

AREI Fifth meeting of Board of
Directors, 27 Jan, 2018, Addis Ababa



AREI

Africa Renewable Energy Initiative



Minutes and decisions



Minutes and decisions Fifth meeting of the Board of Directors of the Africa Renewable Energy Initiative Addis Ababa, 27 January 2018

1. Opening of the meeting

H.E President Alpha Condé opened the meeting and welcomed all Members of the Board and Observers.

2. Adoption of the agenda

The amended agenda [Document AREI/BD.01-18/01] was approved.

3. Approval of the minutes of the fourth Board meeting held in New York on 22 September 2017

The minutes of the Fourth meeting of the Board of Directors [Document AREI/BD.01-18/02] were approved.

4. AREI implementation matters

4.1. Report 2017

The Board took note of the presentation on recent activities by the IDU Acting Head. Since the previous Board meeting in New York, the IDU had organised and supported the meeting of technical experts held in Conakry 16-18 December and the present Board meeting, including revisions of the work plan and preparations for the forthcoming contracting of IDU after approval of the budget (all IDU work had been undertaken without payments or contracts since July 2017). The organising of AREI consultations for each of the five regions would be a priority for the coming period. Further accounts of AREI activities during 2017 and plans for 2018 were also contained in the report by the Chair of the AREI Board and Coordinator of Renewable Energies to the African Union Summit.

4.2. Report on project attribution

The Board took note of the presentation by the IDU on the project pipeline as well as an overview of projects submitted for AREI attribution. Since the previous Board meeting an additional five projects had been submitted through the European Union for attribution, now totalling 24 projects with an aggregate generation capacity of 2,3 GW. The Board highlighted the need for all African countries and regions to identify priority projects/programmes for submission to AREI for mapping and attribution.

4.3. Status of contribution pledges by international partners

The Board took note of the presentation by the IDU of the first overview of pledges and contributions so far submitted by six of the ten international partners behind the aggregate 2020 pledge of USD 10 billion made at COP 21 in Paris 2015. International partners had indicated they had committed € 1,8 bn in grants and € 6 bn as concessional loans to renewable energy related projects in Africa (these funds had not passed through the AREI trust fund or yet been determined to be in full compliance with AREI Criteria). The Board emphasised the importance of clarity on whether contributions are in the form of grants or loans and how they contribute towards the declaration of support from Paris.

4.4. Confirmation of the approved Independent Delivery Unit 12-month work plan and budget for 2017-18, as revised at the Technical meeting of experts, Conakry 16-17 December 2017

The revised 12-month work plan and budget for July 2017-June 2018 [Document AREI/BD.01-18/03] were approved. The AfDB was instructed to accelerate reimbursements, with due diligence, for expenditures already incurred for IDU staff, meetings and other costs as per the approved budget. The AfDB was also requested to expeditiously release the necessary funds for future activities as presented in the approved budget. The Board decided that the remuneration level for the Acting Head shall be the same as for his predecessor and that contracting be immediately undertaken by AfDB in accordance with the Board's instructions. The 12-month budget taking into account the agreed remuneration level amounts to US\$ 2,707,000.

5. AREI Governance matters

5.1. Approval of terms of reference for the AREI Head and recruitment process

The Terms of Reference [Document AREI/BD.01-18/04] and the Process for Recruitment of the Head of AREI [Document AREI/BD.01-18/05] were approved.

The process shall be overseen by the Board through a recruitment panel and would need to start quickly so that a list of up to five top candidates be proposed to the Board. The process should take place as soon as possible with the help of the African Development Bank, trustee of AREI, with its international recruitment firm to ensure a transparent, competitive and independent process in line with applied international standards. According to the agreed Terms of Reference, candidates must be a citizen of an African country, have well-established qualifications in terms of expertise in relevant subject matters to AREI, possess strong leadership qualities and have a solid track-record on engagement with multiple stakeholders. It was decided that the Acting Head will lead the IDU until the formal Head resumes office.

5.2. Confirmation of the approved Governance Instrument and Rules of Procedure as revised at the Technical meeting of experts, Conakry 16-17 December, 2017

The Board confirmed the approval of the revised versions of the AREI Governing Instrument and the Rules of Procedure. The Board members representing the Member States unanimously affirmed the independence of AREI and emphasised the importance of its legal personality. They also stressed the need to grant voting rights only to Member States representing the five regions of the continent.

The decision concludes the adoption of the AREI governance documents (Governing Instrument, Rules of Procedure, Selection criteria for members of the Technical Committee and Criteria for eligibility/prioritisation of funding) presented and provisionally approved at the fourth Board meeting.

However, the African Development Bank (AfDB) presented and defended the case for granting it the right to vote in order to comply with the governing instrument it had previously taken to its own Board of Governors as condition for hosting and serving as trustee.

On proposal from one of the members, the possibility of providing voting rights during the transitional period on fiduciary matters where this does not pose any potential conflicts of interest could be provided to AfDB, to allow it to function as host during this transitional period. To this end, the Board instructed the technical experts to agree on a formulation as soon as possible [Document AREI/BD.01-18/06].

6. Financial report 2017 for IDU and AREI Trust Fund by the African Development Bank

AfDB reported that AREI has to date received €6 million from France and €1 million from Germany, that is presently kept in a holding account at AfDB. It presented paid expenses for AREI, under the directorship of Dr Youba Sokona, amounting to USD 399 151 until 31 December 2017.

7. Any other business

There was no other business.

8. Closure of the meeting

H.E. President Alpha Condé thanked all Board members and observers and closed the meeting.



Agenda of the fifth meeting of the Board of Directors of the Africa Renewable Energy Initiative Addis Ababa, 27 January 2018

1. Opening of the meeting
2. Adoption of the agenda
3. Approval of the minutes of the fourth Board meeting held in New York on 22 September 2017
4. AREI implementation matters
 - 4.1. Report 2017
 - 4.2. Report on project attribution
 - 4.3. Status of contribution pledges by international partners
 - 4.4. Confirmation of the approved Independent Delivery Unit 12-month work plan and budget for 2017-18, as revised at Technical meeting of experts, Conakry 16-17 December, 2017
5. AREI Governance matters
 - 5.1. Approval of terms of reference for AREI Head and recruitment process
 - 5.2. Confirmation of the approved Governance Instrument and Rules of Procedure as revised at the Technical meeting of experts, Conakry 16-17 December, 2017
6. Financial report 2017 for IDU and AREI Trust Fund by the African Development Bank
7. Any other business
8. Closure of the meeting



Fourth Meeting of the Board of Directors Minutes of The Meeting Held on 22 September 2017, New York City

Present

The fourth meeting of the Board of Directors was held on 22 September 2017 in New York. H.E. Prof. Alpha Condé, President of Guinea representing the West African Region, chaired the meeting. Also in attendance was Minister of Environment, H.E. Khaled Fahmy, representing H.E. President Abdel Fattah El-Sisi of Egypt and the North African Region; H.E. Ambassador at the African Union representing President Hage Geingob of Namibia and the Southern African Region; The Second Counsellor at the Permanent Mission at the UN representing President Idriss Déby Itno of Chad and representing the Central African Region; H.E. Amani Abou-Zeid, Commissioner for Energy and Infrastructure, African Union Commission, representing the Chair Person of the African Union Commission; and Mr. Amadou Hott, Vice-President of Energy, African Development Bank, representing the President of the African Development Bank. For non-African partners France was represented by Secretary of State Madam Brune Poirson, joined by Madam Segolène Royal, COP21 President and recently appointed Special Envoy for the implementation of the International Solar Alliance, and the European Commission Mr. Stefano Manservigi, Director-General for International Cooperation and Development, European Commission, representing the EU Commissioner for International Cooperation and Development.

1. Opening of meeting

The Chair opened the meeting and welcomed participants to the fourth meeting of the Board.

2. Adoption of the agenda

The Board adopted the agenda without objections or amendments.

3. Minutes of previous Board meetings

The Board considered the adoption of the minutes of previous Board meetings. The Acting Head of the IDU brought to the attention of the Board the need to formally adopt the minutes of the second meeting of the Board, which had been circulated ahead of the third meeting but had not, according to the minutes of this meeting, been formally adopted.

The minutes of the third meeting of the Board, held on 2 July 2017 in Addis Ababa, were also presented. These included a summary of the report from the technical experts meeting, the appointment of the Acting Head of the IDU and the immediate tasks the IDU was given: (1) to organise the technical experts meeting to finalise the governance documents, (2) prepare a 12-month work programme with a budget and an organisational chart, and (3) facilitate clarifications on financial contributions from the international partners.

The representative of the AfDB commented on these and asked for two clarifications to be added to the minutes of the third meeting of the Board. First, the minutes should reflect statements by the President of the importance of having voting rights in the Board to fulfil its fiduciary role. Secondly, it should reflect that the draft Governing Instrument submitted by the Bank was the result of a drafting process involving the three co-leaders.

The minutes from the two meetings were adopted, with a request for the IDU to amend the minutes of the third meeting of the Board in accordance with the comments by the AfDB, and to re-circulate the minutes of the second meeting of the Board.

4. Presentation by the Independent Delivery Unit on work plan, budget and organisational chart, for consideration and approval

The Acting Head of the IDU presented the outputs of the tasks he had been assigned to undertake at the last Board meeting. He noted the 12-month work plan and budget that had been circulated to Board Members, and provided an overview of the key steps for the coming year. The first step on project identification had already been initiated through a letter from the Board Chair to the 55 Member States. The IDU has so far received communications from three countries, and it was proposed that a reminder be sent. A second step involves country outreach and engagement across the five sub-regions. The third step involves further formulation of ideas, proposals and support for new and additional interventions, while the fourth step will stimulate comprehensive policy and incentive programmes. Once the Governing Instrument has been finalised, the Technical Committee will be constituted to evaluate proposals and programmes for Board approval.

The Acting Head then presented the organogram for the establishment phase, as requested by the President of Chad at the second Board meeting. It shows the IDU composed of an equivalent of five full-time staff, including the Head of the IDU, three experts and one administrator. The corresponding budget for the establishment phase has been reduced by more than 40% from the previous level of approximately USD5 million to USD2.85 million, with a 50% reduction of staff salaries (now at USD699,000).

Following discussion, the Board approved the work plan and budget in principle, subject to further work by the committee of experts to soon meet in Conakry (see below) where further input from member states, AUC, AfDB and international partners would be considered with a ceiling of the budget at USD2.85 million.

5. Presentation of AREI governance documents from the meeting of Technical Experts on AREI Governance held in Conakry 11-13 September 2017 for consideration and approval

A set of four governance related documents (the Governing Instrument for the Africa Renewable Energy Initiative, Rules of Procedure, Selection Criteria for Members of the AREI Technical Committee, Criteria for Attribution and Eligibility/Prioritisation of Funding) had been circulated ahead of the meeting. These documents were the agreed outcome, by the five Member States representing the five African sub-regions, from the previous meeting of

technical experts on 11-13 September 2017 in Conakry, which were proposed to the Board for approval. Accompanying this set of documents was a compilation of written submissions by the African Development Bank, the African Union Commission and international partners which presented their views along with comments from the Member States on how these had been either included, or the reasons for not doing so.

The Chair introduced the agenda item by confirming that the Governance documents must finally be approved at the current meeting. He noted reservations from AfDB and AUC as well as requests from international partners. These were expressed in the compilation of comments and had been reiterated at an informal meeting with the Chair earlier in the day.

Comments were made by AfDB pointing out the lack of consensus on several points, by the AUC requesting more time to study the documents, and by Egypt asking to move forward to decision after 18 months of deliberations. Following further discussion, the Chair noted that representatives of AUC and the AfDB had participated in the meeting in Conakry where their observations had been considered. They along with the Partners had also participated in the meeting held in the morning where they had all agreed to adopt the governance instrument at the current Board meeting.

After further discussion about the status of the documents and some outstanding issues, the Board declared the governance documents as presented by the five member states formally adopted, with reservations by AfDB, AUC and international partners noted and subject to taking into consideration their comments. It was decided that the committee of experts, comprising one representative each from the five Member States, the African institutions, and the Partners, with a Chair appointed by the Chair of the Board, is to reconvene in Conakry at the earliest convenience. The committee is tasked (1) to examine to what extent proposals from the AUC, AfDB and the Partners can be integrated into the approved governance documents (agenda item 5), (2) to go over the approved work plan and budget, and (3) to elaborate terms of reference for the recruitment of a formal Head of the IDU (agenda item 4). On the issue of voting rights in the Board, the Chair confirmed that this would need to be decided by the five Heads of State. In that vein, he informed the Board that he would formally write to each Head of State seeking his position on the issue.

6. Presentation on the status of the projects approved at the second meeting of the Board of Directors held in Conakry on 4 March 2017

Following the request for clarification of the status of the 19 projects approved on an exceptional basis at the second board meeting on 4 March 2017 in Conakry, the European Commission said they had prepared a document indicating the status of each project, which would be circulated to the Board and the IDU.

The European Commission said five out of the 19 projects were technically and administratively advanced. The AfDB who is supporting these projects with USD80 million stated that their Board would validate the projects before January 2018, which would allow the projects to become operational.

The European Commission also said they were considering submitting for AREI attribution five additional projects. The Chair enquired whether these are bilateral projects. The representative of the European Commission noted that those projects could be prioritized for AREI if deemed appropriate by AREI processes.

After some discussion, the Chair said he would ask Heads of State to send these projects to the IDU, as they need to be presented to AREI to mobilize the committed funding. He requested the European Commission to send information to the IDU so the projects could be evaluated and presented to the Board. He stated that there needs to be clarity whether a project is bilateral or part of AREI, in order to achieve the goal of 10GW new installed capacity.

