

Minutes of the Seventh Meeting of the Board of Directors of the African Renewable Energy Initiative

Addis Ababa, Ethiopia, February 10, 2019

Heads of Delegations in attendance

H.E. Prof. Alpha **CONDE**, Chair of the AREI Board of Directors and President of Guinea

H.E. Hon Calle **SCHLETTWEIN**, Minister of Finance, Namibia

H.E. Dr Mohamed Shaker **EI MARKBI**, Minister of Electricity and Renewable Energies, Egypt

H.E. Ambassador. Purity **MUHINDI**, Director of the Africa and African Union Directorate at the Ministry of Foreign Affairs of Kenya

H.E. Dr Amani **ABOU-ZEID**, Commissioner for Infrastructure and Energy, African Union Commission (AUC)

Mr. Amadou **HOTT**, Vice-President of the Power, Electricity, Energy, Green Growth and Climate Change

Complex, African Development Bank (AfDB)

Mr Stefano **MANSERVISI**, Director General, International Cooperation and Development, European Commission (EC)

Hon. Jean Baptiste **LEMOYNE**, Foreign Affairs Secretary of State, France

1. Opening Remarks

His Excellency President Alpha Conde, President of the AREI Board of Directors, welcomed all Board members and observers and declared the meeting open.

2. Adoption of the Agenda

The agenda was adopted.

3. Adoption of the minutes of the sixth meeting of the Board of Directors held in Nouakchott on 1 July 2018

The minutes of the sixth meeting of the Board of Directors were adopted. The sixth meeting of the Board of Directors made specific recommendations to the IDU, notably, the presentation of a detailed

multi-year work plan and budget, the extension of the Independent Delivery Unit's hosting agreement at the AfDB so as to remain within the legal framework of governance instrument, as well as make proposals, as requested by Egypt, on the possible transition to a permanent hosting arrangement. The IDU was asked to present the minimum requirements that a country must meet before it can be considered to host the AREI Headquarters.

4. Situation at the start of the New Director's term of office

The IDU Director, Mrs. Safiatou Alzouma NOUHOU, was contracted by the AfDB on 17 September 2018 at the same level of remuneration as the outgoing Interim Director. In her speech, she reiterated the commitment made to His Excellency Professor Alpha CONDE to serve AREI and the African Continent with loyalty and integrity. At the time the Director took office, the IDU had organized two regional meetings, namely the Central Africa and Eastern Africa consultations.

The Director informed the Board that two consultants had ongoing contracts. For continuity purposes of the IDU activities and especially with regard to the coordination of priority work areas, the contracts of the two consultants were extended to the end of December 2018 to enable them submit the deliverables stipulated in their respective terms of reference. Unfortunately, the said deliverables are yet to be submitted. The Senior Administrative Officer's contract was also extended for six months to the end of May 2019.

The Director informed the Board of the recruitment of a Senior Energy and Curricula Development Expert on 3 January 2019, with the support of the European Union under the Technical Assistance Facility (TAF). The Expert, recruited for a period of six (6) months will support the implementation of certain aspects of the AREI Work Programme.

A Senior Expert in Renewable Energy, Business Planning and Management was recruited on January 07, 2019 for a period of three months to support the management of the program.

The recruitment of a Junior Communication Consultants is underway with the support of the European Union in order to give more visibility to AREI through key activities such as communication and awareness raising. The IDU stressed the importance of urgently strengthening the IDU Team with Experts based in Africa or under the obligation to spend at least 50% of their working time in Africa. *

The Director proposed to the Board for their approval, the recruitment of the following positions: -

- Administrative and Permanent Assistant;
- Five Junior Consultants; and
- Two Senior Experts

Due to the delay suffered in the implementation of activities and the importance of achieving the objectives set, notably, 10 GW by 2020 and 300 by 2030, it was noted that the IDU will need to strengthen its team. The Director proposed to recruit additional staff without going through the AfDB recruitment process, especially since this is possible under the rules and regulations of Trust Funds managed by the Bank.

The Chair of the AREI Board asked why the Director did not want to go through the AfDB's recruitment process. To which the latter indicated that the Bank's process was costly, long and cumbersome.

The AfDB's Vice President, Mr HOTT, responded by noting that the Bank had two types of contracts for Senior Experts, notably the Project Staff contracts such as that of the Director's where staff can be recruited for a period of 3 years and Consultancy Contracts where consultants can be recruited for a relatively short period of time to carry out ad hoc activities.

The Chair of the Board stated that a recruitment process done outside the AfDB procedures could be challenged by other Board Members. The Chair then asked the Board for its opinion on the criteria under which the proposed experts could be recruited.

