



## VIRTUAL DISCUSSION OF THE STANDING COMMITTEE ON PARTNERSHIPS – April 2015

Standing Committee on Partnerships (SCP)	Venue: Virtual via AfDB e mail		Date: April 3 <sup>rd</sup> to 10 <sup>th</sup> , 2015
	Official Note		
	An SCP meeting was called for April 2 <sup>nd</sup> . Due to some logistical problems, some members could not be present. The SCP meeting was called off due to absence of a quorum. A decision was made to discuss both documents virtually. Should it be necessary, another SCP meeting will be scheduled for discussion.		
	<u>Members</u> <ul style="list-style-type: none"><li>• Mr. Désiré Vencatachellum, Chairperson, FRMB</li><li>• Mrs. Valerie Dabady Liverani, Manager, FRMB.2</li><li>• Mr. Brendon Moyo, Chief Legal Counsel, GECL.3</li><li>• Mr. Claudius Peter Nkhata, Principal Budget Officer, COPB.2</li><li>• Ms. Madvee Muthu, Consultant, COSP</li><li>• Mr. Nelson Ngwenya, FFCO.1</li></ul> <u>SCP Secretariat</u> <ul style="list-style-type: none"><li>• Ms. Dalya Elziniy, Cooperation Officer, FRMB.2</li><li>• Mouhamed Mbacke, Consultant, FRMB.2</li></ul>	Prepared by:  SCP Secretariat	
<u>Agenda</u> <ol style="list-style-type: none"><li>1. Concept Note for the Memorandum of Understanding on CoDA (Partnership between the AfDB, UNECA and AUC) - submitted by ONRI</li><li>2. Concept Note for the Establishment of a Partnership with the African Energy Leaders Group (AELG) – Submitted by ONEC</li></ol>			

# **I. Concept Note for the Memorandum of Understanding on CoDA (Partnership between the AfDB, UNECA and AUC) - submitted by ONRI**

## **COMMENTS BY SCP**

There is no objection to the partnership but some clarity as to why we are now entering a partnership would be helpful. CoDA is a joint initiative established by AU, UNECA, Mo Ibrahim and AfDB. MoU is for 3 years. It is a forum that identifies and discusses issues of importance to Africa's development such as regional integration, land grab, governance and development on the continent. Partnership might allow insight on topics that are deemed sensitive from the Bank's perspectives but which still need to be addressed to move forward. CoDA's activities will include conducting research, organizing discussion forums, mobilizing actors, and developing corrective actions.

Several points require clarifications including justification on the need to proceed with an MoU with CoDA.

- How will the knowledge produced as a result of the partnership be integrated back into the Bank's processes to improve on delivery? That link is missing. How can we ensure that knowledge produced is utilized if it is not demand-driven?
- It is mentioned that necessary measures have been put in place to ensure effective monitoring and evaluation of the initiative. How is this being done? Who is responsible for this?
- Cost Implications: None implied other than Bank's original contribution to CoDA mainly in the form of staffing and operations costs.
- What is the rationale for this partnership since the Bank is already part of CoDA? No additional contribution is being requested.
- We assume that there are no extra budgetary requirements beyond the current level of contribution. Would the team confirm?

## **TEAM Response**

How will the knowledge produced as a result of the partnership be integrated back into the Bank's processes to improve on delivery? **The Bank is a member of the CoDA Board as well as the CoDA Technical Committee set up by the Board. The outcomes and recommendations emanating from CoDA's works (which the Bank will be involved in) will be shared with the appropriate departments in the Bank, where these could inform projects preparation and implementation or policy dialogue and advocacy. Beyond the Bank, outcomes of CoDA's work are shared with the AU Heads of States who then recommend implementation at national level. Both ways, it is believed that such outcomes will feed into the Bank's work.**

It is mentioned that necessary measures have been put in place to ensure effective monitoring and evaluation of the initiative. How is this being done? Who is responsible for this? **The CoDA Board is responsible for monitoring the operations of the Secretariat and this is done twice a year during the Board meetings. Discussions are on-going within the Board Technical Committee to look beyond the regular financial and audit report, to possibly engage experts to do more thorough regular assessment of the operations of the Secretariat.**

