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**REPORT BY THE AFRICAN UNION COORDINATOR OF
RENEWABLE ENERGIES AND CHAIR OF THE AFRICA
RENEWABLE ENERGY INITIATIVE, H.E. PROFESSOR ALPHA
CONDÉ, PRESIDENT OF THE REPUBLIC OF GUINEA AND CHAIR
OF THE AFRICAN UNION**

**AFRICA RENEWABLE ENERGY INITIATIVE – STATUS,
ACHIEVEMENT AND WAY FORWARD**

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**AFRICA RENEWABLE ENERGY INITIATIVE – STATUS, ACHIEVEMENT AND
WAY FORWARD**

1. The Africa Renewable Energy Initiative (AREI) is a transformative Africa-owned and Africa-led effort to accelerate, scale-up and harness the continent's huge potential in renewable energy sources.
2. Endorsed by all African Heads of State and Government through the African Union, the initiative was launched at COP21 in Paris 2015. AREI will enable Africa to quickly move to modern distributed energy systems that are renewable, smart and able to both feed industry and reaching people currently without adequate access to modern energy services. The Initiative seeks to achieve at least 10 GW of new and additional people-centred renewable energy generation capacity by 2020, and universal energy access and the addition of at least 300 GW by 2030.
3. In its primary phase, single renewable energy projects that are in line with AREI's ambitious people-centred, environment and development-oriented criteria will be attributed as AREI compliant. In subsequent steps, the initiative's primary power lies in helping African countries move towards transformative national policies and vastly increased renewable energy ambition – and in helping mobilise the international public funding necessary to drive these efforts.
4. Through AREI, African countries are taking the lead and charting a course towards Africa becoming the first renewable energy continent.
5. AREI was launched in Paris as one of the most significant outcomes of the climate summit. Endorsed by all African Heads of State, AREI's Africa-owned, ambitious framework and action plan concretises the transformative actions that needs to be undertaken to simultaneous deliver on the Paris Agreement, Sustainable Development Goals and national development aspirations.

Progress on AREI governance

6. After initial efforts by the AREI Technical Working Group and the three 'co-leaders'; AU Coordinator for renewable energies, African Union Commission (AUC), and African Development Bank (AfDB), during the 2016 interim phase, the AREI Board of Directors was constituted for its inaugural meeting in January 2017 and subsequently assumed responsibility for the further operationalizing of AREI.
7. The Board is constituted by Heads of State representing the five Member States nominated by their respective subregions to serve for a period of three years. Currently the North African Region is represented by H.E. President Abdel Fattah El-Sisi of Egypt; the Southern African Region by H.E. President Hage Geingob of Namibia, the Central African Region by H.E President Idriss Déby Itno of Chad, the East African Region by H.E. President Uhuru Kenyatta of Kenya, and H.E President

Alpha Condé of the Republic of Guinea representing the West Africa region and serving as Chair of the Board. Current representatives of African institutions participating *ex officio* include H.E. Ali Bongo Ondimba of Gabon, Coordinator of the Committee of African Heads of States on Climate Change (CAHOSCC), President Moussa Faki, Chairperson of the African Union Commission, and Mr Akinwumi Adesina, President of the African Development Bank. France and EU are currently standing observers representing international partners.

8. The AREI Board met four times during 2017 (Addis Ababa, January; Conakry, March; Addis Ababa July and New York, September). Board meeting minutes are attached to this report.

9. To resolve enduring differences on AREI's governance structure, the Board mandated in total three meetings during 2017 of technical experts nominated by each member of the Board to finalize the governance documents for adoption.

10. The contentious issues around governance have been primarily about conflicts of interest, AREI's legal independence and autonomy and the right to vote and participate in decision-making within the AREI Board. It has been the view of the AREI Chair that AREI must be fully independent and that only Heads of States of the member states representing the five African sub-regions should have the right to vote and participate in decision-making, with the African institutions serving Member States and international partners taking part as either non-voting members or observers. This position and the need to avoid any real or perceived conflict of interest around hosting and trusteeship has been affirmed by the technical experts representing the five Member States on the Board.

11. The African Development Bank, which was asked to serve as host of the IDU and Trustee for the AREI Trust Fund at the African Union Summit in July 2016, in a letter to the AREI Chair on 22 August 2017, stated that the AfDB will not be in position to remain as Host or Trustee if AREI is legally independent and autonomous vis-à-vis the Bank, and if they are not granted voting rights in the Board. The Bank furthermore stated they were initiating steps to liaise with the donors for the transfer of the funds received to support AREI to a new entity to be selected to replace them as Trustee and host.

12. After two meetings of the technical experts on governance, the AREI Board finally adopted the AREI governance documents at the fourth meeting of the Board of Directors in New York, 22 September 2017. The approved Governing Instrument asserts the independence and legal personality of AREI, and affirms that only Heads of State representing the five regions shall have voting rights.

13. The Governing Instrument and Rules of Procedure were later slightly revised at a third meeting of the technical experts, held in Conakry in December 2017. These finalized Governance documents will be presented to the Fifth Board meeting to be held in connection with the January 2018 AU Summit where Heads of State of the Member States on the Board are asked to make a final pronouncement on voting right.

14. Based on these developments one of the immediate task for the AREI Board will be to quickly resolve matters relating to the immediate IDU operationalization and trusteeship arrangements, with the Board members representing the five African regions taking firm leadership to agree on appropriate, lasting institutional arrangements and implementation of legal personality and independence for AREI.

The Independent Delivery Unit and achievements across AREI's nine work areas 2016-2017

15. AREI will pursue activities across the nine work areas defined in the AREI Framework and Action Plan, which were approved by the African Union in 2016¹. These activities will be on the one hand driven by AREI's Independent Delivery Unit (IDU) and on the other hand by multitude of other African and international actors working in conformity with AREI's Criteria and Framework.

