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ECONOMIC COMMISSION FOR AFRICA

Regional Advisory Services on Energy

Report on the
2-4 April 1991 meeting on the establishment of the
Follow-up Committee of the African Energy Strategies Seminar
Abidjan

September 1991

**Report on the
2-4 April 1991 meeting on establishment of the
Follow-up Committee of the African Energy Strategies Seminar
in Abidjan**

Purpose

The meeting 2-4 April 1991, invited by the African Development Bank with its 21 February 1991 letter, was held pursuant to Recommendations 5 of the 26-30 November 1990, Seminar on African Energy Strategies. This recommendation calls on "ADB and ECA, under ADB's leadership, (to pursue) establishment at the earliest opportunity, of a Follow-up Committee for the implementation of the seminar recommendations in close collaboration with UNDP and IBRD. The Committee could comprise African experts from the various African subregions and international partners of repute and of availability for the energy sector". (See ECA/NRD/MES/16/90, Annex II).

Background

The secretariat had with its letter of 10 May 1991, accepted the ADB invitation to join the ADB, UNDP and World Bank in co-sponsoring an African Energy Strategies Seminar. As a result, the ECA and ADB had jointly organized and convened in Addis Ababa, the 20-22 June 1990, preparatory meeting of the Seminar for Intergovernmental Organizations in the East and Southern Africa subregion, involved in energy sector development (see ECA/NRD/ERU/PIEC/5/90). Another preparatory meeting jointly organized by the ADB and ECA for similar organizations in the

Central and West African subregions, convened 16-17 July 1990 at the ADB in Abidjan (see NRD/MES/13/90). These had been followed by the October 1990, meeting of the Technical Committee of sponsors at the World Bank (see ECA/NRD/MES/14/90 and the Seminar on African Energy Strategies held in November 1990, in Abidjan.

BRIEF ACCOUNT OF PROCEEDINGS

(a) Agenda

The opening session of the meeting adopted the following agenda.

1. Review of the major recommendations of the Seminar
2. The setting up of a Follow-up Committee
 - 2.1 Terms of reference
 - 2.2 Rules and regulations
3. Launching of the Follow-up Committee
 - 3.1 Secretariat
 - 3.2 Work programme
 - 3.3 Draft budget
4. Other matters

(b) Institutions represented at the meeting

Representatives of the following institutions participated in the meeting (Annex 1 lists names of the persons)

1. African Inter-Governmental Organizations
2. Bilateral Donor Organizations
 - Ministry of Cooperation, France
 - NORRAD
3. Co-sponsors of the Seminar
 - ADB
 - ECA
 - UNDP
 - World Bank
4. Observers
 - Energie Electrique du Côte d'Ivoire (EECI)

(c) Discussion of the agenda items

- 1 Review of the major recommendations of the Seminar

The meeting recapitulated and reviewed the 32 principal recommendations of the Seminar as a basis for its consideration of

the terms of reference and rules and regulations of the Follow-up Committee.

The Follow-up Committee for implementing the recommendations could be modeled on any one of the many organizations in other regions mandated with responsibility for multilateral/bilateral cooperation in the energy field. There are two such organizations in Europe, three in Latin America, eight in Asia and the Pacific region, and seven subregional organizations in Africa. The meeting requested the Bureau to classify these organizations by energy sub-sector, by membership (governmental or non-governmental) and by geographic coverage.

2. The setting up of a Follow-up Committee

2.1 Terms of reference

A draft terms of reference (TOR) for the Follow-up Committee's scope of work was presented for discussion to the meeting. It included ADB's proposals for the Committee's objectives, membership, organs, organization, operational means, resources and the location of its offices.

Agreement was readily reached, with some qualifications by the four donor representatives, on the following proposed objectives:

(a) Liaising between international financial institutions and African countries for the better coordination of donor-assisted energy activities in Africa.

(b) Promoting and strengthening of African capacity in energy sector analysis to deepen understanding of needs and priorities.

