IFAD

Investing in rural people

Memorandum of Understanding between Orange Middle East and Africa and IFAD

For: **Approval**

> **Recommendation for approval**
>
> The Executive Board is invited to approve the recommendation contained in
> paragraph 23. The signed memorandum of understanding will be submitted to the
> Board for information at a subsequent session.

I. Background and purpose of the memorandum of understanding

1. The Executive Board is invited to note that IFAD intends to enter into a partnership with Orange Middle East and Africa (Orange MEA).

2. In line with the IFAD procedures relating to private sector partnerships (PB/2014/09), in January 2020 IFAD initiated an internal review process that led, in March 2020, to the submission of the Orange proposal to the Executive Management Committee (EMC). A due diligence review of the environmental, social and governance performance of Orange MEA was duly conducted through the IFAD technical working group (TWG)[1] on private sector partnership.

3. Based on the TWG assessment as to the suitability of Orange MEA as an IFAD partner, the EMC took the decision to formalize collaboration by entering into an institutional partnership agreement with the MEA branch of Orange through a memorandum of understanding (MoU), subject to the approval by the Executive Board.

4. **Profile and activities.** Orange is a French multinational telecommunications company headquartered in Paris. The company provides telecommunications services in Europe, Africa and the Middle East to residential, professional and large business customers. It offers landline telephone services, leased lines and data transmission, mobile telecommunications, cable television, internet and wireless applications and broadcasting services, as well as telecommunications equipment sales and rentals.

5. Since 2006, Orange has been the company's main brand for mobile, landline and internet. It originated in 1994 when Hutchison Whampoa Limited, a Chinese investment company, acquired a controlling stake and rebranded it with the name "Orange". It was acquired by France Télécom in 2000 and was rebranded as Orange on 1 July 2013.[2]

6. **Governance.** Orange is an industrial and commercial entity, 14 per cent owned by the Government of France.

7. **Structure.** Orange operates in 27 countries worldwide (mainly in Europe, the Middle East and West Africa) and has more than 264 million customers. The company has 151,000 employees, of which 92,000 are based in France.

8. **Orange and the United Nations.** The company is strongly committed to the 2030 Agenda for Sustainable Development. It is contributing to all 17 Sustainable Development Goals (SDGs) – most notably when it set up the International Expert Advisory Group in 2014, responsible for developing indicators to measure achievement of the goals, in particular regarding the use of new technology. Orange is also part of the Global System for Mobile Communications Association and has signed agreements with several multilateral and bilateral organizations.

9. Through the Orange for Development (O4D) programme, Orange is devising

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[1] The TWG includes members from the Global Engagement, Partnership and Resource Mobilization Division (GPR); the Office of the General Counsel; the Communications Division; the Sustainable Production, Markets and Institutions Division; the Private Sector, Advisory and Implementation Unit; the Environment, Climate, Gender and Social Inclusion Division; the Programme Management Department; and the Financial Management Services Division. It is chaired by the Director of GPR.
[2] Sources: Reuters, Bloomberg and Orange's official website.

solutions for local development to create jobs and value, supporting populations and countries. Examples include: the Orange m-Women programme, targeting SDG 5 on gender equality, which uses mobile devices and services to empower women; health care savings with Orange Money; preventive medicine with My Health Line in Cameroon; and support for women entrepreneurs using digital technology in Senegal.

10. Orange is a partner of United Nations Global Pulse, the flagship innovation initiative of the United Nations Secretary-General on big data, launched in 2010. Orange also participated at the United Nations World Data Forum 2018 held in Dubai, where it presented the main advances and lessons from the pilots deployed in Senegal with the national statistical office.

11. Orange MEA is very active in West Africa and the Middle East. It is present in eight West African countries (Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Guinea Conakry, Liberia, Mali, Senegal and Sierra Leone) and three in Central Africa (Cameroon, Central African Republic and the Democratic Republic of the Congo). It also covers two countries in East and Southern Africa and four in the Near East and North Africa.

12. The company supports many digital initiatives for agriculture and development in West and Central Africa, mainly through app development, competitions such as hackathons, support for young agroentrepreneurs, incubation and training for youth, technical support to local organizations and grant support.