16. An interim IDU was formally formed in August 2016, headed by Dr Youba Sokona together with the other members of the drafting team that developed the AREI Framework and Action Plan. A progress report for the work until January 2017 summarises significant achievements on mapping, project pipeline analysis, criteria, safeguards and participation as well as initial transformative policy efforts.

17. Following the resignation of Dr Sokona as Acting Head in May 2017, Ambassador Seyni Nafo, Mali was appointed new Acting Head at the third Board meeting in July 2017 with the immediate tasks of: 1) facilitating the process of agreeing on governance documents for approval by the Board, 2) preparing a revised 12-month work plan and budget for Board approval, and 3) engaging with the international partners on the clarification of their financial pledges toward AREI.

18. The resources provided by international partners for the IDU (France € 6 million and Germany €1 million) remain in a holding account at AfDB pending finalization of IDU hosting arrangements.

19. Significant Progress has nevertheless been achieved by the IDU during 2017.

- Major attention has been devoted to governance related issues. As mentioned, three meetings with technical experts on governance representing Board members and standing observers were organised (Addis Ababa, July 2017, Conakry September and December 2018) with the aim of reconciling differing views on AREI's legal independence, voting rights and hosting/trusteeship;
- Solid AREI criteria for ensuring African ownership, social and environmental safeguards, and focus on energy access and people-centered solutions have been formulated and approved by the Board. The IDU is currently developing operational procedures for assessing projects for AREI attribution based on these criteria;

¹ African Union Decision Assembly/AU/Dec.603 (XXVI)

- The Board approved for attribution in its March 2017 meeting 19 investment programmes and projects on exceptional basis (pending ex-post assessment against AREI criteria) with a total expected generation capacity of 1,7 GW for a total of €4 bil.n in planned investments. €2 bil. of these investments have been committed by donors, of which €300 million constitutes grants from the European Commission. Tenders for several of these projects are underway. Since the last board meeting in September 2017, five additional programs and investment projects have been submitted for attribution assessment, and are under evaluation at the IDU level;
- Initial African-based mapping of existing initiatives and renewable energy efforts on the continent are being pursued, including development of methodology, database and visualisation tools;
- An initial compilation of 450 renewable energy projects on the continent in the current, short to mid-term pipeline has been undertaken, corresponding to close to 50 GW of potential generation capacity. This compilation is being continuously expanded to constitute the basis for assessment of projects for AREI attribution;
- Initial development of engagement methodology with stakeholders, including civil society;
- A 12-months work plan and associated budget have been developed and approved in principle by the Board;
- Initial efforts to clarify pledges for financial support by international partners towards the USD 10 bil. commitment at COP 21. A technical meeting on this topic with representatives of both international partners and African countries and institutions was organised in Conakry in March 2017, followed by request for detailed accounting by all partners. The IDU is still awaiting responses from some partners.

Ways forward – immediate action

20. The Africa Renewable Energy Initiative will during 2018 shift from the interim, establishment phase to full operation.

21. For the first half of 2018 this means:

- strengthening of the Independent Delivery Unit and recruitment of its formal Head and its staff;
- Further Africa-driven mapping and assessment of existing initiatives and activities;
- Organising/planning for five regional consultations (North, East, West, Central and Southern Africa), involving governments and stakeholders in

all 55 African countries, with the aim of consolidating AREI at country levels, identify opportunities, remove barriers and boost inter-country collaboration;

- Initiation of concrete work at country levels to lay the ground for ambitious policies and incentives that can generate significant new and additional investments;
- International outreach and establishment of South-South, North-South and trilateral strategic partnerships, including mobilisation of additional funds;
- Multi-stakeholder consultations and development of participatory models of engagement;
- Continued identification and assessment of the short- to mid-term renewable energy pipeline (going beyond the current 450 projects) with the aim to help mobilise financial support for projects that are aligned with the AREI Criteria to meet the 10 GW target by 2020.

Ways forward – intermediate activities 2018-2020

22. From the latter part of 2018 onwards, AREI will gradually direct attention towards the implementation of the Initiative's second phase (2020-2030).

23. The coming two years will set the ground for the truly transformative measures that seek to add by 2030 at least double existing energy generation capacity on the continent through renewable energy.

24. AREI intends to enable a bottom-up renewable energy revolution where, through policies and transformative measures, households, communities, cooperatives, schools, hospitals, municipalities as well as both small and larger companies and utilities everywhere become both producers and consumers of renewable energy. This would include setting in place incentives and policies that will make it possible for hundreds of thousand, if not millions of renewable energy projects to get off the ground on the African continent.

25. This means:

- Identification of African countries willing to take a lead in planning towards 100% renewable energy, and implementation of the AREI Action Plan at national levels;
- Further engagement with international partners to ensure their pledges in Paris 2015 of USD 10 billion by 2020 are delivered in conformity with AREI Criteria and are making additional impact to business-as-usual;
- Implementation of AREI as a powerful strategic framework that will engage with African countries to set in place incentives and policies that

will make it possible for unprecedented acceleration of renewable energy projects on the ground;

- Roll-out of new, participatory business models that enables a diversity of actors at various scales to become both consumers and producers of energy;
- Mobilisation of required additional international public funding for ambitious policies and incentives that can drive unprecedented levels of both private and public investments in renewable energy.

26. AREI is now on track to enable African countries to take bold action. As the Coordinator of Renewable Energies and the Chair of the AREI Board I look forward to setting Africa along a path where it will lead the way at the global level and help our countries leapfrog to the smart, people-centre renewable energy systems of the future.