What is the rationale for this partnership since the Bank is already part of CoDA? No additional contribution is being requested. **It is fundamentally to institutionalize and regulate the relationship between CoDA and the other parties; as aside the annual contribution agreement formalizing the Bank's financial contribution to CoDA, there is no other legal framework that supports the partnership.**

We assume that there are no extra budgetary requirements beyond the current level of contribution. Would the team confirm? **To our knowledge there are no additional financial resources requirements.**

**SCP Recommendation**

- After receiving and circulating the team responses, SCP members did not send any objection or flag any unresolved issue in the concept note.
- The team is advised to incorporate their responses in the concept note.
- The proposal is considered cleared and the team is advised to proceed to SMCC.

## **II. Concept Note for the Establishment of a Partnership with the African Energy Leaders Group (AELG) – Submitted by ONEC**

**COMMENTS BY SCP**

The objectives of the partnership and the proposal to host the initiative is a good idea. If effective, the partnership holds great potential in terms of building the Bank's reputation in helping to foster a relationship between public and private sector partners. The AELG relates directly to several Bank initiatives such as hosting the SE4ALL and leading PIDA; hosting AELG will facilitate collaboration with the SE4ALL Africa Hub, PIDA and related teams to achieve synergies and devise concerted actions.

Nonetheless, there are a few issues that require clarification:

- The concept note mentions that the Bank's contribution is limited to in-kind contributions of office space and services and staff time not exceeding \$100,000 per annum. How will this limit be monitored and enforced?
- Likewise the concept note emphasizes a light structure run out of ONEC. This is a good way to start an initiative, but could ONEC clarify the envisaged staffing of the Secretariat – is it one person or more? Would the person(s) be fully dedicated to AELG, or would s/he still handle other work? It is mentioned that ONEC will be providing the secretariat function with the current staffing in the initial phase. Has this information been updated? Will ONEC staff be able to absorb the additional workload given recent staff resignations?
- Will ONEC have to absorb the cost of setting up a light structure to run the Secretariat? Has ONEC agreed to this? Which department will be responsible to mobilize resources for the supporting financing for the Secretariat?
- The concept note indicates that the ICA model is the one that the parties expect to adopt. If that is the case, can we assume that the AELG is not intended to be a legal entity (e.g. a registered NGO such as CoDA), but rather an informal partnership, and that there would be no need for an MoU to be put in place to formalize the partnership?
- Even if an MoU is not envisaged, is it intended to send an Information Note to the Board of Directors informing them of the Bank's intention to host the initiative, as was done for ICA and ADEA?
- Is there a governance structure envisaged for the initiative – board, sub-committees, chairperson, etc.? How frequently will meetings be held, and are decisions expected to be arrived at other than by consensus? Who will represent the Bank in this initiative – the President or the relevant VP or Director?
- Aim of AELG is to provide a forum to concretely unblock and resolve energy sector problems. It would be interesting to know what activities AELG intend to engage in to resolve the energy sector problems.
- It is mentioned that AELG intends to 'reduce the cost of electricity...'. How does it propose to do this? Through which mechanism?
- Despite pledges, contributions by AELG partners have yet to be made official. It is hard to assess the real financial implications hosting the Secretariat will have on the Bank without such numbers.
- It is unknown if the two foundations are externally audited. Will that prevent the establishment of a partnership?
- What is the governance structure of AELG?
- Will AELG follow a results-based framework by which its effectiveness can be assessed? It is said that contribution after the initial duration of 3 years will depend on results obtained? How will this be evaluated without a pre-determined framework?

- Is UNDP and SE4ALL contribution of USD 250,000 yearly for 3 years or one off?  
Cost Implications: **USD 700,000 (Overall)**  
 USD 250,000 (UNDP)  
 USD 250,000 (SE4ALL - possibly)  
 USD 750,000 (Tony Elemelu and Aliko Dangote over 3 years)  
 USD 100,000 (AfDB Staff time)
- In the concept note and on the point: “Explain why the Initiative shall be hosted/ managed by AfDB”. We suggest adding the Bank’s presence in many RMCs as one of the reasons - as explained in paragraph 2 of the letter to PRST would strengthen that paragraph.
- We will be grateful to receive confirmation that the arrangement will not affect the ONEC “regular” work program. A statement to the effect that any budgetary requirements will be met through internal reallocations within the OIVP complex budget or similar words will be sufficient.