13. Orange's support to digital transformation and local innovation in all its countries of operation demonstrates that it is a responsible entity.

14. Initiatives by Orange MEA include: Orange Campus Africa offering online training (Burkina Faso, the Democratic Republic of the Congo, Guinea, Mali and Senegal) and Orange Digital Centres (ODCs) (Tunisia and Senegal), which offers classroom-based courses that are open to everyone. In February 2019, Orange launched the "Kunafoniw" app in Mali, which attracted about 40,000 users in one year. The app provides information in local languages on subjects such as health, agriculture, sanitation and hygiene, microfinance and gender.

15. In May 2019, Orange launched the ODC in Tunis. ODCs are a completely new concept and entirely dedicated to innovation. They provide wide-ranging support for start-ups and target a variety of groups through training young people in coding and more direct guidance, start-up acceleration and investment in early-stage companies.

16. Orange is developing solar farms, in partnership with energy service companies, in Burkina Faso, the Democratic Republic of Congo, Côte d'Ivoire, Guinea and Niger. Orange publishes a magazine twice yearly on sustainable digital transformation in Africa and the Middle East.[3]

17. **Objectives and nature of the partnership.** The aim of this MoU is for the institutions to establish – in accordance with their respective mandate, policies and rules – a mutually beneficial framework for cooperation. The aim is to support agricultural activities in the Economic Community of West African States (ECOWAS) area by using and leveraging ICT solutions to increase and scale up the impact of development projects in such areas as agriculture, education, peacebuilding and workforce development, and promote innovations such as new business models, methods and processes. Through the MoU, IFAD will explore the potential for expansion of the collaboration elsewhere in Africa and in the Middle East.

18. Orange is among the most suitable telecommuications partners in the subregion, with strong involvement in agriculture. IFAD would benefit from its IT

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[3] More information on Orange's commitment in Africa can be found at the following link:
https://www.orange.com/en/content/download/49716/1426663/version/7/file/Brochure%20OMEA_OrangeCommitted.

infrastructure, as well as local hubs and labs to promote digital agriculture.

19. The partnership will also involve developing an existing prototype of regional digital platforms for young agroentrepreneurs to connect and exchange information on digital agriculture (supported by Orange Africa and ECOWAS, the Permanent Interstate Committee for Drought Control in the Sahel, and the Network of Farmers' Organizations and Agricultural Producers in West Africa).[4]

20. The objective is to encourage the adoption of digital technology by smallholder farmers to improve production and agricultural incomes. The intention is to identify and bring together the digital farming tools available and allow farmers to access them more easily, through internet-based platforms and their phones/computers. The digital ecosystem is growing fast in West Africa, with the emergence of start-ups, incubators and digital labs. Many apps have been developed and adapted primarily to the context of a particular country. Although these apps are widespread, rural development stakeholders are acquainted with few of them. Hence there is a need to connect and coordinate this emerging technology through a multi-stakeholder approach.

II. Alignment to IFAD strategies

21. The development principles and objectives set forth in IFAD's Strategic Framework 2016-2025 are aligned with those of Orange, as per its Orange for Development programme.

22. In addition, the MoU is well aligned with IFAD's Private Sector Engagement Strategy 2019-2024, the second objective of which seeks to develop markets, income and job opportunities for IFAD target groups, including by testing and scaling up new technologies and cost-effective solutions. The MoU is consistent with IFAD's Information and Communication Technology for Development (ICT4D) Strategy, whose action area 2 envisages promoting new partnerships (and strengthening existing ones) to: (i) enhance the delivery of appropriate ICT4D solutions to implementing government partners and beneficiaries; and (ii) help build IFAD's own capacity. Particular efforts will be made to foster partnerships that support the inclusion of youth and women.

III. Recommendation

23. In accordance with article 8, section 2 of the Agreement Establishing IFAD, the Executive Board is invited to authorize the President of IFAD to negotiate, finalize and sign the memorandum of understanding between IFAD and Orange Middle East and Africa, represented by the Chief Executive Officer, along the lines described above. The signed MoU will be submitted to the Board for information at a subsequent session.

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[4] https://www.weconnectfarmers.com/.