(c) Assisting the improvement of energy sector management capacity in Africa by formulating suitable training programmes for all manpower levels, as well as the improvement of African competence in energy sector research, consultancy and in technical, financial and administrative management of the sector.

Discussions triggered by two of the major objectives that ADB had proposed, proved to be controversial and took much of the remaining sessions of the meeting. Substantive consideration of the remainder of the agenda was largely deferred partly as a result.

The proposed objectives that triggered controversy were:

- assisting the creation of the African Energy Commission (AEC) as resolved in the Lagos Plan of Action (LPA); and
- promoting the organization of an Energy Development Decade for Africa (EDDA).

Reasons against Committee involvement in AEC and EDDA

The objections raised to the Follow-up Committee being involved with creation of the AEC and launching of the EDDA may be categorized under two headings:

- absence of firm commitment of the African countries to these objectives, and
- donor fatigue.

The four donor representatives insisted that the African countries themselves had showed no sustained commitment for example in the creation of AEC since the Heads of State resolution to that effect was adopted in the LPA in 1980. Also, scepticism was expressed as to whether more than a handful of African member States would pay their assessed contributions to either the AEC or the EDDA if either were set going.

It was also pointed out that to date, the majority of African regional and subregional institutions and decade programmes, had spawned costly bureaucracies that produced little of immediate and tangible benefit to the African countries. This poor track record had contributed to inducing the current climate of donor fatigue. Hence, there would be at present little prospect of attracting substantial donor funding for either the AEC or the EDDA if the Follow-up Committee were to assist in the establishment of either.

Furthermore, it was argued that the launching of an EDDA was not among the resolutions of the African Energy Strategies Seminar and would therefore be a burdensome extraneous imposition on the Committee.

The ECA had, particularly with regard to the EDDA, proposed to the meeting that the Follow-Up Committee pragmatically start work on those to which all parties had agreed as its immediate objectives. The presently contested ones could be retained as implicit or optional ultimate objectives which the Committee could

take up in future, when conditions became favourable all round. The ADB Chairman of the meeting however vehemently opposed such a compromise.

Furthermore, the donor representatives sceptically questioned the viability of the Follow-up Committee itself by raising a series of questions including the following:

- What would be the supreme organ to which the Committee would be accountable for proper performance of its functions?
- Were seminar participants empowered in advance to enter into commitments such as the setting-up of the Committee? Alternatively, has any African country subsequently confirmed to the ADB, its endorsement of the seminar resolutions?
- Which African countries are likely to contribute to the operating funds of the Committee?
- What agencies, institutions and enterprises are committed to execute the recommendations and programmes of the Committee?
- Should the Committee be a nongovernmental, non-formal consultative body on the model of the Nordic Electricity Association (NORDEL)?
- Should the Committee be an advisory panel on energy policy to the ADB?

- Should representatives of major public and private enterprises in the energy subsectors (which had been mostly absent at the seminar), form the core membership of the Committee as they are dealing with concrete problems of the energy subsectors?

The Chairman and several Directors of ADB Departments taking part in the meeting, argued in response, that the Follow-up Committee was essential as a Concertation Forum. In this role, it would serve for conducting consultations in which African and donor representatives jointly steer and guide energy policy analysis and coordinate energy programmes and projects, instead of these continuing to be mainly donor-driven as at present. The Committee would also mobilize funding for subregional energy activities and projects such as the building of comprehensive a African energy sector data bank etc.

The suggestion of making the Follow-up Committee into an advisory panel on energy policy to the ADB was rejected on the grounds that this was not the intent of the recommendations of the Seminar. Furthermore, the ADB was at present formulating in-house, a draft energy policy, and also there are no such advisory panels for the ADB's existing transport policy and water policy.

Mr. Ferhat Lounes, Vice President of the ADB urged the participants when he received them in his office, to finalize the setting up of the Follow-up Committee, if necessary on an informal basis for the time being. The ADB would host the Committee and act as its secretariat. The problem of the umbrella organization of the Committee could be resolved satisfactorily later on and need not hinder the setting up of the Committee and the start of its operations.

