



## 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.