intends to accomplish the following:
 - a. Share technical assistance and market-related intelligence with GOJ on an asneeded basis, including market intelligence and insights and guidance regarding the enabling environment (Independent Power Producer (IPP), regulatory and legal frameworks);
 - Identify market needs, information on project opportunities, and constraints to project development and investment for transaction support in countries where GOJ has projects or potential for investment;
 - Identify opportunities for GOJ to collaborate with USG's Power Africa's interagency counterparts, transaction advisors and other public and private sector partners; and
 - d. Develop projects in order to achieve objectives defined in the Power Africa Presidential Initiative.
- 9. Under this MOC, GOJ intends to accomplish the following:
 - a. Share information with USG, as appropriate, on sectoral analysis and synthesis of new and innovative approaches to expand energy infrastructure projects and investment:
 - b. Provide technical assistance to Africa, as appropriate, to improve project feasibility and sustainable development of energy projects; and
 - c. Develop at least 500 km of transmission/distribution lines in SSA in order to achieve the objective indicated in Section 6(c).

Implementation

10. The list under Section 7 of illustrative actions and the Participants' planned activities and contributions under this MOC may be altered as mutually decided. Where applicable, each Participant intends to mobilize and deploy its support of the projects they jointly consent to prioritize through this collaboration. Upon the execution of this MOC, the Participants intend to develop an implementation framework that includes a schedule to track and review progress.

Publicity and Communications

- 11. Public communications related to this MOC and to a Participant's involvement in any collaboration activities under this MOC should appropriately attribute the efforts of the Participants, in each case in line with their consent.
- 12. Joint branding may be used with the written consent of each Participant in line with the communication policy decided 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 the Participants.
- 13. 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.
- 14. 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 MOC, or such Participant's involvement in any collaboration activities under this MOC.

Reporting and Collaboration

15. The Participants intend to keep each other informed, as appropriate, of relevant activities pertaining to this collaboration in order to evaluate the progress of implementation of this MOC and to introduce or modify activities, as deemed necessary. The Participants expect that collaborative efforts in many locations may necessitate more frequent, working-level contact and intend to welcome such communication as appropriate to coordinate implementation under this MOC.

General Matters

- 16. Duration: This MOC is intended to become operative on the date of last signature and to remain operative until 2030, or until one of the Participants discontinues its participation in this MOC with written notice to the other. The Participants may extend the duration of this MOC mutually in writing.
- 17. Modifications: This MOC may be modified by the Participants mutually in writing.
- 18. **Electronic Signature:** A signature to this MOC transmitted electronically will have the same value as an original signature.

19. **Status of MOC:** This MOC is not a treaty and does not give rise to rights or obligations under international or domestic law. The Participants specifically acknowledge that this MOC 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 outlined in this MOC should not be construed as a partnership or other type of legal entity or personality. Each Participant should accept full and sole responsibility for any and all expenses incurred by itself related to this MOC. Nothing in this MOC should 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 MOC. Nothing in this MOC should be construed as an exclusive working relationship.

Points of Contact

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

Government of the 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: John Irons

Government of Japan

Ministry of Foreign Affairs 2 Chome-2-1 Kasumigaseki Chiyoda City, Tokyo 100-8919, Japan

The Participants, each acting through its representative, have caused this Memorandum of Cooperation to be signed in their names and delivered as of this 20th day of September, 2023.

THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Bv:

Signature)

Mr. John Irons Deputy Coordinator Power Africa

Date

91/20/2023

THE GOVERNMENT OF JAPAN MINISTRY OF FOREIGN AFFAIRS

Bv:

Kith (R-C)

Mr. MATSUBAYASHI Kenichiro Deputy Director-General African Affairs Department Ministry of Foreign Affairs of Japan

Date

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