

# AFRICAN RENEWABLE ENERGY INITIATIVE



## Minutes of the 8th Meeting of the Board of Directors of the African Renewable Energy Initiative (AREI)

Conakry, Guinea, 11 June 2019

### *Heads of Delegation in attendance:*

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

H.E. Idriss **DEBY ITNO**, Vice-President of the Board of Directors and President of the Republic of Chad,

H.E. Netumbo Nandi **NDAITWAH**, Member of the Board of Directors and Deputy Prime Minister of the Republic of Namibia

Hon. Dr Mohamed Moussa **OMRAN**, Deputy Minister of Electricity and Renewable Energy, Arab Republic of Egypt,

Mr. Cheick **BEDDA**, Representative of the Directorate for Infrastructure and Energy, African Union Commission (AUC),

Mr. Monojeet **PAL**, Representative of the Power, Energy, Climate and Green Growth Complex (PEVP), African Development Bank (AfDB),

Mr. Stefano **MANSERVISI**, Director-General of the Directorate for International Cooperation and Development (DEVCO), European Commission (EC),

Ms Brigitte **COLLET**, French Ambassador for Climate Change representing the 10 signatories of the Paris Agreement at the COP21.

### *Welcoming Address:*

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

### *Adoption of the Agenda:*

Following the adoption of the agenda, the Director of the Independent Delivery Unit (IDU) informed the AREI Board Members the Interim Technical Committee (CTI) was set up in its entirety following the decision of the last Board Meeting in Addis Ababa. The CTI is composed of the from the AREI Board Members States. The European Union also appointed Mr Felice Zaccheo, while France appointed Ms Nastassja Hoffet, both observer members of the CTI.

It was noted that the one of the initial assignments of the Interim Technical Committee (CTI) was the analysis of projects before presenting them for adoption at the two Extraordinary Meetings

of the Board of Directors solely dedicated for the said purpose; the first Meeting held in Conakry in June 2019 and the second set to be held in New York, in September 2019.

The IDU Director emphasized on the rigour and dedication with which the CTI and more specifically the Focal Points had worked, to facilitate the presentation of projects for adoption at the Extraordinary Board. She assured the Meeting that all the various points that had been requested by the Board on 10 February 2019 had been analyzed.

To date, three (3) CTI meetings have been held:

- 1st Meeting, from 1 - 3 April 2019 in Brussels, Belgium;
- 2<sup>nd</sup> Meeting from 28 – 30 April, in Conakry, Guinea;
- 3rd Meeting from 27 - 29 May 2019, in Brussels, Belgium

### **Analysis of Projects for Adoption**

It should be noted that the CTI received 227 projects for analysis before tabling them before the Board of Directors for adoption.

### **Analysis of the Legal Identity and AREI Headquarters**

The Board was informed of the:

- Ministerial Meeting that was held on 10 June in Conakry and the work that has been done during the said meeting between the Regional Focal Points and the Energy Ministers of the AREI Board Member States on all the recommendations to be presented at the next Ordinary Board Meeting in Niamey, Niger, in July 2019;
- Three member countries that had expressed their interest in hosting the AREI Headquarters, namely Chad, Egypt, and Namibia through their Focal Points and reiterated and confirmed by their respective Ministers of Energy.

### **The Interim Technical Committee (CTI) and the Presentation of Projects**

The CTI recommendations on the Projects to be presented for adoption were brought to the attention of the Board before the proposal for adoption;

During the analyses, the CTI noted a weakness in the Governance Instrument with regard to project categories. To date, only two categories exist for the attribution of projects, notably;

- A: Energy and Energy Efficiency Production Projects;
- B: Network infrastructure construction Projects.

It is thus difficult to determine the precise attribution to be made and the amounts to be allocated.

a) To ensure that all possibilities for intervention and/or support for the deployment of renewable energy in Africa are covered, the Interim Technical Committee recommends the creation of;

- Category "C" for Capacity Building, Policy Support and Technical Assistance projects contributing to the implementation of category A and B projects;
- Category "D" for projects to make financial instruments available for the deployment of renewable energy in Africa.

b) Funds and initiatives that bring additionality to the capacities dedicated to AREI:

- Taking the example of the German Fund of €1 billion, which complements the sums initially pledged by Germany for Renewable Energies at COP 21, the CTI requested the Board to accept that the said Fund remains regulated under Germany's rules and principles and be considered as an additionality as provided for in the AREI Governance Instrument.
- The Interim Technical Committee proposes that initiatives such as ElectriFI, an EU initiative dedicated to landlocked rural areas and gender in the field of micro-projects in Renewable Energy with high social and economic added value, should only be subject to labelling if the amounts do not exceed 5% of the Partner's total budget.