The representative of France clarified that AREI is not simply an institution but an initiative to inspire action, with new projects arising as part of this mobilization. The Chair emphasised that projects would need to be presented to AREI, which would have the important role of selecting and prioritising projects.

The representative of the European Commission observed that this would affect how they think about AREI. Since funds were not infinite, projects needed to be prioritised/selected and they would have to know whether in the first phase AREI would act as a facilitator or a filter.

The Chair recalled that AREI will have a Technical Committee and IDU to select and analyse projects and to submit these to the Board.

The representative of the AfDB said that normally states should provide projects directly to the IDU. If they send them to the EU then the EU should send them to the IDU before financing is provided.

The Chair confirmed that he had written to all states about AREI saying that projects should be submitted. He emphasised the importance of discipline and that engagements are honoured. Once a project is adopted efforts should be made to accelerate its implementation.

7. Presentation on the clarification of financial contributions by partners

The Acting Head of the IDU informed the Board that, as a follow-up to the request during the previous meeting for clarification of pledges by partners towards the USD10 billion, the IDU had prepared two sets of detailed forms that each partner had been asked to respond to.

So far AREI had received a formal response from the EC indicating that from 2015-2020 an amount of €1.5 billion would be available as grant contributions and from Sweden an estimate of USD278 million for 2017-2020. Canada had earlier indicated CAD150 million to be provided as concessional loans. The representative of France said they had committed up to €3 billion by 2020.

France and the European Commission said they would encourage partners who had not yet done so to reply to the information request of the IDU. The Chair proposed a letter be written to the partners behind the USD10 billion pledge who had not yet made a clear commitment.

8. Financial report by the African Development Bank (Trustee)

The representative of AfDB said the Bank was preparing a report that would be made available to the Board in French and English. In summary, the AfDB had received in total €7 million for AREI. Of this, €6 million was from France and was to be used to finance the IDU including activities to advance regulatory frameworks for projects. Germany had promised €2 million, of which €1million had already been received by the AfDB to be used to support the

IDU. So far, the IDU had spent \$ 367,000 over the first 9 months. This sum included salaries for the Interim Head, three consultants, travel expenses and missions.

Regarding the trust fund, the AfDB explained that currently funds were not channelled through it even if this could be considered in the future by some partners. The Bank also clarified it was not making any profit managing the Fund, but that there was a need to reimburse the Bank and the Republic of Guinea for their actual costs, including expenses incurred supporting the IDU and pre-financing of meetings. The €7 million had not been touched yet for this.

The representative of Egypt requested copies of the financial report and the Commission's document on the five projects so they could review and provide feedback and clarification. The Chair agreed that all Board members should receive these documents, which should be sent to the IDU for further circulation.

9. Any other business

The Chair brought up issues concerning cooperation with other partners and in particular a memorandum of understanding (MOU) that had been signed with a Chinese institution. The Board agreed that such matters should be brought to the attention of the Board prior to any commitment. It further stressed that the IDU cannot bind the AREI nor its board. The IDU was then, instructed to contact the Chinese institution to inform them of this practice as well as the nullity of the signed MOU.

10. Closure of the meeting

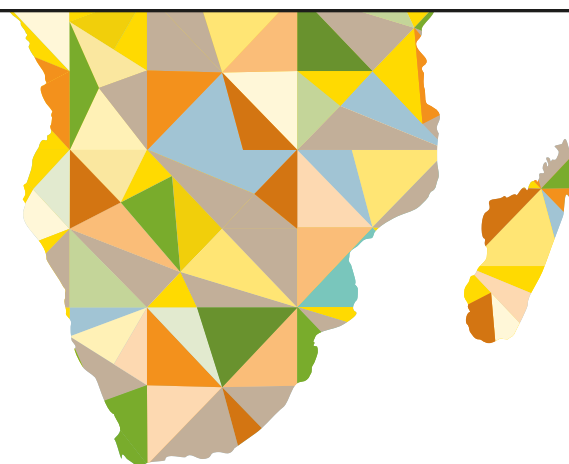
The AUC Commissioner welcomed the Board members to the AUC offices, which she described as the "House of Africa", and expressed her satisfaction at the number of milestones achieved, including the historic adoption of the Governing Instrument.

The Chair concluded the meeting by confirming that the meeting of the Committee of experts would be held in Conakry and asked Board members to nominate one representative to serve on the Committee so they could begin their work as soon as possible.



AREI

Africa Renewable Energy Initiative



**Approved 12 Month Work Plan
and Budget (2017-18)**

AFRICA RENEWABLE ENERGY INITIATIVE

REVISED PROVISIONAL WORK PLAN FOR AREI ESTABLISHMENT PHASE (2017-18)



The IDU will focus on operationalization activities during its first year, and gradually move its focus to the activities outlined in the AREI Action Plan for Phase I (2017-2020). While focus will be on recruitment, establishing operational procedures and policies, and initial mapping, it is envisaged that within the first year some activities will be initiated across all 9 Work Areas as outlined in the AREI Action Plan.

The following work plan provides an overview of the anticipated activities for the 12-month period July 2017-July 2018, which is also reflected in the associated budget. This work plan and budget are only indicative.

The activities and cost estimates provided indicate 'best case scenarios'. These are contingent upon effective recruitment of contracted staff, efficiently functioning hosting arrangements, and smooth interplay of activities across work areas. Any delay beyond the reach of the IDU will lead to slower overall roll-out of activities. The work plan and budget provided here should not be understood as benchmarks to be strictly evaluated against, but rather the estimated limit of what can be achieved during 12 months (where the first 6 months have been constrained by a focus on governance matters). It is important for the IDU to have a budgetary scope and mandate to carry out these plans (including increasing specific activities) under conducive conditions, but also an understanding that most likely not everything will be achieved within the given time frame.

The work plan and budget show the enabling activities of the IDU and the functioning of the AREI Board and the Technical Committee. Attributed activities by partners and funds to be channeled and disbursed to implementing entities through the AREI Trust Fund are not included in this work plan and budget.

12-MONTH WORK PLAN

(JULY 2017-JUNE 2018)

BOARD OF DIRECTORS AND TECHNICAL COMMITTEE MEETINGS

- **Meetings of the Board of Directors**
At least two meetings
- **Meetings of the AREI Technical Committee**
At least one meeting
- **Meetings of Technical Experts on AREI Governance**
Three meetings (Addis July 2017, Conakry September and December 2017)

INDEPENDENT DELIVERY UNIT STAFFING

Corresponding to five full-time positions during interim establishment phase

- **Acting Head**
- **Cluster coordination**
Short-term contracts of experts corresponding to three full time positions during interim period; preparation for recruitments of full-time positions when hosting arrangements, implementation of governance framework and permanent Head in place. Planning for gradual expansion of staff over time.
- **Cluster support**
Admin, legal and other services

ESTABLISHMENT/OPERATIONALISATION ACTIVITIES THROUGH THE IDU

- **Direct engagement with African countries and institutions**
Active outreach and engagement with countries and African institutions at national, sub-continental and continental levels.
 - a. Distribution and discussion of all relevant AREI documents
 - b. Initiation of visits to and dialogues with governments and relevant organizations at subcontinental (one for each REC) and country levels
 - c. Regional workshops and consultations in each of the five African regions (North, West, Central, East and Southern Africa, with participation from all countries in respective region).
 - d. Consultations
 - e. Initial preparations for organising of major AREI event/conference in Africa (2018-19)
- **Strengthening of international support and strategic partnerships**
 - a. Formulation of engagement procedures with existing institutional entities
 - b. Continued and intensified interaction with key strategic international partners
 - i. Developed countries
 - ii. Sub-continental and continental African institutions
 - iii. Developing countries
 - iv. International institutions
 - v. Civil society and research networks/organisations.
 - vi. Private sector

- **Initial resource mobilization:**
 - a. Continuous engaging with partners on the details of the USD 10 billion pledge for AREI made during the COP21
 - b. Formulation of additional resource mobilization plan to secure the necessary funds for Phase I (2017-2020) involving African countries, developed countries, developing countries and multilateral sources such as GCF
 - c. Initiating planning resource mobilization roundtables (North-South and South-South)
- **Operationalization of a governance and management structure** that ensure clear, transparent decision-making and effective coordination of activities in accordance with the AREI Framework:
 - a. Operationalisation of governance structures/rules of procedures (Board of Directors, Technical Committee and IDU)
 - b. Detailed budgeting for establishment phase operations
- **Establishment of operations procedures:**
 - a. Monitoring and evaluation/reporting procedures:
 - i. Procedures for monitoring and evaluation and reporting of activities directly undertaken by the Independent Delivery Unit and Trust Fund
 - ii. Procedures for monitoring and evaluation of AREI attributed activities undertaken directly by countries and other institutions, including contributions towards AREI targets
- **IDU specific travel and meetings**
 - a. Unit planning meetings
 - b. Travel contingency

INITIAL IDU ACTIVITIES UNDER AREI CORE WORK AREAS

- **Work area 1: Mapping of experiences and activities for enhanced cooperation**
Mapping of experiences (successes and bottlenecks) and activities for enhanced coordination of existing and future RE initiatives (including engaging with existing mapping exercises).
 - a. Preparation of Mapping Plan
 - b. Development of web-based platform
 - c. Data & information gathering
 - d. Initial fieldwork and data gathering)
 - e. Macro-level mapping reports & consultations
 - f. REC-level and country mapping reports & consultations
- **Work area 2: Strengthening policy, regulatory, support and incentives frameworks**
Direct engagement with countries: Identification and development of Category A (policy projects/programmes)
 - a. Analysis of on-going as well as planned regulatory, policy and institutional capacity initiatives in first batch of countries (For second half of 2018; begin planning first half)
 - b. Initial best practice sharing platforms on selected policy and incentives themes (For second half of 2018; begin planning first half)
 - c. Roundtable of Experts on Enabling RE Investment in Africa (For second half of 2018; begin planning first half)

- d. Transformation of Category A opportunities into detailed Category A projects and proposals for strengthening existing/deploying new policies, financial incentives, regulations and institutions (For second half of 2018; begin planning first half)
- e. Development of transformative policy approaches in collaboration with pioneering countries

Category A (policy project and programme(pipeline: Assessment for attribution and/or funding

- a. Set-up of repository of guidelines, tools, and resources for Category A project developers/originators
- b. Assessment of Category A projects against AREI Criteria for attribution and funding and preparations for approval (also feeding in to Work Area 1 on mapping)

- **Work area 3: Capacity mobilization and building**

- a. Initial identification of capacity building needs. Coordination with country/regional outreach activities.
- b. Mapping existing capacity (specialized centres, academia, professional organisations, CSOs etc.) in Africa for mobilization to support AREI implementation (integrated with Work Area 1)
- c. Planning for Initial AREI training and capacity building programmes.

- **Work area 4: Funding and financing**

- a. Translation and assessment of mapping outcomes (Work area 1) and policy (Work area 2) as well as project development (Work area 5) to inform elaboration of funding and financing needs
- b. Initiation of assistance to pioneering countries in identifying country needs and developing programmatic proposals for the Green Climate Fund, bilateral collaboration and other international funding sources
- c. Monitoring and evaluation of international pledges and contributions, including development of methodology

- **Work area 5: Project development and support**

Category B (RE installation projects) pipeline: Assessment for attribution and/or funding Existing and New Category B Projects

- a. Assessment of Category B projects against AREI Criteria for attribution and funding and preparations for approval (also feeding into Work Area 1 on mapping)

Enhance in-country capacity to identify Category B (RE installation projects) opportunities

- b. Training/orientation workshops for prospective Category B Project Development Advisors (B-PDA)
- c. Commission B-PDA contracts to identify, screen and support development of pending as well as new Category B proposals in line with AREI criteria. *For second half of 2018; begin planning first half*

Initiate AREI Project Development Support (PDS) Services

- d. Assess needs for Project Development Advisory services and scope for synergies with other initiatives
- e. Initial training/orientation program for project development support staff *For second half of 2018; begin planning first half*

Seed grants for project formulation/development for both Category A and B projects + other work areas

INITIAL IDU ACTIVITIES UNDER AREI CROSS-CUTTING WORK AREAS

- **Work area 6: Socio-economic and environmental assessment of RE technologies**
 - a. Assessment/overview study and seminar on best practice social and environmental safeguards in relation to AREI
 - b. Operations procedures/methodology for application of AREI and internationally recognised safeguards in assessment of projects/programmes against AREI Criteria
 - c. Support for stakeholder capacity and involvement in assessment of renewable energy projects, including initial exploratory work on RE Technology innovation and Technology Assessment Platforms

- **Work area 7: Multi-stakeholder participation processes for broad engagement and structuring of the initiative**
 - a. Country/region specific multi-stakeholder consultations (integrated with country and regional outreach above)
 - b. Continental multi-stakeholder event *For second half of 2018; begin planning first half*
 - c. Initial civil society, private sector and knowledge community specific activities, including methodology for engagement
 - d. Identification and initial assessment of people-centered energy solutions and participation approaches
 - e. Stakeholder liaison and stakeholder engagement support

- **Work area 8: Wider context monitoring and observatory**
 - a. Formulation of initial approach and identification of key issues to explore, e.g. integration of renewable energy in economic transformation and job creation at national and sub-national levels, SMART Africa and renewable energy etc.
 - b. Studies, assessments
 - c. Seminars and consultations (can be combined with multi-stakeholder events)