Mr. Stefano MANSERVISI, of the European Commission (EU), said that the EU had availed three (3) million euros to the IDU to assist the Unit. He stated that the AfDB procedures should not hinder the use of the funds. It was noted that the AfDB and the Independent Delivery Unit should find ways of using the said funds. Mr MANSERVISI stated that the EU's support under the Technical Assistance Facility was no longer possible. The European Commission is ready to work with any willing partner able to manage the three million euros.

The Chair asked that competent and professional staff be recruited expeditiously, to which the AfDB proposed a recruitment time of about one and a half months. Egyptian Minister Shaker, responded by proposing that the recruitment be done within one month. The Chair seconded the proposal which was well noted by the AfDB.

5. Activities since the new management took office

The IDU informed the Board about its contact meetings with partners in Paris and Brussels from 19 to 23 October 2018. In Paris, the Director met with the French Ministry for Europe and Foreign Affairs, One Planet Summit, ADEME and AFD. All the French Partners reiterated their commitment to AREI. The AFD confirmed that it is rigorously monitoring the progress of its projects and has indicated the existence of many labelled projects that are mature and which should be tabled before the AREI Board of Directors for adoption in accordance with AREI eligibility criteria.

At the European Union, the IDU took part in the coordination meeting of the European Union's initiatives and had a bilateral meeting with the Planet and Prosperity Directorate of the Directorate General for International Cooperation DEVCO. The European Union also reiterated its full support for AREI.

The IDU also participated in the High Level Platform of proposed financing guarantees for renewable energies (the EU's €4 billion guarantee fund launched in Johannesburg on 08/11/2018, which provides €40 billion in private sector accessible financing under traditional financial rules). The IDU also participated in the CISA (Continental Infrastructure Seminar Africa) meeting in Addis Ababa organized by the AU and the EU.

On 18 January 2018 in Brussels, ahead of the Board of Directors' Meeting set for February, the IDU met with the European Union, France and Germany, to take stock of the progress of the adopted projects and to approve any mature project in accordance with the AREI criteria. To date, 50 projects are ready

for adoption in accordance with the AREI Criteria. A brief presentation of the prospects for the next two years was made by the IDU and each of the partners reaffirmed their commitment.

Minister LEMOYNE congratulated H.E. Professor Condé for his leadership in renewable energies and reaffirmed France's willingness to respond to AREI's requests, especially during the current phase of structuring strategies and speeding-up activities hence the availing of a €3 billion financial contribution.

Mr MANSERVISI from the European Union reiterated his willingness to support AREI. The EU, under the Paris Agreement, pledged €1.5 billion, €500 million of which was committed and which enabled the mobilization of €4.5 billion in investment, for a production capacity of 2.3 GW. On the other hand, the EU informed the Board of the launch of the call for proposals for the newly established guarantee for private investment. This guarantee includes six renewable energy projects, including among others, an African Development Bank project (DESCO: rural electrification projects) and a renewable energy project financing fund. For the purposes of consistency, all these projects should be implemented within the AREI framework. The EU will distribute details of these six projects the earliest possible. The EU notes that the expansion of their interventions, which go beyond project financing, now covers the de-risking of projects by setting up guarantees to raise funds from the AfDB, AFD and the private sector.

The IDU presented the three regional consultations held between October 2018 and January 2019:

- Cairo on 8 and 9 October 2018 for North Africa;
- Windhoek on 29 and 30 November 2018 for Southern Africa/
- Conakry on 28 and 29 January 2019 for West Africa, as well as the Continental Feedback Meeting organized in Conakry on 30 January 2019.

The floor was then given to Mr Atef MARZOUK, Head of the Energy Division of the African Union Commission, to read out the recommendations adopted after the continental restitution.

The IDU also presented the First Meeting of Energy Ministers of AREI Board Member Countries held in Cairo on 22 January 2019 and also informed the Board of Egypt's offer of 25 scholarships to AREI for training courses to be defined.

The Egyptian Minister Dr Mohamed Shaker El MARKBI presented the 5 recommendations that were adopted at the end of the Cairo Ministerial Meeting. The Board adopted several of these recommendations, including:

- a) **Promote South-South Cooperation:** particularly between African sub-regions, in the area of regulation and institutional frameworks. Learn from countries such as Egypt and Morocco, whose independent regulatory authorities are well structured and fully operational;
- b) **Promote South-South cooperation,** particularly between African sub-regions, in capacity

- c) **Building and Human Skills Development** in renewable energy throughout the value chain;
- d) **Ministerial Meeting:** The Board adopted the organization of the Ministerial Meeting ahead of every ordinary Board of Directors. The second is scheduled to take place in Conakry.
- e) **The Interim Technical Committee:** the composition of the Interim Technical Committee within the framework of the AREI governance structure. The Board adopted the establishment of the Technical Committee, which will be interim for an initial period of 12 months. The Interim Technical Committee shall be constituted as follows:
- *Members of the Board*
 - The five Focal Points of the Board Member Countries
 - *Observers*
 - The Energy Officer at the African Union
 - A representative of the EU
 - A representative of France
 - *Secretariat*
 - The Director of the IDU
- f) **Relationship with Institutions in the ENR sector:** The Board authorized the IDU to develop partnerships with international Institutions/organizations working in sustainable development and renewable energy (e.g. ISA, IRENA, GEIDCO, etc.).

