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**STRATEGY COMMITTEE (OTC)
5, 6 JUNE 2024 ARUSHA, TANZANIA**

INVESTMENTS AND PROJECTS WORKING GROUP (IPG) REPORT

1. Subject Investments and Projects Working Group (IPG) Report	References/Paragraphs PAPU Action Plan 2022-2025
2. Decisions expected: <ul style="list-style-type: none">• Adopt the Report.• Consider the Recommendations of the Working Group.	

1.0 INTRODUCTION

The Investments and Projects Working Group (IPG) met virtually on March 19, 2024, during which three (3) main issues on the agenda were discussed and deliberated, as indicated below.

2.0 THE MAIN ISSUES TABLED AND DISCUSSED

The following main issues were deliberated on during the meeting:

- a) PAPU Potential Investment Vehicles;
- b) PAPU House Investment Project Report;
- c) PAPU General Secretariat Relocation to the PAPU Tower.

3.0 REPORT SUBMISSION

The detailed report for the Working Group meeting is attached as **Annexure 1**.

4.0 RECOMMENDATIONS

4.1 On PAPU Potential Investment Vehicles

Adopt and use the presentation made by the Investments and Projects Task on Potential Investment Vehicles as a living document for investment options of the PAPU Tower going forward;

4.2 On PAPU Tower Investment Project Report

- a) Ensure that the documents presented have accurate and complete information by indicating the currency/denominations of the figures. Moreover, they should be converted into USDs to ensure that the entire PAPU membership understands the values;
- b) Ensure that the dates for handing over the Conference facilities as well as breakaway rooms are hastened so that income generation commences in those facilities;
- c) Ensure that efforts to heighten the occupancy rate of the Tower, which currently stands at 48.4%, gets improved to acceptable levels or, at best, reach 100%;

4.3 On PAPU General Secretariat Relocation to the PAPU Tower

The General Secretariat was encouraged to engage the contractor(s) to work expeditiously on the snags to improve the ambiance of the Tower and ensure that it is commensurate with its international status.

5.0 DECISIONS EXPECTED

The report is submitted for the Committee to:

- Adopt the Report.
- Consider the Recommendations of the Working Group.



INVESTMENTS & PROJECTS WORKING GROUP MEETING REPORT

1. INTRODUCTION

The PAPU Tower was completed and handed over to PAPU and TCRA, as clients, on 23rd August 2023. It was officially inaugurated by Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, on 2nd September 2023 in the presence of PAPU Plenipotentiaries and other dignitaries.

The Investments and Projects Working Group meeting was held on March 19, 2024, to discuss general PAPU Investment and Project matters, especially the PAPU Tower after the inauguration. The Working Group's mandate is to spread the Union's financial assets and explore possible investment vehicles to generate income.

2. OPENING REMARKS

a) The Working Group Chairman's Remarks

The Chairman, Botswana, welcomed the members of the Working Group and called the meeting to order at 10:05 GMT.

b) PAPU Secretary General's Remarks

In his opening remarks, the PAPU Secretary General thanked the Chairman, Mr. Pako Plaatje (Botswana), for his availability, guidance, and enthusiasm for this meeting and the previous meetings. He also thanked participants for sparing time to attend this edition of the Investments and Projects Working Group meeting.

He reiterated that the Investments and Projects Working Group pursues issues of asset identification, creation, preservation, sweating, and growth in line with the PAPU's Consolidated Action Plan for 2022-2025. Furthermore, he reminded participants that the Working Group's mandate is to spread the Union's financial assets across different Investment asset classes as prudent portfolio management since investment allows for growth rather than keeping financial resources idle in savings accounts with minimal future financial rewards.

He also thanked members for their unwavering commitment to the Working Group's work and promised that the PAPU General Secretariat would always provide the necessary support and create a conducive environment for its success. Finally, he wished participants fruitful deliberations.

3. CONFIRMATION OF BUREAU

The General Secretariat confirmed the presence of the Bureau Membership as follows:

- Chair- Botswana;
- 1st Vice Chair- Burkina Faso;
- 2nd Vice Chair- Kenya

However, the working group did not have rapporteurs. Thus, the members were requested to volunteer as rapporteurs. Two countries, Tanzania and Nigeria, volunteered to be rapporteurs for the working group, which was unanimously approved by the Working Group.

4. Participation

4.1 Member States

45 participants attended the meeting from the following PAPU Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Central African Republic, Congo Republic, Côte d'Ivoire, Democratic Republic of Congo (DRC), Egypt, Kenya, Lesotho, Madagascar, Malawi, Nigeria, Senegal, South Africa, South Sudan, Tanzania, Tunisia, Uganda, and Zimbabwe.

4.2 PAPU General Secretariat

The Secretary General, Dr. Sifundo Chief Moyo, and the General Secretariat Team attended the meeting.

5. ADOPTION OF AGENDA

The following Agenda was adopted to guide the meeting proceedings:

- a) Opening Remarks by Chairperson;
- b) Confirmation of Bureau;
- c) Adoption of Agenda;
- d) PAPU Potential Investment Vehicles;
- e) PAPU House Investment Project Report;
- f) PAPU General Secretariat Relocation to the PAPU Tower;
- g) Date and Venue of the next meeting;
- h) Any Other Business (AOB);
- i) Closing.