- **Work area 9: Communications and outreach**
 - a. Enhancing visibility of AREI at key events as appropriate (e.g. COP, UNGA, G20 etc.)
 - b. Web/multimedia, video tools to make information on AREI widely accessible and enable interaction by stakeholders
 - c. Production and dissemination of AREI publications and other material (translation, copy editing, layout, printing, shipping)
 - d. Development and implementation of communications and media strategy for enhanced visibility

- **Cross-cutting support, research and studies.**
 - a. Commissioning studies on key issues and priority areas, taking into account emerging issues, challenges, opportunities and risks, to substantiate and further concretize the AREI Action Plan across its Work Areas

AFRICA RENEWABLE ENERGY INITIATIVE



PROVISIONAL BUDGET ESTIMATES: ESTABLISHMENT PHASE (12 months)
AREI INDEPENDENT DELIVERY UNIT, BOARD OF DIRECTORS AND TECHNICAL COMMITTEE

	(USD)
BOARD OF DIRECTORS AND TECHNICAL COMMITTEE MEETINGS	July 17-June 18
Board of Directors meetings	121 000
Technical Committee	75 000
Technical expert meetings on governance (Conakry, September and December 2017)	67 000
Interpretation services for Board meetings, Technical Committee meetings, technical experts meetings and other meetings	35 000
<i>Total Board of Directors and Technical Committee meeting costs:</i>	298 000
INDEPENDENT DELIVERY UNIT CORE FUNCTIONS/COORDINATION	
STAFFING	480 000
<i>Total core IDU staff costs:</i>	692 000
INITIAL COUNTRY ENGAGEMENT AND ESTABLISHMENT ACTIVITIES	
Direct engagement with African countries and institutions	817 000
International support, strategic partnerships and resource mobilisation	40 000
Resource mobilisation	10 000
IDU specific travel and meetings	25 000
<i>Total country engagement/establishment activities:</i>	892 000
INITIAL ACTIVITIES UNDER AREI CORE WORK AREAS	
Work area 1: Mapping of experiences and activities for enhanced coordination	205 000
Work area 2: Strengthening policy, regulatory, support and incentives frameworks	150 000
Work area 3: Capacity mobilisation and building	10 000
Work area 4: Funding and financing	30 000
Work area 5: Project development and support	100 000
<i>Total initial core activities</i>	495 000
INITIAL ACTIVITIES UNDER AREI CROSS-CUTTING WORK AREAS	
Work area 6: Socio-economic and environmental assessment of renewable energy technologies	65 000
Work area 7: Multi-stakeholder participation processes	55 000
Work area 8: Wider context monitoring and observatory	10 000
Work area 9: Communications and outreach	170 000
Cross-cutting support, research and studies	30 000
<i>Total initial cross-cutting core activities</i>	330 000
Total for 12 month	2 707 000 USD

Funding received from international development partners and other funding sources shall be provided to AREI as core funding to be used in accordance with the work plan and budget approved by the AREI Board (i.e. funds shall not be ear-marked).

This budget and allocations between categories are indicative and reflect a situation where AREI IDU is being set up and operationalised, meaning there will necessarily be more contingencies, shifting priorities and unplanned opportunities compared to regular operations in already established institutions. The Acting Head of the Independent Delivery Unit shall have flexibility in reallocating costs within major categories (bold) depending on changing circumstances and priorities, while re-allocations between major categories exceeding 10% should be confirmed by the Board.

The activities and cost estimates provided in this budget indicate "best case scenarios". These are contingent upon hosting conditions that enable effective, immediate recruitment by the Acting Head of IDU consultants on short-term basis until the permanent Head has resumed office and been able to undertake recruitment of regular staff. Any delay beyond the reach of the IDU will lead to slower overall roll-out of activities. The budget will be continuously updated and adjusted.

AFRICA RENEWABLE ENERGY INITIATIVE



PROVISIONAL BUDGET ESTIMATES: ESTABLISHMENT PHASE (12 months)
AREI INDEPENDENT DELIVERY UNIT, BOARD OF DIRECTORS AND TECHNICAL COMMITTEE

	(USD) July17-Dec17	(USD) Jan 18-June 18
BOARD OF DIRECTORS AND TECHNICAL COMMITTEE MEETINGS		
Board of Directors meetings	44 000	77 000
Third Board meeting, Addis Ababa, July 2016	13 000	
Fourth Board meeting, New York, September 2017	31 000	
Fifth Board meeting, Addis Ababa, January 2018		31 000
Sixth Board meeting, Addis Ababa, July 2018		29 000
Contingency -- interim meetings (e.g. Sherpas)		17 000
Technical Committee		75 000
Travel support (11 members + IDU staff x 1 meeting)		58 000
Renumeration (2 days á USD 750 x 11 members * 1 meeting)		17 000
Technical expert meetings on governance (Conakry, September and December 2017)	67 000	
Interpretation services for Board meetings, Technical Committee meetings, technical experts meetings and other meetings	5 000	30 000
<i>Total Board of Directors and Technical Committee meeting costs:</i>	116 000	182 000
	298 000	
INDEPENDENT DELIVERY UNIT CORE FUNCTIONS/COORDINATION		
MAIN STAFFING		
Acting Head	106 000	106 000
Overall Programme Coordination including initial Cluster coordination: Participation, Communications and Outreach	74 000	74 000
Cluster coordination: Participation, Communications and Outreach (later part)		25 000
Cluster coordination: Mapping Interventions and Enhanced Coordination		61 000
Cluster coordination: Facilitating Support and Enabling Environment		61 000
<i>During immediate interim phase until formal Head has resumed office and regular staff recruited, each of the three cluster coordination functions may be served by more than one expert to enable contracting of high level expertise on part-time, short-term basis</i>		
<i>Support</i>		
Legal support	32 000	58 000
(Unit admin/coordination support – or through hosting arrangements)		27 000
IDU planning meetings/retreats (in connection with regional meetings)		20 000
Recruitment process for Head (travels/meetings for interviews, recruitment consultant etc.)		48 000
<i>Total core IDU staff costs:</i>	212 000	480 000
	692 000	
INITIAL COUNTRY ENGAGEMENT AND ESTABLISHMENT ACTIVITIES		
Direct engagement with African countries and institutions		817 000
IDU travel to AUC, RECs and countries: initial engagement and planning for larger meetings		24 000
Regional workshops and consultations (with government and multi-stakeholder engagement): (6 persons per country covered + IDU and resource people)		793 000
North Africa		126 000
West Africa		213 000
Eastern Africa		208 000

INITIAL IDU ACTIVITIES UNDER AREI CROSS-CUTTING WORK AREAS

Work area 6: Socio-economic and environmental assessment of renewable energy technologies		65 000
Assessment/overview study and seminar on best practice social and environmental safeguards in relation to AREI		15 000
Operations procedures/methodology for application of AREI and internationally recognised safeguards in assessment of projects/programmes against AREI Criteria		5 000
Support for stakeholder capacity and involvement in assessment of renewable energy projects, including initial exploratory work on RE technology innovation and Technology Assessment Platforms		45 000
Work area 7: Multi-stakeholder participation processes		55 000
Country/region specific multi-stakeholder consultations (integrated with country and regional meetings above)		
Continental multi-stakeholder event <i>For second half of 2018; begin planning first half</i>		
Initial civil society, private sector and knowledge community specific activities, including methodology for engagement		5 000
Identification and initial assessment of people-centered energy solutions and participation approaches		30 000
Stakeholder engagement support (establishment of networks; small grants, meetings etc.)		20 000
Work area 8: Wider context monitoring and observatory		10 000
Studies/assessment		10 000
Seminars and consultations (can be combined with multi-stakeholder events)		
Work area 9: Communications and outreach	25 000	145 000
Events outreach activities (e.g. COP, UNGA, G20 etc.) <i>For second half of 2018; begin planning first half</i>		
Multimedia, internet, on-line interaction, video etc.		25 000
Printing and layout of publications + shipping		20 000
Copy editing (core publications, discussion papers, technical and legal documentation)		25 000
Translation	25 000	40 000
Media consultants/services		35 000
Cross-cutting support, research and studies		30 000
Analytical studies on key issues and priority areas to substantiate and further concretize the AREI Action Plan across its Work Areas		
	<i>Total initial cross-cutting activities</i>	25 000 305 000
		330 000
		363 000 2 344 000
	Total for 12 month	2 707 000

Funding received from international development partners and other funding sources shall be provided to AREI as core funding to be used in accordance with the work plan and budget approved by the AREI Board (i.e. funds shall not be ear-marked).

This budget and allocations between categories are indicative and reflect a situation where AREI IDU is being set up and operationalised, meaning there will necessarily be more contingencies, shifting priorities and unplanned opportunities compared to regular operations in already established institutions. The Acting Head of the Independent Delivery Unit shall have limited flexibility in reallocating costs within major categories (bold) depending on changing circumstances and priorities, while re-allocations between major categories exceeding 10% should be confirmed by the Board.

The activities and cost estimates provided in this budget indicate 'best case scenarios'. These are contingent upon hosting conditions that enable effective, immediate recruitment by the Acting Head of IDU consultants on short-term basis until the permanent Head has resumed office and been able to undertake recruitment of regular staff. Any delay beyond the reach of the IDU will lead to slower overall roll-out of activities. The budget will be continuously updated and adjusted.



Terms of Reference for the Head of the AREI Independent Delivery Unit

Introduction

The Africa Renewable Energy Initiative (AREI) is a transformative, Africa-owned and directed effort to harness the continent's huge renewable energy potential for universal energy access and sustainable development. Under the mandate of the African Union, the initiative is set to achieve at least 300 Gigawatts (GW) of new and additional renewable energy generation capacity by 2030 with an initial 10 GW by 2020.

AREI constitutes a framework intended to provide guidance and coordination across institutions and all African countries to facilitate action towards AREI's goals, and ensure additionality to existing activities and support. The initiative addresses interrelated challenges at the national, continental and global levels, including those relating to inclusive development, energy access, and climate change. At its core AREI is about developing and promoting a vision of people-centered, distributed and other renewable energy systems that aims to influence all relevant actors on the continent.

The AREI Independent Delivery Unit will work on the tasks assigned to it by the AREI Board to support the overall implementation of the AREI Action Plan. The Independent Delivery Unit will be fully accountable to the AREI Board of Directors in accordance with the AREI Governing Instrument, which ensures its independence and African leadership.

The Head of the AREI Independent Delivery Unit (hereafter "the Head") will be appointed by the AREI Board of Directors following a competitive and transparent recruitment process to be approved by the AREI Board of Directors.

The Head will follow a competitive and transparent recruitment process to recruit staff and consultants in accordance with the organigram, work programme, and budget, approved by the Board of AREI.

The Head will implement the activities on AREI in accordance with the AREI work plan and budget approved by the Board, the AREI Governing Instrument and applicable rules of the African Development Bank (AfDB) as host of the IDU and trustee of the AREI funds.

The Head will report directly to the AREI Board of Directors on all substantive matters and to the IDU Host (President of the AfDB or to a Vice-President designed by the President of the AfDB) on administrative matters.

Responsibilities of the Head

The Head of the Interim Delivery Unit will be expected to undertake the following responsibilities and perform the following duties:

Strategic Responsibilities:

- Clearly express the vision of AREI to internal and external stakeholders;
- Help develop and implement the strategic direction of AREI;
- Monitor and supervise the preparations of the annual AREI Work programme.
- Lead, monitor, evaluate and report progress against the AREI work programme and AREI Framework and Action Plan.

External Relationships

- Facilitate working relationships with stakeholders and international partners in relation to the overall initiative;
- Ensure that AREI has an appropriate profile in the debate on climate compatible development and on renewable energy through presence at key events, networking and publications; and
- Propose, explore and engage AREI in strategic partnerships with African and non-African governments, as well as inter-governmental organizations, private sector, NGOs and civil society, in both North and South.

Organizational Responsibilities:

- Lead a flexible, scalable Independent Delivery Unit, which can effectively address the tasks for AREI as outlined in the IDU work plan
- Identify needs and recruit the required expertise on both short-term and permanent basis to deliver in accordance with the work plan, including from members of the interim IDU to ensure continuity;
- Motivate, manage, and mentor the AREI Independent Delivery Unit team;
- Manage financial performance against budgets and plans; and
- Ensure that reporting is carried out in accordance with required standards.

Responsibilities in relation to interaction with other AREI entities

- Interact closely with the Chair of the Board and ensure IDU functions as the secretariat serving the Board;
- Work closely with the AREI Technical Committee (TC), in particular its chair and take part in the meetings of the TC;
- Work closely with the AREI Trustee in developing modalities for the implementation and operations of the AREI Trust Fund;

General Responsibilities in relation to the AREI operations/Action Plan

- Provide direction and guidance in the planning, development and implementation of all AREI IDU activities in accordance with the AREI Framework, Action Plan and current Work Plans and AREI nine Activity areas, i.e. Mapping; Policy, regulatory and support frameworks; Capacity mobilization and building; Funding and financing; Project development and support; Technology assessment and safeguards; Multi-stakeholder engagement; Wider context; and Communications and outreach;
- Promote synergies with existing initiatives at the national, sub-regional and regional levels and coordinate collaboration on substantive matters with both African and international institutions;

Tasks across all work areas:

- Guide and support the planning and organizing of conferences, meetings, and workshops related to the work of the AREI;
- Ensure the development and implementation of social and environmental safeguards
- Provide direction and guidance on the implementation of capacity building, knowledge

- generation, management, networking and dissemination activities in line with the AREI Framework; and
- Ensure easily accessible and updated communications material on the progress of AREI.

