



Implementation of approved budget (June 2017-July 2018)

This report provides a summary of elements relating to implementation of the approved budget (July 2017-June 2018).

Contracting of IDU staff

Following the approval at the fifth meeting of the Board of Directors of the 12-month work plan and budget for July 2017 to June 2018, the IDU focused efforts on immediate contracting of IDU staff.

Interim Director

AfDB as trustee of AREI resources was instructed at the previous Board meeting to effect the contracting of the Interim Director as a matter of priority and with the same remuneration level as his predecessor. After negotiations with the Bank in accordance with the revisions of the contract agreed in the meeting of Technical Experts held in Conakry 16 -18 December 2017, the final contract was signed on February 25th, 2018.

Cluster and overall coordination

Efforts to contract key, short- to mid-term IDU staff, already involved with the Initiative, to carry out work on overall coordination and key clusters were initiated after the Interim Director signed his contract with the Bank. Mr Niclas Hällström's contract was finalized on May 2nd and Prof. Lawrence Agbemabiese's on May 23rd.

Mr Vivek Mittal, a renewable energy finance and investment specialist was contracted on May 17th to accelerate the programme and project pipeline development.

Administration support

Following the advertisement and conclusion of the selection process, Ms Caroline Sipalla was on May 31st contracted to serve as the first administrative support staff for AREI.

Contracting for translation services and event management support are still pending.

Reimbursements for incurred expenses 2017-18

After the resignation of the first Interim Director Prof. Youba Sokona, the Board appointed Amb. Seyni Nafu as his replacement at its third Board meeting on July 2nd, 2017, and asked him inter alia to prepare a short-term budget for the immediate period until the next Board meeting scheduled for September 2017 when the adoption of the Governing Instrument and approval of the regular budget would have been deliberated upon. The short-term budget July - September would cover honorarium fees for IDU consultants (Niclas Hallstrom and Yaw Osafo), costs for the Technical Experts meeting in Conakry in September 2017 (for which Guinea paid for), and costs for translation and communications services.

On September 22nd during its third meeting in New York, the Board decided to delay the formal approval of the budget and instructed the technical experts to review it at their meeting on governance to be held in Conakry in December 2017. This also meant an extension of the retroactive payments, since the IDU Interim Director and core consultants needed to continue their work. The Conakry meeting agreed on a slightly adjusted budget which was presented at the fifth Board meeting for final approval along with the finalized Governing Instrument. The 12-month budget, formally approved in Addis Ababa at the fifth Board meeting on January 27th, 2018, covers the July 2017-June 2018 period, and hence includes incurred expenses not yet paid.

At their meeting on January 27th, the Board instructed the African Development Bank (AfDB) as host and trustee, to accelerate reimbursements for expenditures already incurred and unpaid payments; including the Interim Director's fees, that of IDU consultants, payments for meetings, and other costs as per the approved budget. These payments are yet to be made.

Extension of budget until 31 December 2018

Due to the delays in contracting the IDU staff and postponements of regional consultations, considerable amounts of the approved budget allocations have not been spent. Therefore, it is recommended that the Board of Directors in this 6th meeting on July 1st, extend the already approved budget to December 31st, 2018.

It should also be noted that the financial report presented by the AfDB at the fifth Board meeting showed AREI incurred expenses as at December 31st, 2017, as amounting to USD 399 151. This amount, which the Bank awaits to be reimbursed, includes honorariums of three IDU staff recruited by Prof. Sokona in 2017. Following consultations with the said consultants, they confirmed that they only received payments for the periods they had billed the AfDB, notably 3, 5 and 6 months respectively, i.e. approximately USD 49 092 less in incurred costs.