The ADB Vice President also informed the participants that the heads of ADB, ECA and OAU had at their latest consultation meeting in Zanzibar, identified as a priority the early establishment of the AEC as called for in the Lagos Plan of Action. This Commission would have a key role to play in furthering African economic integration through energy cooperation in Africa. This is crucially necessary to lessen external over-dependence in energy which Mr. Lounes stressed, had exposed African countries to harsh externally induced energy shocks repeatedly even during the decade of the eighties when many African economies were mostly in decline. He was of the opinion that the Follow-up Committee could provide valuable advice on operationalizing the AEC and making it a functional and pragmatic body.

The ADB later modified the proposed objective of the Committee's involvement with the setting up of the AEC to read as follows:

The Committee shall "aid bringing the AEC into being by enquiry and study into institutionalization of cooperation in the energy sector in Africa";

Decisions of the meeting

The main decisions agreed by the meeting are summarized as follows:

1. Establishment of the Follow-up Committee is deferred and could be achieved at a meeting to be convened by November 1991.
2. In the period until the Committee is launched, the four co-sponsors and three bilateral donors of the Seminar

shall, together with the African subregional organizations that participated at the seminar, constitute a provisional working party. The main tasks of the working party shall be (i) preparation and circulation of the draft texts of the basic documents of the Committee; (ii) initiating contacts with potential member organizations of the Committee; and (iii) preparation and convening of the meeting that establishes the Committee's work.

3. Participants at the founding meeting shall be selected by the working party from among those that meet the criteria of availability for membership of the Committee, relevant competence and ability to contribute to funding the Committee.
4. The working party shall maintain its preparatory efforts until the Committee has been set up and its umbrella organization determined.
5. The Follow-up Committee shall be a nongovernmental organization whose members shall be representatives of international, bilateral or African organizations that support the Committee's objectives and whose candidacy is accepted by the Bureau of the Committee.
6. The Committee may establish working groups on specific tasks. The mandate, leadership, duration and budget of a working group shall be determined at its inception. The members of a working group shall be drawn as appropriate, from among experts, management of energy sub-sectoral enterprises, scientists, researchers and

consultants having expertise relevant to the task of the working group.

7. The organs of the Committee shall be:

- (i) the meeting of the Committee attended by all members as the organ that defines and decides the policies and strategies of the Committee;
- (ii) the Bureau of the Committee composed of the Chairman representing ADB and eight members, is the executive organ of the Committee;
- (iii) the working groups established by the Committee for specific tasks.

8. The activities of the Committee shall consist of:

- publications,
- informational meetings, colloquia, seminars etc. that it convenes,
- setting up working groups on specific tasks,
- mobilization of resources for its activities.

9. The Committee offices shall be located at the ADB in Abidjan.

Conclusions

The meeting 2 to 4 April, 1991 called to establish a committee that would follow-up recommendations of the November 1990 seminar on African Energy Strategies, did not achieve its purpose.

However, the representatives of the four donors participating at the meeting have openly expressed the scepticism that currently prevails in the donor community with regard to the practicability of promoting and strengthening energy sector cooperation in Africa, by the methods and means envisaged from the outset in convening the Seminar and embodied in its recommendations. This was probably the most important outcome of the meeting in that the rationale for donor unwillingness to support the envisaged modes of energy sector cooperation among African countries were now openly stated. These may be some of the reasons why 17 out of 20 donor organizations invited had elected not to participate in the Seminar. It is also important in that it makes it clear that African countries can expect little external aid and would have to depend on their own resources for promoting and strengthening energy cooperation.

Recommendations

The secretariat may wish to undertake a multidisciplinary study of pragmatic means and methods of promoting and strengthening cooperation in the energy sector relying on the resources of the African countries themselves, under the existing circumstances.

Such a study when finalized could be discussed by the secretariats of ADB, ECA and OAU. The recommendations emerging from such discussion could then be proposed to the African countries at an appropriate forum to contribute to their launching of self-reliant energy cooperation.