Qualifications of the Head

The Head of the Independent Delivery Unit should:

- Be a citizen of an African country with well-established qualities in terms of asserting African ownership and independence.
- Be a professional of highest standing and recognition in the fields of renewable energy policy, development and climate change;
- Have at least 10 years of work experience and strong technical/scientific credential in energy, development and climate change, with a minimum of 5 years work experience in the energy sector and particularly in the field of renewable energy;
- Have a strong, well- documented track record in promoting people-centered, equitable development for the common good;
- Have well established personal networks across sectors and levels, both in Africa and internationally;
- Have well documented experience from leading organisations, including establishment or build-up of new institutions;
- Have excellent credentials as team leader and organiser of well-functioning workplaces; and
- Have relevant experience from interaction with non-governmental stakeholders, including civil society.
- Multi-sectoral experience including the private sector and notably in the energy field is considered an asset.

Duration of contract

The Head will be recruited on a three-year contract with a one-year probationary period after which an evaluation will be performed. If both parties are content, the Head will continue for the remaining period, with the possibility for extension.

Remuneration/grade level of the Head

The Head shall be appointed at a level equivalent to the level of Director in the AfDB system as a host institution. Remuneration will be paid based on the Head's qualifications and the salary grid of the AfDB as a host institution.



Process for Selection of the Head of the AREI Independent Delivery Unit

A transparent, competitive process in line with relevant and applied international standards for the selection of qualified candidates for such a position shall be established.

The selection process shall be conducted under the supervision of the AREI Board supported by the IDU, and the AfDB providing support building on its experience in this regard.

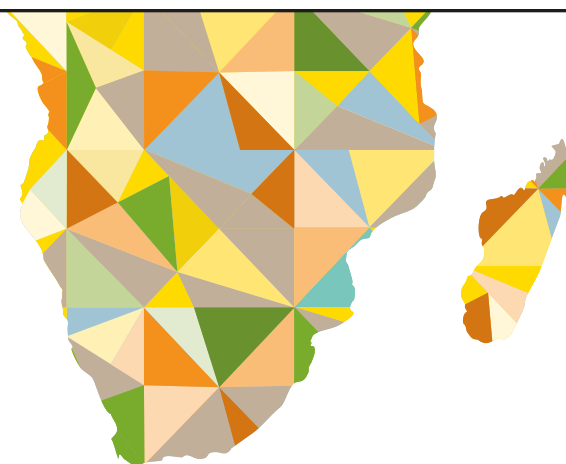
The process shall be as follows:

- a) An ad-hoc panel for recruitment of the IDU Head shall be established composed of representatives of the five African Union Member States, members of the Board of AREI, one representative of the AfDB, one representative of the AUC and one representative of the partners participating as standing observers in the Board.
- b) Members of this panel should possess the relevant experience needed in this regard.
- c) The panel shall agree in its first meeting on its proceedings with a view to ensure a timely and expedite outcome.
- d) The AfDB may be requested to provide technical support to the panel to perform its functions including through utilising the recruitment firm used by the bank.
- e) The panel shall be provided with 15 potential candidates for its consideration by the recruitment firm.
- f) The panel will reduce the number of shortlisted candidates, with the aim to provide the Board with a list of maximum five candidates for the Board's consideration and decision.
- g) The financial costs for this process will be covered from the AREI funds.



AREI

Africa Renewable Energy Initiative



Approved
Governance documents

AFRICA RENEWABLE ENERGY INITIATIVE



Governing Instrument

A. PREAMBLE

Recalling that the Africa Renewable Energy Initiative (AREI or the Initiative) is a transformative, Africa-owned and led inclusive effort to accelerate and scale-up the harnessing of the continent's huge renewable energy potential. Under the mandate of the African Union (AU) and endorsed by the Committee of African Heads of State and Government on Climate Change (CAHOSCC), the Initiative is set to achieve at least 10 GW of new and additional renewable energy generation capacity by 2020, and mobilize the African potential to generate at least 300 GW by 2030,

Recalling AU Assembly Decision Assembly/AU/Dec.580 (XXV) adopted in June 2015 at the 25th Ordinary Session of the Assembly in Johannesburg, South Africa, establishing a technical working group chaired by the President of the African Ministerial Conference on the Environment (AMCEN) to develop the Africa Renewable Energy Initiative,

Recalling AU Assembly Decision Assembly/AU/Dec.603 (XXVI) adopted in January 2016 at the 26th Ordinary Session in Addis Ababa, Ethiopia, welcoming the launch by H.E. Abdel Fattah al-Sissi, President of the Arab Republic of Egypt and the Coordinator of the Conference of African Heads of State and Government on Climate Change (CAHOSCC), of the Africa Renewable Energy Initiative,

Recalling AU Assembly Decision Assembly/AU/Dec.609 (XXVII) on the Governance Structure of the Africa Renewable Energy Initiative, adopted in July 2016 at the 27th Ordinary Session in Kigali, Rwanda, which mandated the African Union Commission (AUC), the African Development Bank (AfDB) and H.E. Alpha Condé, President of the Republic of Guinea, and Coordinator of Renewable Energies in Africa, to ensure the operationalization of AREI within the framework of the development and industrialization of Africa, Furthermore the Decision appointed the African Development Bank to serve as the trustee of the African Renewable Energy Initiative (AREI) and the host of its Independent Delivery Unit,

Recalling AU Assembly Decision Assembly/AU/Dec.640 (XXVIII) adopted in January 2017 at the 28th Ordinary Session in Addis Ababa, Ethiopia, acknowledging the progress made in advancing the AREI and stressing the importance of ensuring full coordination and cooperation with the AMCEN and CAHOSCC,

B. PURPOSE AND OBJECTIVES

1. AREI constitutes a framework intended to provide guidance and coordination across institutions and all African countries to facilitate action towards AREI's goals, and ensure additionality to existing activities and support. The initiative addresses interrelated challenges at the national, continental and global levels, including those relating to inclusive development, energy access, and climate change. At its core AREI is about

developing and promoting a vision of people-centered, distributed and other renewable energy systems that aims to influence all relevant actors on the continent.

2. The two overall goals of AREI, aligned with Agenda 2063, the United Nations Sustainable Development Goals (SDGs), and other relevant regional and global goals including the New Deal on Energy for Africa, are:
 - a. To help achieve sustainable development, enhance wellbeing, and support sound economic development by ensuring universal access to sufficient amounts of clean, appropriate and affordable energy; and
 - b. To help African countries leapfrog towards renewable energy systems that support their low-carbon development strategies while enhancing economic and energy security.

C. GUIDING PRINCIPLES

3. To achieve these goals, AREI shall adhere to the following principles:
 - a) Contributing to achieving sustainable development in Africa by scaling up and accelerating the deployment and funding of renewable energy in Africa;
 - b) Addressing the entire African continent and benefitting all African countries;
 - c) Boosting intra-regional and international cooperation and promoting and supporting only those activities and projects that are agreed by all countries concerned and impacted;
 - d) Promoting a wide range of renewable energy technologies – in particular solar; wind; pico-, micro-, small- and medium-scale hydro; modern biomass; geothermal; and marine – provided they are socially and environmentally appropriate, gender sensitive and in line with these guiding principles; and
 - e) Advancing the full range of renewable electricity systems (from grid-connected to mini-grids to small stand-alone systems) and other forms of renewable energy – with particular consideration paid to applications that meet the needs of poor people.
4. AREI shall furthermore be guided by the following precepts:
 - a) Country ownership in terms of visions, policies and implementation;
 - b) Transformative, programmatic approaches;
 - c) Leapfrogging to the best available, smart, modern distributed renewable energy systems that enable a transition through low to zero-carbon futures;
 - d) Multi-stakeholder engagement along with social and environmental safeguards as essential elements of sustainable solutions;
 - e) Strengthening conducive environments at all levels to enhance private and public sector engagement; and
 - f) Promoting the transfer of technology and know-how and the development of endogenous capacities and technologies.

5. AREI shall work in close collaboration with governments, non-governmental organizations, research institutions, Regional Economic Communities, African Union Organs, contributors, civil society, the private sector and other initiatives, to identify and realize regional and national priorities and opportunities. Through its work, AREI aims to deliver at least 10 gigawatts of new and additional renewable energy generation capacity by 2020 and to deliver at least, as an aspirational goal, 300 gigawatts of new and additional capacity by 2030.

D. GOVERNANCE AND ADMINISTRATION

6. AREI shall be led by Africans and strongly anchored in existing African political and decision-making processes. The governance and organization structure of AREI includes: a Board of Directors, a Technical Committee, an Independent Delivery Unit (IDU), and a Trustee.

Legal Status

7. AREI, through this Governing Instrument, shall possess juridical personality and shall have such legal capacity as is necessary for the exercise of its functions and the protection of its interests.
8. As part of the hosting arrangements, staff of the IDU and participants in AREI meetings should enjoy such privileges and immunities as are necessary for the fulfillment of their official duties.

AREI Board of Directors

Composition

9. The AREI Board of Directors (the Board) shall comprise:
 - a) Five African Heads of State, one representing each of the five sub-regions of Africa, who shall serve as principal Board Members with the right to participate in decision-making;
 - b) The Coordinator of CAHOSCC, who shall participate as *ex-officio* Board Member and participate in discussions without the right to participate in decision-making; and
 - c) The Chairperson of the AUC [and the representative of the Trustee]¹, who shall participate as *ex-officio* Board Members and participate in discussions without the right to participate in decision-making.
10. Representatives from two non-regional² partners to AREI shall participate in Board meetings as Standing Observers without the right to participate in decision-making.

¹ Square bracket text only in case trustee is AfDB

² Non-regional means non-African

11. With the exception of Board Members serving in an *ex-officio* capacity in accordance with paragraph 9(b) and (c), Members and Standing Observers will serve for a term of three years, and be eligible to serve one additional term.
12. Members of the Board may, where appropriate, name a personal representative at a senior government level to represent them at Board meetings or parts thereof.
13. Board meetings will be open to observers from key constituencies who have been accredited for participation in the meeting, in accordance with the Rules of Procedure.
14. The Board shall appoint its Chair from among the principal Board Members, in accordance with the Rules of Procedure.

Meetings and Decision-Making

15. Decisions by the Board shall be taken by consensus among the principal Board members.
16. In the event that all efforts at reaching consensus among the principal Board Members have been exhausted, and consensus is unattainable, the principal Board members shall adopt decisions by a process to be decided by them.
17. A two-thirds majority of the Principal Board members must be present at a meeting to constitute a quorum.
18. The Board shall meet twice a year unless the business of AREI requires otherwise. Meetings of the Board shall be convened by the Chair or at the request of two-thirds of the members, at such places and at such times, as may be required.
19. The Board shall adopt its own Rules of Procedure and approve the rules of procedure for the Technical Committee.

Role of the Board of Directors

20. The main role of the Board is to ensure African ownership of the Initiative, provide strategic oversight and vision, mobilize political support, foster and drive resource mobilization efforts, oversee implementation and enter into legal arrangements with entities serving as the Trustee, host of AREI-related bodies and other entities, as appropriate, including *inter alia*, approval of:
 - a) general policies of AREI, including funding policies and project/programs approval guidelines;
 - b) audited financial statements and annual report;
 - c) annual work programme and operational budgets of the IDU and the Trustee;
 - d) replenishment of resources for the IDU and the Trust Fund;
 - e) appointment of the Head of the IDU;
 - f) membership of the Technical Committee based on recommendations by the IDU;

- g) attribution by AREI of projects and programmes, as well as funding from the Trust Fund, based on assessment against AREI Criteria and recommendations by the IDU with support of the Technical Committee; and
- h) amendments to the Governing Instrument on the basis of recommendation of the Technical Committee and IDU.

21. The Board shall provide regular updates on the progress of AREI to the African Union Summit.

Independent Delivery Unit (IDU)

- 22. The IDU serves as the independent secretariat to the Initiative and shall be accountable and report to the Board.
- 23. The Board shall determine the institutional arrangements for the IDU, including its location, hosting arrangements, and provision of appropriate facilities, services and immunities and privileges for IDU staff.
- 24. If the IDU is hosted by another institution then hosting shall be arranged through specific legal arrangements between the Board and the host institution that allow the IDU to operate in a functionally independent manner.
- 25. The AREI IDU through appropriate hosting and contractual arrangements will receive and manage funds for the IDU operations.
- 26. The Board shall approve the job description and qualifications for the Head, who shall be selected and appointed by the Board through a merit-based, open and transparent process.
- 27. The structure and staff of the IDU, as recommended by its Head, shall be considered and approved by the Board.
- 28. The Head of IDU shall be responsible for the selection of IDU staff through a merit-based, open and transparent process.
- 29. The main roles of the IDU shall be to provide support for the Board and Technical Committee and the implementation of AREI through *inter alia*:
 - a) preparing the annual AREI work programme; coordinating and conducting AREI core and cross-cutting activities across all AREI work areas;
 - b) developing and implementing operational policies including social and environmental safeguards;
 - c) assessing projects and programmes against AREI Criteria for attribution as well as funding through the AREI Trust fund;
 - d) preparing annual reports on AREI activities;
 - e) monitoring and evaluating progress; and

- f) communicating and engaging with stakeholders and strategic partners on behalf of the Initiative.
30. The IDU may consult the Technical Committee to seek its views and recommendations on relevant matters before submitting items to the Board for approval.