6. Handover Report

The IDU presented a summary of the handover exercise by the outgoing Interim Director, which took place on 31 January 2019 in Conakry in the presence of a representative of the AfDB and a representative of the President of the AREI Board of Directors. The handover covered activities carried out during the interim phase as well as the remainder contract amounts left over by the outgoing team (fees and other expenses incurred). As the latter point was not resolved during the handover process, it was submitted to the Board for consideration. The Board therefore requested that the former team submit a report on activities carried out, including deliverables, to the members of the Board of Directors for decision at the next Board meeting

7. Financial Statements as at 31/12/2018

The AfDB VP presented the non-consolidated financial statement as at 31 December 2018.

- It was noted that to date, Germany (GIZ) and France have transferred €1 million and €6 million respectively to the African Development Bank (AfDB);
- The AREI Trust Fund is now operational following the authorization obtained from France in 2018.
- The German contribution is still in a holding account, as the agreement has not yet been concluded. All expenses to date are therefore charged to the French contribution.
- Out of the budget adopted for the period 2017 to [31 December 2018 of](#) USD 2,707,000 or 2,300,950 euros, a total sum of 1,670,641 euros had been spent.

The IDU pointed out that to date, it is yet to be known on whether the total amount of 5 million euros has been credited into the AREI/IDU account. This is notably Germany's contribution of 3 million euros (2 million of which has not yet been disbursed) and the EU's contribution of 3 million.

8. General Strategy 2019-2020 and Biennial Work Programme 2019-2020

a) General Strategy 2019 - 2020

The Board adopted the proposed strategy for the period 2019 and 2020 in its entirety. This includes:

- The establishment of the Technical Committee
- The new visual identity
- Maximal digitization
- Regional training and continental feedback platforms
- Public communication events
- The Extraordinary Board of Directors meetings dedicated to the adoption of projects

b) Budgets 2019 and 2020

The Board adopted the 2019 budget but requested to postpone the adoption of the 2020 budget until the Ordinary Governing Board to be held in Niamey on the margins of the 33rd AU Summit

c) To be noted

Egypt has proposed to avail two experts to the Interim Technical Committee in the event of an increased workload.

9. Legal personality of AREI and Headquarters

a) Headquarters

The IDU presented the minimum requirements that a country must meet in order before it can expect to host AREI.

Dr Amani ABOU-ZEID, Commissioner for Infrastructure and Energy, African Union Commission (AUC) proposed that there be clear criteria for the choice of headquarters and a scale for evaluating every criterion for a transparent assessment of requests/offers.

b) Legal personality of the AREI

The IDU presented the key elements stipulated in the AREI Governance Instrument that should be taken to consideration with regard to the Initiative's legal personality. After a round of discussions, it was proposed that the Interim Technical Committee should table recommendations at the next Ordinary Board of Directors

Mr Stefano MANSERVISI of the EU proposed to postpone discussions on the Permanent Headquarters and legal identity to the next Ordinary Board of Directors and to focus on the activities and strengthening of the Independent Delivery Unit and the establishment of the Interim Technical Committee - to enable AREI be fully operational the soonest possible.

After a round of discussions, the Board adopted the proposal to postpone the debate on the choice of AREI's headquarters to the next Board of Directors. Each country was then asked to send its comments on the criteria before the next Board Meeting.

c) Note - IDU hosting at the AfDB

The IDU drew the Board's attention on the need to extend the IDU's hosting arrangement at the AfDB for an additional one year and to render the arrangement tacitly renewable until a permanent headquarters for AREI is identified.

Following this, Egypt and Namibia, through their Ministers, proposed that the extension of the IDU's hosting should not exceed a period of one year a tacit renewal notwithstanding, while specifying that the option of setting a time limit should encourage the Board to act in selecting the AREI Headquarters. This proposal was supported by the AfDB VP who informed the Board that a tacit renewal was not possible under the Bank's regulation.

10. Miscellaneous

The Board authorized the IDU to work with structures such as GEIDCO, IRENA, ISA without signing a formal agreement with them. The President urged Board members to accelerate the appointment of focal points for countries in their reactive regions.

11. Closing of the meeting

The Chairman of the Board of Directors thanked the IDU for its work and all the members of the Board of Directors for their commitment.