A total of 104 projects proposed for implementation by African countries with bilateral and multilateral partners, in accordance with the rules and criteria of the AREI Governance Instrument, were tabled before the Board of Directors for adoption, at a total contribution of 3 348 million euros from partners and a capacity of 2 922 MW. The Board adopted all 104 projects. The Regional distribution of the adopted projects is as follows:

- Southern Africa - 96 MW
- Central Africa - 449.4 MW
- Eastern Africa - 1,089.8 MW
- North Africa - 627 MW
- West Africa - 401 MW
- Regional Projects - 258.75 MW

Prior to reading the CTI recommendations and the adoption of the projects by the Board, an overall presentation of all proposed projects was made illustrating the financial commitment of the partners in meeting the pledges made at COP 21.

The total number of projects proposed for adoption by the partners before the CTI analysis are;

- Germany made a commitment of €2 billion at COP 21

The CTI presented 25 projects with a financial implication of: €1 031 million and a capacity of: 1 093 MW;

- France made a commitment of €2 billion

The CTI presented 36 projects for a financial implication of: 1 789 million and a capacity of: 1 240 MW including 457 MW from the European blending mechanism;

- The European Union made a commitment of 1.5 billion euros

The CTI presented 46 projects for a financial implication of: 528 million euros in grants, for a total financial volume with all the partners concerned of 3 348 million euros. Of the 527.9 million euros granted by the EU, only 43.27 million euros was obtained outside the European Blending mechanism, while 484.67 million euros was achieved through the blending mechanism. The said mechanism strongly encourages the co-financing of projects by European Member States thanks to the catalytic effect of the EU contribution (Grant). Of the 2.9 GW adopted today, 996 MW have benefited from this European mechanism.

It should be noted that the CTI informed the Board of the:

- Two (2) projects which were rejected in accordance with AREI principles;
- Total of 123 projects require additional information before they can be submitted for adoption at the next Extraordinary Board of Directors slated for September 2019, in New York;

The IDU Director emphasized on the recommendations of the CTI with regard to the labelling of new projects given that adoption by the Board is only possible after the labelling process.

Labelling is therefore essential. It is in this respect that the CTI recommends that countries accelerate project labelling to enable the private sector play its role in the future as in addition to public investment.

Focal Points from the following countries presented projects to the CTI for labelling, notably, Guinea 54 projects, Chad 14 projects and Namibia one (1) project.

As a result, 69 additional projects were labelled and tabled before the Extraordinary Board of Directors for adoption. The said projects are accessible on the AREI website since June 10, 2019.

The next CTI labelling period is scheduled for July 2019 in Cairo, during the North African regional meeting.

Each African country should propose its renewable energy priorities and submit them to AREI

who will in turn engage bi-and multilateral partners. Projects should be proposed by the countries themselves and not partners.

Consequently, the Chair of the Board of Directors stressed that it is critical to give greater responsibility to the Energy Ministers of the Member States of the Board to enable them to organize regional meetings with their counterparts from other countries in their respective sub-regions, so that the latter can designate their national focal points before the next Extraordinary Board Meeting in September 2019 in New York.

The Chair urged the African Union to play its role by calling on all countries to nominate their focal points and by raising awareness on the importance of AREI.

The representative of the African Union proposed the creation of an AREI Fund to enable African countries to become more involved. However, the representative of the European Union recalled that this subject had been analyzed exhaustively during previous Board Meetings and that an AREI Fund was no longer on the agenda. This was noted and agreed to by the Heads of State, members of the Board.

It should be noted that the Coordinating President of the AREI Board of Directors, President Alpha Condé and President Idriss Deby reminded the members of the Board, the Interim Technical Committee (CTI) and the IDU of the fundamentals of the AREI initiative, noting that the entity remains a Renewable Energy Initiative for Africa, by Africa and with Africa.