Technical Committee

31. A Technical Committee, composed of high level experts with proven experience in relevant sectors across the AREI work areas (such as renewable energy, environment, development, climate, economics, and investment) on the continent or in developing countries, acting in their personal capacity, shall be established to advise on AREI activities and serve the needs of the Board and the IDU. The Technical Committee shall report to the Board.
32. The Technical Committee shall comprise a panel of at least eleven members in addition to the Head of the IDU as *ex officio* member and appointed by the Board, based on specific criteria that includes, *inter alia*: regional diversity, diversity of areas of expertise, stakeholder diversity, balanced representation of sub-regions, and taking into consideration gender balance, as appropriate.
33. The main function of the Technical Committee is to serve the IDU with advice and serve the Board with recommendations for decision-making. The main roles of the Technical Committee include, *inter alia*:
- a) providing objective, strategic, and technical advice on AREI work plans, reports, policies, operational strategies, and projects and programmatic approaches, in line with the AREI Framework and Action Plan,
 - b) review and recommend for approval by the Board projects and programmes for attribution and funding from the Trust Fund, based on assessment by the IDU;
 - c) support and enable coherence with other initiatives and strategic partners, including through enhanced multi-stakeholder participation; and
 - d) periodically assess the operations in relation to its framework and longer-term direction.
34. The Technical Committee shall meet at least two times per year or as frequently as necessary to enable it to discharge its responsibilities.
35. The Chair of the Technical Committee will present reports of the Committee to the Board in consultation with the IDU.
36. The Technical Committee shall consult with the IDU and request its views and recommendations on relevant matters before submitting items to the Board for approval.

Trustee

37. The Board shall appoint a Trustee to establish and manage the Initiative's Trust Fund (see also section on Trust Fund under Part F. Operations).
38. The Board shall enter into a specific legal agreement with the Trustee that sets out the terms and conditions for the use of the funds and governs the Trustee's mandate. The Trustee shall be accountable to the Board for the performance of its functions under this Governing Instrument.
39. The Trustee [may be a national, international, regional or commercial institution fit to undertake] functions include[ing] receiving contributions, asset management and investment, distribution of funds based on Board decisions, accounting and financial reporting, and other activities identified by the Board, applying appropriate fiduciary standards, risk management and compliance procedures.
40. The Trustee shall receive contributions from AREI Trust Fund contributors, and shall hold in trust, and administer the funds, assets and receipts that constitute the Trust Fund, pursuant to the terms of the agreements entered into with the Trust Fund contributors and this Governing Instrument.
41. Subject to the availability of resources in the Trust Fund and subject to the terms of this Governing Instrument, the contribution agreements, the legal agreements with the Trustee and the legal specific provisions for the Trust Fund, the Trustee shall commit, transfer and/or use funds for any purpose approved and in the amount allocated by the Board;
42. In administering the Contributions, the Trustee shall exercise the same care in the discharge of its functions under this Governing Instrument as it exercises with respect to the administration and management of its own resources and affairs, and shall have no further liability to any of the Contributors in respect thereof.
43. The Trustee shall provide regular financial reports on the financial status of the trust fund to the Board.

E. FINANCING

44. AREI shall aim at mobilizing substantial additional resources to support achieving its overall goals and targets.
45. AREI shall be funded through a variety of sources, *inter alia*:
 - a) Operations of AREI including the IDU and the Technical Committee will be funded through jointly agreed and approved financing agreements with the IDU host.
 - b) AREI attributed/compliant projects and programmes will be funded
 - i. through the AREI Trust fund or
 - ii. through other financial instruments and channels approved by the Board.

Provisional arrangements

46. To ensure the full independence and accountability of the IDU and to the Board, partners interested in funding the IDU operations, should engage and agree with the IDU on the implementing and executing modalities prior to signing the financial agreement, pending finalization of specific arrangements between the Board and host and Trustee, respectively.

F. OPERATIONS

47. AREI activities shall be pursued through the three modes of operation: IDU specific activities under AREI Work Areas, AREI Compliant Attributed Activities, and activities supported through the AREI Trust Fund.

IDU specific activities under AREI Work Areas

48. The IDU shall undertake enabling activities across all AREI core and cross-cutting work areas in accordance with the AREI Framework and Action Plan, and based on annual and long-term work plans.
49. The IDU shall provide platforms for cooperation and exchange of experiences across the African continent and with international partners in both developing and developed countries, to formulate visions, enhance ambition, promote mutual learning from successes and failures, and accelerate the African capacity to deploy smart, people-centered renewable energy solutions.
50. IDU specific operations shall include knowledge generation and direct engagement with African governments, and across multiple stakeholders to support project development and the development of concrete national action plans, long-term visions, comprehensive and transformative policy approaches and mobilized and strengthened capacity at country level and across the continent.

AREI Compliant Attributed Activities

51. AREI shall promote, direct, and facilitate additional activities, including project and programme support, by other institutions and countries. In order to be attributed as AREI compliant activities and to count towards AREI goals, such activities shall be assessed by AREI and deemed compliant with AREI Criteria for attribution.
52. Activities attributed as AREI compliant may be pursued through government, private sector, civil society and other national, regional and international entities operating in Africa and should have additional value.
53. Activities can only be attributed as AREI compliant by AREI itself. Only activities attributed by AREI shall count towards goals of financial contribution, generation capacity, energy access and other AREI goals. AREI may use assessments pursued by other entities in order to streamline its own assessment procedures.
54. Contributions through AREI attributed activities shall include primarily grants and non-financial contributions. Grant equivalent components of concessional loans, guarantees

and other provisions shall be clearly communicated. International support should not diminish efforts in other official development assistance areas.

AREI Trust Fund

55. AREI shall have a Trust Fund to which African and international partners may provide financial resources for further allocation to recipients by AREI in accordance with its Framework, Criteria and Governing Instrument.
56. The Trust Fund shall be a means for AREI to effectively pool, mobilise and allocate resources to support African actors and promote activities at regional, country and local levels in line with the goals and intentions of AREI across its work areas. Particular attention shall be paid to African countries that are falling behind.
57. The Trust Fund shall be directed by the Board, who shall decide on the use of its funds.
58. Any country or institution (public, private or philanthropic) that is approved by the Board may make contributions to the Trust Fund. The Trustee shall receive contributions (through contribution agreements between the Trustee and the Trust Fund contributor) for use in accordance with the terms of this Governing Instrument.
59. Contributions to the Trust Fund should primarily be in the forms of grants. Concessional loans and other forms of financial contributions may be considered after evaluation by the IDU/Technical Committee and decision by the Board.
60. African countries (including local, provincial, and central government institutions), institutions, private sector enterprises, civil society organizations and other non-profit organisations that meet fiduciary and other relevant criteria shall be eligible to receive financing support from the Trust Fund.
61. Financial support from the Trust Fund should primarily be in the form of grants, but can also be in the form of concessional loans, guarantees and other means as specified in the special provisions of the Trust Fund.
62. The Trust Fund shall apply best practice environmental and social safeguards, with a lean accreditation structure that ensure that primarily African governments and institutions, including small private-sector, civil society, non-profit and public entities can access support and funds from AREI.
63. Modalities for the operationalization of the Trust fund would be approved by the Board, based on recommendations by the IDU and the Technical Committee developed in coordination with the Trustee.
64. The terms and conditions regulating the Trust Fund shall be developed by the IDU in coordination with the Trustee under a separate legal provision to be approved by the Board.

G. GENERAL ADMINISTRATIVE PROVISIONS

Evaluation

65. There shall be periodic independent external evaluations of the performance of AREI in order to provide an objective assessment of the results of funded activities.

Languages

66. AREI shall adopt French and English as working languages.

Audits

67. Audits shall be performed by external auditors in relation to each fiscal year (ending on 31st December). Audited AREI accounts and records shall be delivered to the Board within 180 calendar days of (i) the end of each fiscal year, or (ii) termination of AREI (as the case may be). Auditing fees and expenses shall be paid out of AREI funds.

68. Upon the request of the Board, the IDU Host and/or Trustee shall cause the accounts and records of any specific activity financed with AREI resources to be audited. The costs of such audits shall be charged to AREI.

Establishment and Effectiveness Date

69. AREI shall be established with juridical personality as of the date of adoption of this Governing Instrument by the Board. The institutional arrangement for the IDU shall be effective upon their approval by the Board. The Trust Fund shall be effective upon the approval of its specific provisions by the Board and the governing body of the Trustee.

Dispute Resolution

70. In the event of a dispute concerning the interpretation or implementation of the terms of this Governing Instrument, the dispute shall be settled amicably by the parties.

Amendment and Termination

71. Amendments to any of the terms of this Governing Instrument shall become effective upon the approval of the Board.

72. AREI shall be in effect for an indefinite period of time. AREI may be terminated by a decision by the African Union upon recommendation by the Board.

73. Termination of the Trustee and/or hosting services shall become effective upon a decision of the AU based on a recommendation of the Board, or if the Trustee and/or host itself requests such termination.

Transitional Arrangements

To enable expedient operationalisation of AREI, interim arrangements shall be in place during which the following arrangements shall apply:

1. The AfDB in its role as Trustee for the AREI Trust Fund in accordance with the AU decision 609 shall provide the AREI Board for its consideration and approval the expected functions and responsibilities in relation to acting as the trustee of the AREI Trust Fund.
2. The AfDB in its current role as host of the AREI IDU in accordance with the AU decision 609 shall ensure the independence of the IDU in relation to fulfilling its mandates and responsibilities according to the AREI Governing Instrument. The IDU will be hosted in a relevant vice presidential complex of the AfDB and shall operate in functionally independent manner. The administrative rules of the trustee shall apply in relation to facilitating the work of the IDU and providing administrative support in the most expedient manner possible. The IDU is accountable only to the AREI Board.
3. Paragraph 23 of the Governing Instrument will not be applicable during the transition period.
4. The Trustee shall, during this transitional period, participate in the decision-making process on fiduciary related matters in cases where this does not pose any potential conflict of interest.

Transitional arrangements shall apply until July 2018 latest or until decisions under paragraph 73 instruct otherwise.



Rules of Procedure

I. Scope

1. These rules of procedure shall apply to any meeting of the AREI Board of Directors, and shall enter into force upon adoption by the AREI Board and shall apply *mutatis mutandis*, except as decided otherwise by the Board, to the Technical Committee and to any subcommittees, panels and working groups established by the Board.

II. Definitions

2. For the purposes of these rules:
 - a. “Board of Directors” means the AREI Board of Directors referred to in paragraph 9 of the Governance Instrument (“Board”);
 - b. “Board Member” or “Board Members” means, as the case may be, any of the members sitting on the Board, or more than one of them, or all members;
 - c. “Chair” means the chair of any AREI meeting appointed in accordance with the Governing Instrument and these rules of procedure;
 - d. “Governing Instrument” means the governing instrument adopted by the Board on 22 September 2017;
 - e. “Head of the Independent Delivery Unit” means the Head leading the Independent Delivery Unit and appointed by and accountable to the Board;
 - f. “Independent Delivery Unit” means the delivery unit established to support the work of the AREI, the AREI Board, the Technical Committee and any other body that may be established by the Board to achieve the objectives of AREI;
 - g. “Meeting” means any regular or intercessional meeting of the AREI Board, which may include meetings held by way of video-conference, tele-conference or net-meeting;
 - h. “Observer” or “observers” means those who are invited to observe Meetings pursuant to part XXXIII of these Rules;
 - i. “Rules” means these rules of procedure;
 - j. “Secretary” means the Head of the IDU or an official of the IDU designated by the Head of the IDU who shall serve as the Secretary of any Meeting pursuant to paragraph 25 of these Rules;

- k. “Standing Observers” or “Standing Observer” means, as the case may be, any of the two non-regional partners to the AREI participating in the Board, or more than one of them, or all of them;
- l. “Technical Committee” means the Technical Committee referred to in paragraph 31 of the Governing Instrument; and
- m. "Trustee” means the Trustee referred to in paragraph 37 of the Governing Instrument.

III. Board Composition

- 3. In accordance with the Governing Instrument, the Board shall comprise at least seven African members.

IV. Principal Board Members of the Board

- 4. In accordance with the Governing Instrument, Principal Members of the Board shall comprise one (1) country Head of State representing each of the five (5) regions of Africa.
- 5. Principal Board Members shall represent and be accountable to constituencies in their region and be selected in accordance with relevant African Union procedures and consultation with the African Union Regional Deans.

V. Ex-Officio Board Members

- 6. In accordance with the Governing Instrument, the Board shall include as Members the Coordinator of the Committee of African Heads Of State and Government on Climate Change (CAHOSCC) and the Chair of the African Union Commission[, and the Head of the Trustee], serving in an *ex officio* capacity.

VI. Vacancies on the Board

- 7. For each new term the selection of new Board Members shall be made by the relevant regional (i.e. 5 African regions) constituency.

VII. Attendance at Board Meetings

- 8. It is intended that Board Members attend Board Meetings in person.
- 9. If any Board Member is not reasonably able to participate in any Meeting in person, such Member may participate in the Meeting through any electronic means where Members are able to hear each other simultaneously. The Member participating by such means shall be deemed to be present at such Meeting.
- 10. In the event that it is not possible for a Board Member to attend a Board Meeting in person or through any electronic means, that Board Member may nominate a Personal Representative to represent them at that Board Meeting.
- 11. Except as otherwise expressly provided in these Rules, any reference in these Rules to a Board Member shall be deemed to include his/her Personal Representative when such Representative acts for such Board Member.

VIII. Standing Observers

12. In accordance with the Governing Instrument, two non-regional partners to the AREI shall participate in Board Meetings as Standing Observers.
13. Standing Observers shall be selected by the constituents, based on their demonstrated contribution to the objectives of AREI and alignment with its principles and features.

