



AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE KINGDOM OF
DENMARK**

AND

**THE GOVERNMENT OF THE REPUBLIC OF
SOUTH AFRICA**

CONCERNING

**THE FINANCIAL AND TECHNICAL SUPPORT
FOR THE DEVELOPMENT OF THE RENEWABLE
ENERGY SECTOR**

PREAMBLE

The Government of the Kingdom of Denmark and the Government of the Republic of South Africa (hereinafter jointly referred to as the “Parties” and separately as a “Party”);

DESIRING to strengthen the relationship between the Parties;

INTENDING to contribute towards the financial and technical support for renewable energy development in the Republic of South Africa;

REFERRING to the Memorandum of Understanding on renewable energy and energy efficiency signed by the Parties on 24 October 2011;

HEREBY AGREE as follows:

ARTICLE 1

PURPOSE

- (1) The purpose of this Agreement is to provide a framework which governs aspects of financing and technical assistance to be provided by the Government of the Kingdom of Denmark to the Government of South Africa in accordance with this Agreement, more particularly the attached Annexure A so that various programmes can be implemented that facilitate South Africa’s low carbon transition commitment within the energy sector, specifically targeting renewable energy initiatives.
- (2) The funding and technical assistance will-
 - (a) provide technical support to the Government of the Republic of South Africa with the immediate objective of facilitating the development of a less carbon intensive electricity sector by developing more comprehensive energy planning capabilities that encompass the efficient deployment and integration of renewable energy and energy efficiency technologies (component 1);

- (b) further develop the Wind Atlas of South Africa (“WASA 2”) in order for South Africa to pursue and invest in wind based electricity generation, as opposed to power generation using fossil fuels (component 2);
- (c) provide technical assistance to Eskom Holdings SOC Limited (hereinafter referred to as “Eskom”) to integrate Renewable Energy into the electricity supply (component 3); and
- (d) The implementation of this Agreement shall be in accordance with the Danish support to Renewable Energy Development in RSA 2013-2015 Programme Document attached as **Annexure A** to this Agreement.

ARTICLE 2

OBJECTIVE

The overall objective of the Agreement is to assist South Africa in meeting its future goals of a low-carbon economy, and reducing the growth of Green House Gasses emissions through increased deployment of low carbon technologies in the Republic of South Africa.

ARTICLE 3

COMPETENT AUTHORITIES

The Competent Authorities responsible for the implementation of this Agreement shall be—

- (a) in the case of the Republic of South Africa, the Department of Energy (hereinafter referred to as “the DoE”); and
- (b) in the case of the Kingdom of Denmark, the Danish International Development Assistance (hereafter referred to as “DANIDA”) in close cooperation with the Danish Ministry of Climate, Energy and Building.

ARTICLE 4
OBLIGATIONS

- (1) The Danish Ministry of Climate Energy and Building shall, as outlined in details in the Programme Document attached as Annexure A, support the DoE, Eskom and the South African National Energy Development Institute (hereinafter referred to as "SANEDI") through the provision of technical assistance and the monitoring of the achievement of targets for the development of the renewable energy sector, within the Agreement's three components:
 - (a) Implementation of policies and strategies on renewable energy;
 - (b) Development of WASA 2; and
 - (c) Integrate Renewable Energy into the electricity supply.

- (2) The DANIDA shall provide a grant contribution of a maximum DKK 40 million to the Republic of South Africa, the specifications of which are outlined in detail in the Programme Document attached as **Annexure A**.

- (3) The DoE shall-
 - (a) provide suitable premises for execution of the monitoring component of the Project including office space for the consultants, communication tools and administrative support;
 - (b) ensure that DoE staff is available for implementation and capacity building; and
 - (c) ensure that a fully transparent programme management is in place and that quarterly and annual reports will be prepared and submitted by relevant committees as stipulated in the Programme Document attached as **Annexure A**.

- (4) All obligations under this Agreement shall be carried out subject to the domestic law in force in the territories of the respective Parties.

ARTICLE 5
PROGRAMME STEERING COMMITTEE

- (1) The Parties shall, in order to ensure the overall supervision and co-ordination of the Programme, as well as to address policy issues, establish a Programme Steering Committee (hereinafter referred to as the "PSC").
- (2) The PSC shall be responsible for providing strategic direction and guidance and monitoring the implementation of the Programme.
- (3) The composition of the PSC shall be as prescribed in the Programme Document attached as **Annexure A**.

ARTICLE 6
PREVENTION OF ABUSE AND ILLEGAL USE OF FUNDS

- (1) The DoE shall-
 - (a) ensure that the funds are used solely in accordance with the objectives of this Agreement; and
 - (b) take all reasonable steps to ensure efficient administration of the funds so as to prevent any abuse and illegal use thereof.
- (2) The Parties share a common concern in the fight against corruption, which jeopardizes good governance and proper use of resources needed for development and, in addition, endangers fair and open competition based on price and quality.
- (3) The Parties declare their intention to combine their efforts to fight corruption.
- (4) Any person or public officer involved in the Project who is found to be involved in corrupt activities as defined by the domestic law of the Parties, whether by, *inter alia*, directly or indirectly, accepting or agreeing or offering to accept any gratification in order to influence the awarding of any employment, financial benefit, contract or tender

during the execution of this Agreement, shall be guilty of a corrupt activity as provided for in the domestic law of the Party concerned.

- (5) Failure to take necessary measures to prevent such corrupt activity or to take action against such activity may constitute sufficient grounds to justify the termination of this Agreement, the withdrawal of any consequent procurement or resulting award, or constitute sufficient grounds to take other corrective measures foreseen by the applicable law.

ARTICLE 7 AMENDMENTS

This Agreement may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel.

ARTICLE 8 SETTLEMENT OF DISPUTES

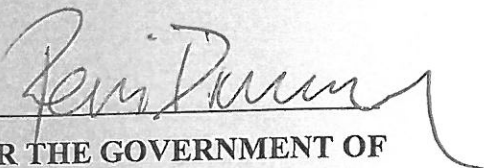
Any dispute between the Parties arising out of the interpretation, application or implementation of the provisions of this Agreement shall be settled amicably through negotiations between the Parties through the diplomatic channel.

ARTICLE 9 ENTRY INTO FORCE, DURATION AND TERMINATION

- (1) This Agreement shall enter into force upon signature thereof.
- (2) This Agreement shall remain in force until 31 December 2016, unless terminated in accordance with sub-Article (3).
- (3) This Agreement may be terminated by either Party by giving thirty (30) days' written notice in advance to the other Party through the diplomatic channel of its intention to terminate this Agreement, but such termination shall not affect the commitments already entered into and costs incurred as a result of the Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed and sealed this Agreement in duplicate in the English language, both texts being equally authentic.

DONE at Pretoria.....on this 4 day of March.....
2013.



FOR THE GOVERNMENT OF
THE KINGDOM OF DENMARK



FOR THE GOVERNMENT
OF THE REPUBLIC OF
SOUTH AFRICA