#### TEAM Response

1. The figure provided is an estimate of the maximum in-kind contribution of the Bank. The in-kind contribution relates primarily to staff time by the coordinator of the Secretariat, who will be Bank staff. Staff time will be monitored in ATRS. No additional budget is foreseen at this point (this might possibly change at a later point in time depending on the traction and success of the initiative).
2. In terms of ONEC staff, it is at this point envisaged that one professional staff will work on the AELG, although not fully dedicated to AELG. In addition, it is envisaged that part of the AELG budget would be used to gradually recruit up to three dedicated staff for the Secretariat in the form of long-term consultants (or possibly technical assistance personnel).
3. The proposal for the AELG is being put forward by ONEC in view of the linkages of the AELG to existing engagements. In addition to ONEC, the initial start-up phase of the AELG is also being supported by the SE4ALL Global Facilitation Team. The responsibility for mobilizing additional resources for the operation of the Secretariat will be primarily with ONEC, but ONEC hopes to cooperate closely with FRMB on this.
4. AELG is not intended to be a legal entity, but rather an informal partnership of like-minded institutions in pursuit of common objectives. We therefore concur with GECL’s view that there is no need for a formal MoU at this stage.
5. Well noted. We will prepare an information note for the Board in due course.
6. For the time being no detailed governance structure has been put in place. Draft operational procedures for the AELG have been prepared, but they remain to be discussed and agreed by the principals of the AELG at its first meeting. It is envisaged that the AELG principals will meet at least twice a year. The draft operational procedures note that all efforts shall be made to reach consensus on taking a decision or issuing a recommendation. The President formally represents the Bank in the AELG, but may of course for some meetings designate the VP OIVP or Director ONEC to represent him in the AELG.
7. The work program of the group is one of the issues for discussion at the first meeting of principals. It is envisaged that the AELG will look at policy issues, but also discuss important regional projects. An indicative list of priority projects including issues that require attention has been prepared. The AELG intends to capitalize on the strength of its members.
8. The AELG intends to promote regional energy projects that enhance affordability and reliability of supplies thereby supporting the competitiveness of their industrial/manufacturing sectors.
9. This is correct, in part because we have not yet defined the mechanism by which we would be able to receive such contributions. It is envisaged that some of the initial pledges will be made official at the first meeting of principals.
10. The Tony Elemelu Foundation is audited by Ernst & Young while the Dangote Foundation is audited by Deloitte. The initial contribution from the Tony Elemelu is however, likely to be channeled through the parent power company.
11. See response to item 6.
12. A result based framework will have to be prepared and approved by the AELG. At this stage there is only

agreement that a continued existence of the group beyond an initial period will depend on whether it can make a significant contribution towards the achievement of the objectives set.

13. The updates on the confirmed initial contributions and sources is:

- UNDP: USD 250,000
- SE4ALL GFT: 150,000
- Tony Elemelu (from the power company): USD 150,00
- Aliko Dangote: amount and source to be advised shortly

These are initial commitments with regard to the contribution, which are expected to be increased/renewed depending on progress.

14. It is important to note that the build-up of the Secretariat is envisaged to be gradually in line with the development of the AELG and hence the funding currently available is sufficient to commence operations.

15. Point is well noted.

16. The work on the AELG will not negatively affect “regular” ONEC work, on the contrary we hope that the engagement on the AELG might provide new opportunities for the department. A statement to the effect that any additional budgetary requirements will be met through internal reallocations within the OIVP complex budget will be included in the proposed information note to the Board.

#### **SCP Recommendation**

- After receiving and circulating the team responses, SCP members did not send any objection or flag any unresolved issue in the concept note.
- The team is advised to incorporate their responses in the concept note.
- The proposal is considered cleared and the team is advised to proceed to SMCC.