IX. Chair of the Board

14. In accordance with the Governing Instrument, the Board shall appoint the Chair at its first meeting.
15. The Chair shall serve for a period of one year, renewable.
16. The term of the Chair shall start on the date of their appointment by the Board.
17. The Chair shall be a serving Head of State appointed from among the Principal Board Members.
18. The Chair shall retain the right to participate in decision-making during the duration of their term.
19. In the event that the Chair is unable to attend a Board Meeting, then the Vice-Chair shall assume the functions of the Chair for the duration of that meeting.

X. Vice-Chair

20. The Board shall appoint a Vice-Chair who shall serve for a period of one year, renewable.
21. The Vice-Chair shall be serving at the Head of State level, and shall be from one of the Principal Board Members.
22. The Vice-Chair shall retain the right to participate in decision-making during the duration of their term.

XI. Duties of Chair and Vice-Chair

23. In carrying out their functions as Chair and Vice-Chair, these officers shall be guided by the best interests of AREI.
24. The Chair may represent the Board at external meetings and report back to the Board on those meetings. The Chair may delegate that function to the Vice-Chair or to other individuals.

XII. Secretary

25. The Head of the IDU, or an official of the IDU designated by the Head of the IDU, shall serve as the Secretary of any Meeting.

XIII. Convening of meetings

26. In accordance with the Governing Instrument, Meetings of the Board shall be convened by the Chair or at the request of two-thirds of the Principal Board Members.

XIV. Frequency of meetings

27. In accordance with the Governing Instrument, the Board shall meet at least twice a year.

XV. Alternative meeting arrangements

28. If a regular Board Meeting cannot be held in person as scheduled, or if in the case of an extraordinary meeting exceptional circumstances so warrant, then Board Meetings may be held by way of video-conference, tele-conference or net-meeting.

XVI. Notice of meetings

29. At each Meeting, the Board will confirm the date, location and duration of the following Meeting.
30. The Secretary will notify Board Members, Standing Observers and accredited observer organizations of the date, location and duration of meeting and circulate a provisional agenda for any Meeting at least 30 calendar days before the first day of the Meeting.
31. A notification shall also be posted on the AREI website.
32. In case of an extraordinary meeting, the Chair, in consultation with the Vice-Chair, shall determine the date by which notification to the Board Members and Standing Observers has to be made, taking into account the urgency of the matter.

XVII. Arrangements for meetings

33. The Secretary shall make all arrangements for the Meeting of the Board under the guidance of the Chair and Vice-Chair.

XVIII. Agenda

34. The Secretary will, with the approval of the Chair, prepare and distribute the provisional agenda for each Meeting.
35. The Board will, at the beginning of each Meeting, adopt the agenda for the Meeting.

XIX. Transmittal of documents

36. The Secretary will transmit to Board Members and Standing Observers the documentation relating to items of the provisional agenda at least 21 calendar days before the first day of the Meeting scheduled, except in the case of extraordinary meetings and in exceptional circumstances where, in the view of the Chair, in consultation with the Vice-Chair, a shorter period for transmission of documents is warranted. In any such cases, the Chair shall determine the date by which the said documentation has to be transmitted.

37. Any Board Member or Standing Observer may propose to the Secretary and the Head of the Independent Delivery Unit any change or addition to the proposed provisional agenda within 7 calendar days from the receipt of the draft provisional agenda circulated. Such proposed change or addition shall be considered and incorporated in the final provisional agenda, as appropriate, in time for transmission to the Board Members, Standing Observers and Observers.
38. Comments of Board Members on Board Meeting documents shall be transmitted promptly by the Secretary to all Board Members and Standing Observers.
39. The Secretary may use electronic means for the transmission, distribution and storage of documentation, without prejudice to the other means of circulation of documentation.
40. Board Meeting documents will be posted on the AREI website on the same day they are released to Board Members and Standing Observers, except for documents classified as confidential, or as the Board may provide. The Board will determine criteria for the classification of Board Meeting documents as confidential.

XX. Quorum

41. A two-third majority of Principal Board Members or their Personal Representatives, in the case the Principal Board Member cannot participate in accordance with part VII of these Rules, must be present at a Meeting in order to constitute a quorum.
42. The existence of a quorum will be verified by the Chair at the beginning of the Meeting and at the time of the adoption of any agenda and decision at the Meeting, as well as at the time of the adoption of the Meeting report, and at the request of a Board Member.
43. Any Meeting at which a quorum shall not be present, may be adjourned from time to time by the Chair. Notice of any such adjourned Meeting need not be given.

XXI. Conduct of meetings

44. The Chair and/or Vice-Chair shall be responsible for the opening, conduct, suspension and adjournment of the Meeting and for dealing with all procedural matters, including, but not limited to, issues regarding formal decision-making procedures, and according the right to speak.
45. The Chair and/or Vice-Chair shall be responsible for ensuring the observance of the rules of procedure of the Board and adherence to the agenda.
46. The Chair and/or Vice-Chair may call a speaker to order if his/her remarks are not relevant to the subject under discussion.
47. With the consent of the Board, the Chair and/or Vice-Chair may limit the time allocated to speakers and the number of times a speaker may speak on any question.
48. During the course of the proceedings, the Chair and/or Vice-Chair may announce the list of speakers and, with the consent of the Board, declare the list closed. When there are no more speakers on the list, the Chair shall declare the debate closed.
49. Unless any Board Member present at the Meeting objects, the Chair and/or Vice-Chair

may invite Observers to address the Meeting in matters of direct concern to their special areas of competence.

50. The Chair and/or Vice-Chair will rule on any points of order and any such determination will be final unless a Board Member objects. In that case, the Board will consider the course of action to be taken.
51. Before the end of each Board Meeting the Chair and/or Vice-Chair will present the decisions of the Meeting, for confirmation and approval by the Board.

XXII. Un-addressed agenda items

52. Any item of the agenda of any Meeting, consideration of which has not been completed at that Meeting, shall be included automatically in the provisional agenda of the next regular Meeting, unless otherwise decided by the Board.

XXIII. Executive sessions

53. In exceptional circumstances, the Board may conduct its business in closed executive sessions where, unless decided otherwise by the Board, only Board Members, Standing Observers, the Head of the IDU, advisors and such other persons authorized or requested by the Board to attend, may be present.

XXIV. Extraordinary Board meetings

54. Extraordinary Meetings of the Board can be convened to address extraordinary circumstances. The Board shall develop policies and guidelines for convening extraordinary Meetings, which shall be annexed to these rules of procedure.

XXV. Decision-making

55. In accordance with the Governing Instrument, the Board shall seek to make decisions by consensus. For the purpose of these Rules, consensus is a procedure for adopting a decision when no participant in the decision -making process blocks a proposed decision.
56. Consensus does not necessarily imply unanimity. A dissenting decision maker, who does not wish to block a decision, may state an objection by attaching a statement or note to the decision.
57. In accordance with the Governing Instrument, in the event the Principal Board Members cannot attain consensus, they shall reach agreement by a process to be determined by them.

XXVI. Preparation of decisions

58. The Head of the IDU, or an official of the IDU designated by the Head of the IDU, serving as the Secretary of any Meeting shall prepare draft decisions for consideration by the Board.

XXVII. Record of meeting

59. Records of the Board and/or recordings of proceedings of each Meeting will be kept by the Secretary, in electronic form and at the host of the IDU, on behalf of the Board in accordance with applicable policies and relevant rules and procedures.
60. The Board will decide, in accordance with any applicable policies and relevant rules and procedures, to what extent the records of Board proceedings will be made public.

XXVIII. Minutes of meeting

61. The Head of the IDU, or an official of the IDU designated by the Head of the IDU, serving as the Secretary the Meeting shall prepare minutes of the Meeting to be presented for approval at the next Meeting of the Board of Directors.

XXIX. Languages

62. In accordance with the Governing Instrument AREI will adopt English and French as working languages.

XXX. Observers

63. In addition to Board Members and Standing Observers, Meetings of the Board, other than executive sessions, will be open to attendance by advisors, IDU staff, representatives of the Trustee, and observers who have been accredited for participation in the Meeting.
64. Observers may be representatives of:
 - a. States that are Party or observer States to the African Union;
 - b. Contributor countries, and recipient countries for which the AREI Board has approved any programme or project;
 - c. International entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions; and
 - d. Non-governmental organizations (NGOs), comprised of:
 - i. Civil society organizations (CSOs): any independent non-profit organizations, including international as well as national and community-based organizations; and
 - ii. Private sector organizations (PSOs): any private companies and business associations with operations that deal with renewable energy, climate change mitigation and/or adaptation activities, including in developing countries.
 - iii. Representatives of any other relevant institutions.
65. Representatives from relevant stakeholders including African civil society (covering e.g. environment, energy and development spheres), private sector, youth, and women,

will be invited to participate in the proceedings of the Board as observers.

66. The procedures for the selection of observers and the accreditation of observer organizations will be contained in the guidelines approved by the Board.
67. Observers will have access to, in accordance with the applicable rules and procedures, Board Meeting documents, except documents classified as confidential or as the Board may provide.

XXXI. Communication and transparency

68. The Board will consider whether to webcast Board Meetings on the AREI website. These matters may be addressed in the overall context of a policy on disclosure of information, which the Board will need to develop. In doing so, the Board will need to weigh the desire of ensuring maximum transparency against the objective of protecting the integrity of the Board's deliberative processes by allowing a candid exchange of views among Board members.
69. Until a policy on disclosure of information has been adopted, the Board may consider provisional arrangements on a meeting-by-meeting basis to ensure adequate dissemination of information and transparency.

XXXII. Sub-ordinate bodies

70. The Board shall draw on the recommendations of the Technical Committee and the IDU for the conduct of its business. The Board may establish such additional committees from among its Members, and such technical or expert panels, as may be required for the conduct of its business.

XXXIII. Expenses

71. The Board may approve the use of AREI funds to cover expenses of Members representing Member States incurred from attending any Meeting. Such expenses shall be in accordance with the policies and procedures of the host of the IDU, and shall be included in administrative budgets of the Independent Delivery Unit.

XXXIV. Disclosure

72. Unless the document or information is provided with explicit indication that it will not be disclosed to third parties or that it may not be disclosed without the consent of the provider of the document or information, the Independent Delivery Unit may make publicly available any document or information provided to the Independent Delivery Unit for submission to the Board.

XXXV. Amendment

73. These Rules may be amended by consensus of the Principal Board Members.

XXXVI. Overriding authority of Governing Instrument

74. In the event of any conflict between any provision of these Rules and any provision of the AREI Governing Instrument document, the provisions of the AREI Governing Instrument document shall prevail.



Elements of Selection Criteria for Members of AREI Technical Committee

The Technical Committee is established as an advisory body to the Africa Renewable Energy Initiative (AREI).

The main function of the Technical Committee is to serve the IDU with advice and serve the Board with recommendations for decision-making. The main roles of the Technical Committee include, inter alia:

- providing objective, strategic, and technical advice on AREI work plans, reports, policies, operational strategies, and projects and programmatic approaches, in line with the AREI Framework and Action Plan,
- review and recommend for approval by the Board projects and programmes for attribution and funding from the Trust Fund, based on assessment by the IDU;
- support and enable coherence with other initiatives and strategic partners, including through enhanced multi-stakeholder participation; and
- periodically assess the operations in relation to its framework and longer-term direction.

The Technical Committee shall comprise a panel of at least eleven members in addition to the Head of the IDU as *ex officio* member and appointed by the Board, based on specific criteria that includes, *inter alia*: regional diversity, diversity of areas of expertise, stakeholder diversity, balance representation of sub-regions, and taking into consideration gender balance, as appropriate.

The Technical Committee shall meet four times a year or as frequently as necessary to enable it to discharge its responsibilities.

The TC and its Chair may call in specific expertise on a case-by-case basis as deemed necessary.

The Technical Committee members and its Chair shall be appointed by the Governing Board based on the recommendations of the Independent Delivery Unit (IDU) after consultation, screening and identification of suitable candidates to ensure appropriate balance and composition as per below. Candidates for inclusion in the Technical Committee shall have relevant expertise in at least one of the nine work areas set out in the AREI Framework Document and Action Plan including:

- Understanding of energy systems and in particular renewable energy technologies; the need for enhanced cooperation and coordination (e.g. political economy expertise; energy, policy and development expertise; broader understanding of energy systems/policy landscape and long-term energy planning);
- Developing and/or strengthening institutions, policies for better regulatory, support and incentives framework:
 - o Long-term term-investment security (e.g. legal expertise, policy experts, and, regulation economists);

- Main grid (e.g. engineering, regulatory, policy or legal expertise on grid integration, smart grids and distributed systems);
 - Mini-grid (e.g. engineering, regulatory, policy and/or legal expertise on smart grids and mini-grids, off-grid and distributed energy systems);
 - Non--electrical forms of energy (e.g. expertise in engineering, regulatory, policy and/or regulation);
 - Energy efficiency (e.g. engineering, regulatory, demand-side and/or policy expertise on energy efficiency);
 - Renewable Energy manufacturing (e.g. expertise on industrial engineering and design/development policy, value chain expertise, entrepreneurs).
- Capacity mobilization/building (e.g. expertise in vocational training, needs assessments, community development, public education, institution building);
 - Funding and financing (e.g. expertise in multilateral climate/public finance, investment analysis, financial planning, local crediting);
 - Projects development and support (e.g. expertise in project finance);
 - Social and environmental safeguards (e.g. expertise social impact assessment, environmental analysis, monitoring and implementation, development practice);
 - Multi-stakeholder engagement (e.g. expertise in stakeholder analysis, participatory approaches);
 - Communications and outreach (e.g. media and communications practitioners).