6. PAPU POTENTIAL INVESTMENT VEHICLES

PAPU Investment and Prospects Task Team Chairman (Egypt) made a presentation highlighting the following main points:

- a) Fixed-Rate Investment Instruments - These financial instruments give fixed returns over some time. They are considered a low-risk investment as the chances of default by the issuer/bank/government are negligible;
- b) Market-Linked Investment Instruments - Returns from these instruments are directly related to market fluctuations. If the company where any investment has been made performs well, the returns will be significant. Being sensitive to movements in the market makes them a relatively riskier investment;
- c) Alternative Investment Instruments such as Real Estate, Commodities, Private Equity, and Alternative Credit, etc.;

The presentation also emphasized the appointment of a Head of Treasury to be responsible for the following:

- i. Managing all banking relationships and ensuring a consistent approach across all banking services to achieve the optimum benefits for PAPU Tower and indirect investment relationships;
 - ii. Ensure treasury activities are reported appropriately to the Finance and Investment Committee and the Board;
 - iii. Report regularly on the appropriateness of the Treasury Management Policy to the management;
 - iv. Ensure treasury activities are managed according to the Treasury Management Policy;
 - v. Ensure timely and accurate information is available to support the executive management and the treasury function;
 - vi. Accurate and timely recording on PAPU Tower accounting records of all treasury transactions;
 - vii. Ensure that Cash management reports are submitted from the finance department on a timely basis
- d) The presentation also stressed the need for regular treasury management reporting as a crucial element in this endeavour to ensure all relevant parties:
- i. Are aware of transactions undertaken;
 - ii. Can understand the PAPU House cash position;
 - iii. Can assess the ongoing appropriateness of the treasury objective;
 - iv. PAPU House Treasury will produce the following reports to facilitate the abovementioned requirements.

The presentation was noted, and the meeting concluded that it was/ will be a living document for the PAPU Tower's investment options going forward.

7. PAPU HOUSE INVESTMENT PROJECT REPORT

The General Secretariat presented document **PAPU/SC/IPG/01/2024-Doc No. 02**, whose salient issues were as follows:

- a) Outstanding Works on the PAPU Tower
- b) Joint Venture Partner Contributions
 - i. PAPU Contribution
 - ii. TCRA Contribution
- c) Status On Lettable Space
- d) Rental Income Yield
- e) Marketing Activities
 - i. List of Signed Lease Agreements
 - ii. List of Prospective Tenants
 - iii. List of application letters
 - iv. List of Approached Prospective Tenants
- f) Conference facilities
- g) Voluntary contributions
 - i. Pledges Honoured
 - ii. Outstanding Pledges
- h) Service Providers
- i) Operational Costs: Service

After the presentation, the following comments were raised:

- a) On item 4.0. On financing for the PAPU Tower Project, it was noted that the currency/denomination of the figures presented was not indicated. This inadvertent omission was noted, and members were advised that the currency/denomination was in Tanzania Shillings (TZS). However, the meeting further observed that there was also a need to insert a column for US Dollars (USD), the Union's currency, for the sake of all Union Members' understanding;
- b) On item 3.0, Conference Facilities, the exact date for handing over the conference facilities was not indicated. The General Secretariat responded that the facilities would be handed over in May once the contractor completed setting up the air conditioner diffusers.

Further, there was a question as to whether the break-away rooms had generated income since the Tower's inauguration in September 2023. The General Secretariat clarified by informing members that although the break-away rooms are ready for use, they cannot be hired by any customer since they have not yet been formally handover to the client in fulfillment of the legal requirements;

- c) On item 4.1.2. On TCRA Contributions, it was observed that there was a need to state the actual amount of TCRA contribution to the Joint Venture Partnership with PAPU. The General Secretariat clarified that PAPU does not have clear allocations on TCRA regarding PAPU Tower. Thus, an in-depth description of TCRA contributions could not be provided. Moreover, members were informed that there is a Joint Venture Agreement between the Parties wherein a Joint Venture Committee, as well as a Joint Management Committee, is set up between PAPU and TCRA, where such matters will be discussed;
- d) Members requested to know when the PAPU Tower will attain 100% occupancy, which is currently 48.4% occupied. The meeting was advised that the exact date cannot be shared, but efforts are being heightened to ensure that the occupancy rate is raised to acceptable levels or, indeed, to 100%.

There were no further comments, and the document was duly adopted by the members.

8. PAPU GENERAL SECRETARIAT RELOCATION TO THE PAPU TOWER

Document **PAPU/SC/IPG/01/2024-Doc No. 03** was presented by the General Secretariat, whose main issues were as follows:

- a) PAPU Tower Project Deliverables
- b) Space Allocation and Utilization by the PAPU General Secretariat
- c) Adequacy of Office Space
- d) Office Accessories
- e) Resource Mobilization
- f) Incomplete Works: Snags

Apart from encouraging the General Secretariat to engage the contractor (s) to work on the snags, the members made no further comments/observations on this agenda item. Thus, the document was adopted as presented.

9. DATE AND VENUE OF THE NEXT MEETING

The General Secretariat will communicate the date and venue of the next meeting once consultations with the Chair and management are concluded. However, it is essential to note that the Working Group's report will be tabled to the Strategy Committee in June 2024 ahead of the 42nd PAPU Ordinary Session of the Administrative Council in Arusha, Tanzania.

10. ANY OTHER BUSINESS (AOB)

There were no comments from the participants under this agenda item.

11. CLOSING

- a) **PAPU Secretary General's Remarks**

In his closing remarks, the PAPU Secretary General thanked the Working Group members for joining and actively participating in this important meeting. He urged members to continue contributing ideas regarding PAPU's investments. Finally, he thanked the Chair, Moderator, Secretary of the Working Group, and the interpreters for their services and the participants' invaluable contributions during the meeting.

b) The Working Group Chairman's Remarks

The Working Group Chairman acknowledged the presentations shared during the meeting and concluded by thanking the PAPU Secretary General and the entire PAPU team for organizing it. He also thanked the participants for participating in the meeting and contributing to its successful conclusion.

He declared the meeting closed at 11:30 GMT.