The composition of the Technical Committee shall ensure the TC has:

- Recognized leadership in specific relevant fields important for the achievement of the objectives of AREI;
- Geographic and gender balance;
- Experience in renewable energy systems and with knowledge of issues in the implementation of complex international initiatives;
- Understanding of the evolution of renewable energy technologies;
- An understanding of the African context relating to program and project development and implementation;
- Experiences from key stakeholder groups (civil society constituencies, women, academia, private sector) with a minimum of one member from African civil society; and
- Knowledge about the technical and political international context required for the implementation of the Paris Agreement and the SDGs in African countries.

The TC serves the IDU with advice, feed-back and comments on its work, and serves the Board with recommendations for decision-making. Members of the Technical Committee are thus not making formal decisions on behalf of the AREI, and are appointed in their personal capacity.

To avoid any potential conflicts of interest, members of the AREI-TC who hold positions in Government, non-governmental organizations, private companies or who are working in, or have any contractual arrangement, as consultants or otherwise, with a multilateral organization and international financial institution shall disclose this information to the Governing Board of

the AREI. Potential conflicts of interest with agencies or individuals involved in individual projects should be disclosed to the Chairperson of the committee. At the discretion of the Chairperson, members may be excluded from attending Committee discussions where it is deemed there is conflict of interest.

The Chairperson of the committee shall work closely with the Head of the IDU in ensuring meetings of the Technical Committee are well prepared. The Chairperson shall represent the committee, may present reports of the Committee to the Board and may assign other members to represent the committee when called for. The Chairperson and the Technical Committee shall be provided adequate financial, administrative and logistics support in carrying out their responsibilities.



AFRICA RENEWABLE ENERGY INITIATIVE

Criteria to be considered for attribution and eligibility/prioritization of funding

This document outlines the criteria guidelines to be applied for a) determining eligibility and prioritisation of direct support/funding of projects and programs through AREI funds and b) attributing projects and programs under the Africa Renewable Energy Initiative (AREI). It is intended to operationalize the principles, guidelines and priorities as manifested in the AREI Framework and endorsed by the Committee of African Heads of State and Government on Climate Change (CAHOSCC), 25 September 2015, the African Union Summit, 31 January 2016 and the AREI Board of Directors, 22 September 2017.

CONTEXT AND BACKGROUND

1 Goals, guiding principles and key features of the AREI

AREI constitutes a framework intended to provide guidance and coordination across institutions and all African countries to facilitate action towards AREI's goals, and ensure additionality to existing activities and support. At its core AREI is about developing and promoting a vision of people-centered, distributed and other renewable energy systems that aims to influence all relevant actors on the continent.

The two overall goals of AREI, aligned with Agenda 2063, the United Nations Sustainable Development Goals (SDGs), and other relevant regional and global goals including the New Deal on Energy for Africa, are:

1. To help achieve sustainable development, enhance wellbeing, and support sound economic development by ensuring universal access to sufficient amounts of clean, appropriate and affordable energy; and
2. To help African countries leapfrog towards renewable energy systems that support their low-carbon development strategies while enhancing economic and energy security.

To achieve these goals, AREI shall adhere to the following principles:

- » Contributing to achieving sustainable development in Africa by scaling up and accelerating the deployment and funding of renewable energy in Africa;
- » Addressing the entire African continent and benefitting all African countries;
- » Boosting intra-regional and international cooperation and promoting and supporting only those activities and projects that are agreed by all countries concerned and impacted;
- » Promoting a wide range of renewable energy technologies – in particular solar; wind; pico-, micro-, small- and medium-scale hydro; modern biomass; geothermal; and marine – provided they are socially and environmentally appropriate, gender sensitive and in line with these guiding principles; and
- » Advancing the full range of renewable electricity applications (from grid-connected to mini-grids to small stand-alone systems) and other forms of renewable energy – with particular consideration paid to applications that meet the needs of poor people.

AREI shall furthermore be guided by the following precepts:

- » Country ownership in terms of visions, policies and implementation;
- » Transformative, programmatic approaches;
- » Leapfrogging to the best available, smart, modern distributed renewable energy systems that enable a transition through low to zero-carbon futures;
- » Multi-stakeholder engagement along with social and environmental safeguards as essential elements of sustainable solutions;
- » Strengthening conducive environments at all levels to enhance private and public sector engagement; and
- » Promoting the transfer of technology and know-how and the development of endogenous capacities and technologies.

2 AREI Work Areas

The AREI is pursued through 9 distinct Work Areas as outlined in the [AREI Action Plan](#):

Main activities: 1) Mapping of experiences and activities for enhanced coordination of existing and future RE initiatives. 2) Strengthening policy, regulatory, support and incentives frameworks. 3) Capacity mobilization/ building across Stakeholders at all Levels. 4) Funding and Financing. 5) Project development support

Cross-cutting activities: 6) Socio-economic and environmental assessments of RE technologies. 7) Multi-stakeholder engagement 8) Wider context monitoring and assessment observatory. 9) Communications and Outreach.

3 AREI modes of operation

In accordance with the AREI Framework and Governing Instrument, AREI is expected to¹:

- » Pursue all AREI core and cross-cutting activities through its Independent Delivery Unit ('IDU') (orange box below)
- » Disseminate funds in response to Africa-driven proposals² for AREI eligible projects and programmes to be funded through the AREI Trust Fund that meet the criteria presented in this document (yellow box below).
- » Support projects and programmes *pursued directly by African countries, international partners or institutions* and financial channels other than the IDU or Trust Fund, that meet the AREI attribution criteria as presented in this document (white boxes below).

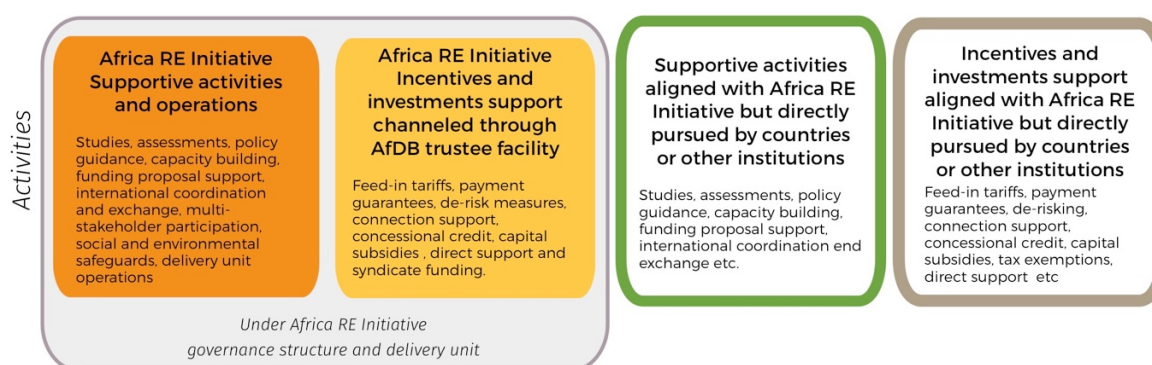


Figure 1: AREI activity types. From AREI Framework, p. 20.

¹ See AREI Framework, p 23 and 38.

² These may be proposed by African countries, civil society, private sector actors and other institutions.

4 AREI Methodology for Assessment, Prioritization and Approval of Programmes and Projects

This document seeks to provide overall guidance and substantiate core values and principles of AREI as a basis for specific methodologies and operational practices to be formulated and applied.

AREI pursues goals for *transformational* change towards universal energy access and renewable energy across Africa. The AREI Framework and Action Plan therefore highlights the primary importance of support for country-wide policies and programmes, incentives and regulatory reforms that can enable a flourishing of new projects on the ground (Category A below). In addition and complementary to this, AREI also recognises a role for direct project support for individual renewable energy installations and enhanced capacity by developers and investors as a set of complementary activities (Category B below).

AREI will need to ensure there is reasonable balance in terms of who receives funds, what renewable energy technologies are promoted, ratio between on-grid and off-grid support and many other variables, in accordance with the AREI Framework. Criteria for ensuring such balance is presented in Part C.

These criteria provide a basis for elaboration of operational practices both in terms of attribution and assessment/approval of funding from the AREI Trust Fund.

These specific operational practices, to be regulated in separate documents, will outline the methodology and role and information flow between project proponents, the IDU, the Technical Committee and the Board. They will furthermore need to ensure the procedures are designed to provide maximum efficiency while ensuring adherence to AREI principles. These will also need to deal with issues around confidentiality and how to draw on the assessments that are already pursued by partners, e.g. harmonization and synchronisation of social and environmental safeguards.

Part A: Criteria to be considered for Attributing and Funding Policy Development Projects and Programmes/Incentives under AREI (Category A)

The following criteria shall guide assessments for both a) attribution (i.e. whether an activity directly pursued and funded by countries and other institutions can be labelled 'AREI contribution') and b) eligibility and prioritization of funding through AREI.

A. Eligible implementing organizations for Category A projects

AREI policy development projects and implementation of policy programmes/incentives schemes will be mainly pursued by or in close cooperation with African governments. A variety of actors can be actively contributing to the implementation of such activities:

- African Government Institutions and Agencies (regional, national and sub-national)
- International organizations, development agencies and banks
- Civil Society and Non-Governmental Organizations
- Public-private partnerships
- Public interest and research institutions
- Consultant firms

B. Eligible recipients of AREI Trust Fund support for Category A projects

Mainly African entities (African countries, civil society, private sector actors and other institutions) will be eligible for receiving financial support through the AREI Trust Fund. The detailed provisions for eligibility will be regulated in the special legal provisions regulating the Trust Fund (under development). This section will be updated to reflect these provisions when finalised.

C. Essential requirements

All of the following essential requirements³ must be met for a policy development project/policy programme or incentive to be eligible as AREI compliant for attribution and eligible for consideration of AREI Trust Fund support.

- *Location*: the project should be located in Africa and in line with the host government(s)/ region's or continental priorities and with no objections from other countries impacted and concerned, particularly in the case where the project has trans-boundary impacts.
- *Purpose*: the project must have a clearly defined, and demonstrable public benefit for the energy poor.
- *Technology*: the project must have an explicit renewable energy focus and cannot promote fossil fuels or nuclear energy.
- *Socio-economic and environmental impacts*: internationally accepted, and when applicable, AREI specific social and environmental safeguards must have been successfully applied with thorough and participatory analysis of possible adverse impacts concluding these are minimal or non-existent. Project-impacted countries and communities have prior and informed consent, as well as the opportunity to participate throughout from planning through implementation.
- *Policy impacts*: The policy development project/policy programme include stakeholder involvement and foresee socio-economic, environmental, gender and/or other development co-benefits.
- *Additionality*: the policy development project/policy programme or incentive is enabled through additional efforts and would not have happened otherwise.

³ These requirements will be updated for proposals to be submitted during the period 2020 - 2030

D. Menu of AREI policy development/programme support options

- **Definitions:** A *policy development project*⁴ refers to any governance intervention that has a clear beginning, a development phase and an end. *Support for policy programmes and incentives* refer to execution and funding of already developed policy frameworks such as for example incentives schemes, payment guarantees/feed-in tariffs and on-going capacity building. In AREI, a successful policy development project/policy programme or incentive is one that takes a holistic approach and contributes to the objectives and outcomes envisaged particularly under Work Areas 2, 3, 4, 6 and 7 (particularly combinations of these) of the Action Plan.
- **Types:** Policy development projects/policy programmes and incentives to be attributed/supported under AREI must include one or more of the following policy types (and may range from development and design to implementation phases):
 - Economic instruments: incentives and de-risking measures such as guarantees and feed-in tariffs, redirection of subsidies, procurement etc.⁵
 - Regulatory and Legal Instruments⁶
 - Capacity Building⁷
 - Information and education⁸
 - Public funding of *meaningful* technology research, development & deployment⁹
 - Environmental impact, technology and risk assessments, gender policies, social and environmental safeguards and public participation¹⁰
 - Coordination of on-going/planned RE projects¹¹

E. Eligible phases of the policy development project/programmes

AREI compliant policy development projects/programmes can cover, and receive support, for one or several of the following different phases of the project development cycle:

- **Development (including preparation):** Situational assessments, policy issue and impact analysis; policy formulation processes (including legal drafting); legal drafting, analysis of costs and benefits of policy implementation/ administration etc.
- **Implementation:** Direct financing of incentives, off-take and tariff guarantees (feed-in tariffs), subsidies, institutional and programmatic/policy-based capacity mobilization and strengthening etc.
- **Monitoring and evaluation:** Design and implementation of monitoring and evaluation studies and feedback systems etc.

F. Proposal selection/prioritization criteria and indicators

Indicative criteria to be considered when reviewing proposals for policy development projects/policy programmes and incentives schemes are presented in Annex 1, together with an initial set of indicators for consideration and further elaboration with member states, the Technical Committee and the IDU. . These shall provide a basis for assessment of whether projects/programmes meet criteria for attribution, and provide a basis for prioritisation of funding from the AREI Trust Fund.

⁴ Source: IEA/IRENA Policies & Measures Database: <http://www.iea.org/policiesandmeasures/renewableenergy/>

⁵ Including: Design and implementation of procurement rules for investments; fiscal/financial incentives (e.g. design and implementation of feed-in tariffs/guarantees/premiums), de-risking projects, phasing out of fossil fuel subsidies and redirection toward clean renewables.

⁶ Including: Codes and standards (building, product and sectoral); obligation schemes; other mandatory requirements), policies that clearly establish approval processes and land rights.

⁷ Including: Professional training courses; strategic planning, project development facilities.

⁸ Including: Information provision; public awareness campaigns.

⁹ Including: Innovation systems and transition studies; scenario studies; meaningful technology transfer studies.

¹⁰ Including: EIA policies; Technology assessment platforms,

¹¹ This project type recognizes the existence of prior RE initiatives, and is aimed at assisting countries to design and implement effective rules/procedures for improved coordination among different RE efforts to ensure more efficient allocation of national and international resources.

Part B: Criteria to be considered for Attributing and Funding Renewable Energy Installation Projects under AREI (Category B)

The following criteria shall guide assessments for both attribution (i.e. whether an activity can be labeled 'AREI contribution'), and eligibility and prioritization of funding through the AREI Trust Fund,

A. Eligible implementing organizations for Category B projects

AREI compliant renewable energy projects under Category B need to be endorsed and driven by African governments and other African actors. A variety of actors can be actively involved in and contributing to the implementation of such activities, including

1. African government institutions and agencies (including local governments and municipalities)
1. Non-Governmental Organizations and Civil Society Organizations, including local cooperatives and community associations
2. Private-public partnerships, public and private sector support investment programs and projects
3. Private developers and investors (including/representing individuals/households, cooperatives, private project developers, domestic private and foreign companies, investment funds and financial institutions)

B. Eligible recipients of AREI Trust Fund support for Category B projects

Mainly African entities (African countries, civil society, private sector actors and other institutions) will be eligible for receiving financial support through the AREI Trust Fund. The detailed provisions for eligibility will be regulated in the special legal provisions regulating the Trust Fund (under development). This section will be updated to reflect these provisions when finalised.

C. Essential requirements

All of the following essential requirements¹² must be met for a project to be eligible as AREI compliant for attribution and eligible for consideration of AREI Trust Fund support:

- Location: the project should be located in Africa and in line with the host government(s)/ region's or continental priorities and with no objections from other countries impacted and concerned, particularly in the case of projects which have trans-boundary impacts.
- Purpose: the project must have a clearly defined, and demonstrable public benefit for the energy poor.
- Technology: the project must have an explicit focus on renewable energy, energy efficiency or renewable energy relevant transmission/distribution, and cannot promote fossil fuels or nuclear energy.
- Socio-economic and environmental impacts: , Internationally accepted, and when applicable, AREI specific social and environmental safeguards must have been successfully applied with thorough and participatory analysis of possible adverse impacts concluding these are minimal or non-existent.
- Meaningful engagement: The project includes stakeholder involvement, including both women and men and civil society and participation, and where required, consent of local communities from project conception to implementation.
- Local socio-economic, environmental and/or other development co-benefits foreseen.
- Additionality: the project is enabled through additional efforts and would not have happened otherwise and/or the AREI supported/attribution efforts contributes to the deployment and installation of additional RE capacity and/or the AREI supported/attribution efforts significantly accelerate the implementation/deployment of RE capacity.

¹² These requirements will be updated for proposals to be submitted during the period 2020 - 2030

They must furthermore satisfy at least one of the following conditions:

- Increase production of electricity or useful thermal energy or any other relevant forms of energy from renewable sources.
- Strengthen/expand existing national grids to accommodate renewable energy transmission and distribution.
- Build/strengthen nano-, micro- and mini-grids serving off-grid needs/markets.
- Improve energy efficiency and conservation.

D. Eligible technologies

The following technologies may be considered for AREI attribution or funding under the AREI Trust Fund:

- Solar photovoltaic and thermal
- Wind power generators (electric and non-electric)
- Biomass
- Hydropower (in particular, but not limited to, pico-, micro-, small- and medium-scale)
- Geothermal
- Marine
- Energy storage and grid technologies
- Energy efficient appliances
- Energy transmission and distribution

E. Eligible phases of the project development cycle

AREI compliant renewable energy installation projects can cover, and receive support, for one or several of the following different phases of the project development cycle:

1. Project Formulation. Funds are to be used for project development costs including but not limited to:
 - Assessment of physical and technical availability and characterization of renewable resources.
 - (Pre-) Feasibility studies across all criteria listed under Section C, including financial due diligence.
 - Legal costs for preparation of documentation related to regulatory requirements, supply contracts and other agreements.
 - Other transaction costs associated with expert consultations, engineering and other services needed transition from project conception to financial close.
 - Costs to conduct surveys of local households with regards to their energy needs and usage, price they are willing/able to pay, etc.
2. Project implementation: Funds are to be used for project implementation costs including but not limited to:
 - Grant and concessional finance to enable investments (from full costs to marginal top-up).
 - Project-specific guarantees and risk reduction measures through transitional payment of subsidies (e.g. as feed-in tariffs/guarantees/premiums).
3. Project Follow-up: Funds may be used for project follow-up activities including but not limited to:
 - Monitoring, evaluation and follow-up analysis of project implementation including the environmental and social impacts of the project and help guide and improve future efforts by developer and others.

F. Criteria for consideration in assessment of relevance and prioritisation of proposals for funding

In addition to the essential criteria above, additional indicative criteria to be considered when reviewing Renewable Energy Installation Projects under AREI are presented in Annex 2, together with an initial set of indicators for consideration and further elaboration with member states, technical committee and IDU. Projects must not meet every criteria in this list and several may not be applicable.

The list of criteria will be used in different ways for different purposes. For projects seeking funding from the AREI Trust Fund, these criteria will be used by the IDU and the Technical Committee for assessment and prioritisation of which projects to fund.

For projects funded through external channels that seek AREI attribution, the list of criteria shall help determining if the projects meet sufficient relevance/quality to be deemed AREI compliant.

The criteria furthermore serve the purpose of communicating the priorities of AREI and can help all actors design and enhance their projects to be maximally compatible with AREI.

Part C: Criteria to ensure overall balance of AREI activities and support

In addition to criteria procedures as outlined in Part A and B, AREI needs to continuously take stock and evaluate the overall balance of supported activities, and ensure this is in alignment with overall AREI principles and guidelines. More specifically, AREI will need to regularly assess the AREI overall portfolio of programmes and projects to ensure that, over time, there is an appropriate balance in terms of the criteria listed below.

AREI will seek to correct such imbalances by continuous interaction with partners to encourage targeted interventions, reprioritisation and strengthening of weak areas. The AREI Trust Fund can directly shift its current priorities, and adjust its funding to favour certain kinds of projects/programmes and putting on hold others, and likewise preferentially treat countries that disproportionately benefitting from AREI.

AREI shall ensure there is balance over time in regards to:

- 1) Directly energy access oriented projects and programmes (with at least 70% of all funding and/or resulting new generation capacity directly targeting/benefitting households, local agriculture, SMEs, service delivery, and other local productive sectors).
- 2) RE installation size (at least 60% of all funding and/or resulting new generation capacity off-grid/minigrids).
- 3) Diversity of renewable energy technologies with due respect to specific national circumstances and technology availability.
- 4) Forms of ownership across community, SMEs, domestic companies, municipalities, public institutions, government, foreign companies and institutional investors, with at least 40% of all projects directed to local/community ownership/management.
- 5) Spread of projects and programmes across countries and sub-regions
- 6) No one country(ies) receiving disproportionate share of projects/programmes in relation to population size, poverty levels and other relevant variables.
- 7) No country left behind – particular efforts to support LDCs and countries with more limited capacity and capability. All 54 countries to be actively involved by the first half of Phase 2 (2020-2030).
- 8) Predominately African countries and institutions receiving support.
- 9) A focus on far-reaching, country-wide policies, programmes and incentives (Category A) as necessary for transformation and energy investments to achieve the bold goals of AREI.

ANNEX 1: Criteria to be considered when reviewing proposals for Category A policy development projects/policy programmes and incentives schemes

Criterion	Indicator(s) (not an exhaustive list)
Energy Access	<ul style="list-style-type: none"> • Increase in energy access (e.g. in terms of quantity, quality, reliability, health, safety) • Potential to reach those most in need • Balanced benefits according to gender
Climate	<ul style="list-style-type: none"> • Direct mitigation potential from policy implementation • Indirect mitigation potential • Adaptation benefits
Business Plan / Implementation Strategy	<ul style="list-style-type: none"> • Clearly-defined short to medium term objectives • Clearly-defined deliverables and timelines • Clearly-defined implementation partners
Stakeholder involvement	<ul style="list-style-type: none"> • Opinions and where required, consent of affected population group(s) • Alignment with the needs/priorities of affected population • Effective gender sensitive participation and engagement of affected population in the design and implementation of the projects • Robust project and institutional transparency to enable independent accountability. • Access to community redress mechanisms
Effectiveness	<ul style="list-style-type: none"> • Induced growth in energy access/vs. targets • Induced growth in installed capacity/ production vs. technical potential • Realistic deliverables and accompanying resources and timelines • Clearly defined risks which can impact implementation and timeline (Political, Economic, Social, Technological, etc.)
Efficiency	<ul style="list-style-type: none"> • Investment Leverage • Social efficiency in relation to eg. SDG and other relevant indicators
Equity	<ul style="list-style-type: none"> • Fair access to support policies • Alignment with Common but Differentiated Responsibility and climate justice • Incidence/distribution of support costs • Change in spending on energy as % of total household spending • Benefitting poor people
Institutional feasibility	<ul style="list-style-type: none"> • Policy complexity (i.e. ease of implementation and enforcement) • Existence, capacity and track-record of required institutions, especially in the application of environmental and social safeguards • Clarity and appropriateness of ownership and commitment. • Degree of local/African expertise
Transformative potential	<ul style="list-style-type: none"> • Rate of diffusion/market penetration of innovative RE energy resources and conversion technologies. • Replicability • Potential for accelerated increase in numbers of RE installation projects benefitting from the scheme

	<ul style="list-style-type: none"> ● Performance of RET Innovation systems¹³ ● Rate of increased energy value in key service delivery and productive sectors, especially subsistence and small-scale agriculture, health and education ● Attractiveness and likelihood for rapid uptake elsewhere ● Long-term relevance for structural change towards 100% renewable energy societies
<p>Socio-economic and environmental impact</p>	<ul style="list-style-type: none"> ● Economic and development benefits (Job creation, Income generation, etc.) ● Environmental benefits ● Social benefits (health, gender, education) ● Adverse Socio-economic and environmental impacts, especially on local communities ● Impacts on bio-diversity loss and loss of forest coverage ● Particular impacts on countries, communities, indigenous peoples and vulnerable populations ● Risks and level of uncertainty around socio-economic and environmental impacts ● Irreversibility

Source: Adapted from IRENA, 2012: 17 - 18

¹³ This assesses transformative potential of a policy proposal from a systems perspective – examining the extent to which components of the proposed project/programme spur the creation or strengthening of the following core innovation system functions, namely: knowledge development; knowledge diffusion/exchange; guidance of the search; market formation; entrepreneurial activities; resource mobilization; and support from advocacy coalitions. Innovation system studies show that transformative potential is high where such functions are not only all present, but also interact in mutually reinforcing cycles.

ANNEX 2: Criteria to be considered when reviewing proposals for Category B policy development projects/policy programmes and incentives schemes

- a. Economic and Financial
 - i. Potential to deliver electricity or heat or other forms of energy dedicated for productive uses in small/medium sized agriculture, manufacturing, and community service facilities.
 - ii. Local job creation and retention, including for both management positions as well as technical positions for the assembly and maintenance of systems
 - iii. Potential to drive economic diversification and growth (including local economic development)
 - iv. Economic payback within reasonable period of time (if concessional loan rather than grant)
 - v. Potential to leverage funds for further expansion
 - vi. Potential for energy market transformation, innovation and cost savings.
 - vii. Affordability to the majority of the consumers
 - viii. Co-financing agreements (this factor indicates commitment to fulfilling the project)
 - ix. Risk mitigation measures
 - x. Economic justification
- b. Social
 - i. Gender empowerment
 - ii. Engagement of local stakeholders and civil society
 - iii. Demonstration of social acceptance and local ownership
 - iv. Energy equity enhancement and promotion of energy democracy
 - v. Adherence to human rights and rights of indigenous peoples
- c. Environmental
 - i. Impact on greenhouse gas emissions, including carbon dioxide and methane
 - ii. Impacts on local ecosystems and ecosystem services
 - iii. Impacts on land tenure and other land use impacts
 - iv. Recyclability of RE technology
 - v. Any other environmental criteria required by existing national regulations/law
- d. Institutional – Part 1
 - i. Alignment of the project with the priorities of the host country/region, and with no objection from other countries impacted and concerned, particularly if the project has trans-boundary impacts
 - ii. Synergy with similar ongoing/planned activities in the country (in order to avoid wasteful duplication and conflicts, while supporting healthy diverse of actors and interventions)
 - iii. Applicant's current capacity, and track record to successfully complete the project, especially in environmental and social due diligence.
 - iv. Replicability
 - v. Sustainability
- e. Institutional – Part 2 (Capacity mobilization and development)

- i. Detailed plan for mobilization of existing capacities
 - ii. Detailed plan, including required resources, for additional capacity development (to close gaps identified in sub-section d.iv)
- f. Technical
 - i. Soundness of technological design
 - ii. Robustness and risks of failure/maintenance requirements
 - iii. Degree of contribution towards enhanced domestic or African manufacturing/assembly of renewable energy technologies
 - iv. Ability of the grid (main and/or minigrids) to absorb renewable energy generation output and absorb variable energy