



## **REGIONAL ELECTRICITY INVESTMENT CONFERENCE AND EXHIBITION, WINDHOEK, NAMIBIA, 19-21 SEPTEMBER 2005**

### ***Promoting Cooperation and Developing Regulatory Capacity Building in SADC***

**by**

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# PRESENTATION OUTLINE

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- ❑ **About RERA**
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# Background

## Is there need to address regulatory issues at Regional or Continental level?

- **Increasing integration of infrastructure systems**
- **Significant benefits from economies of scale and shared resources**
- **A framework for transactions to take place**
- **Harmonization of market structures**
- **Oversight of cross border trade and other issues (e.g., wheeling/transmission of power)**
- **Sharing of expertise, experiences & information**

## Background (c)

**Is there need to address regulatory issues at Regional or Continental level?**

**Clause 110 of the NEPAD Strategic Framework Document recognises the need to**

***Establish an African Forum for Utility Regulation and establish regional regulatory associations***

# About RERA & AFUR

**Two regulatory organisations that are relevant to the electricity industry in the SADC region:**

- 1. Regional Electricity Regulators Association of Southern Africa (RERA)**
- 2. African Forum for Utility Regulators (AFUR)**
- 3. Economic regulation is a relatively new concept**
  - RERA & AFUR compliment each other.**
  - RERA is one of the building blocks of AFUR**

# RERA

- **Deliberations of 1<sup>st</sup> & 2<sup>nd</sup> Southern African Conferences on Regional Regulatory Co-operation held in August 1998 in South Africa and March 2000 in Botswana recognized the need for regional regulatory cooperation**
- **SADC Energy Ministers approved the establishment of RERA on 12 July 2002 in Maseru, Lesotho**
- **RERA was formally launched on 26 September 2002 in Windhoek, Namibia**

# RERA (c)

**Capacity Building  
& Information  
Sharing**

## **RERA Objectives**

**Regional  
Regulatory  
Cooperation**

**Facilitation of ESI  
Policy, Legislation  
& Regulations**

# RERA (c)

- **Open to ESI regulatory bodies in each country within SADC & limited to each country being entitled to a single membership**
- **Current RERA members are:**
  1. **Electricity Control Board of Namibia**
  2. **National Electricity Regulator of RSA**
  3. **National Electricity Council of Malawi**
  4. **Energy Regulation Board of Zambia**
  5. **Lesotho Electricity Authority of Lesotho**

# RERA (c)

- **Zimbabwe Electricity Regulatory Commission (ZERC) & Institute for Power Regulation in Angola (IRSE) may soon become members**
- **Madagascar have also established a regulator**
- **Establishment of a regulator in Tanzania is at an advanced stage**
- **Mozambique has an Electricity Council**
- **Swaziland has passed relevant legislation**

# Promoting Regional Cooperation

**RERA has identified the following 3 priority areas:**

- **Identification of key stakeholders;**
- **Development of Regional Electricity Regulatory Principles requested by the SADC Ministers responsible for Energy;**
- **Monitoring and Supporting Regional Regulatory Developments**

# Promoting Regional Cooperation ©

## Identification of key stakeholders

- Southern African Power Pool (SAPP) and members
- Southern African Development Community (SADC) and members
- Electricity Regulators
- Cooperating Partners (NORAD, USAID, SIDA, WB, PPIAF, WBI, etc)
- Investors
- African Forum for Utility Regulators (AFUR)
- New partnership for Africa's Development (NEPAD) / African Union (AU)
- Institutions of learning
- Consumer organisations
- Consultancy firms
- Other regulators and associations

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## Development of RERP

- **Development of Regional Electricity Regulatory Principles (RERP) requested by the SADC Ministers responsible for Energy in October 2004**
- **Adopted AFUR Position Paper on “A Framework for Utility Regulation in Africa” as a basis**

## Regional Regulatory Developments

- **Trends towards transforming Electricity Regulators to Energy Regulators – Implications for RERA**
- **Establishment of regulators in SADC member States – Support to the establishment**

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## Position Papers and Reports

- **AFUR Position Paper on “A Framework for Utility Regulation in Africa” (2003)-AFUR**
- **Status of the Reform and Restructuring of the Electricity Supply Industry (ESI) in Southern and Eastern Africa (Report)-RERA**
- **Legal and Regulatory Framework of the ESI in Southern and Eastern Africa (Report)-RERA**
- **Infrastructure Investment and Regulation in Africa - Investors and Operators’ Regulatory Concerns - AFUR**
- **Regulatory Transparency Guidelines (WIP) - AFUR**
- **Regional Electricity Regulatory Principles (RERP) (WIP) - RERA**

# Developing Regulatory Capacity Building

- **AFUR Skills Audit – Used in development of courses**
- **Training courses offered by Universities**
- **Internships**
- **Exchange Programmes**
- **Study visits**
- **Attachments**
- **Strategic Partnerships**
- **Strengthening African Institutions**
- **Regional Centres of Excellence**
- **MOUs with partners**

# CONCLUSIONS

- **Economic regulation is key to sustainable development and economic growth in the region**
- **Regulatory cooperation is not just essential but an imperative for promoting competition and effective regulation of monopolies in Africa**
- **RERA & AFUR offer the best platforms at regional and continental levels for facilitating regulatory cooperation, harnessing economies of scale and creating a conducive climate for investment**

# CONCLUSIONS ©

- **Development of effective capacity building initiatives are key not only for regulation but for the entire industries being regulated**
- **AFUR, RERA and their partners have established a firm foundation for capacity building initiatives**
- **Stakeholders stand to benefit by supporting the RERA and AFUR initiatives on cooperation and capacity building**

**Thank You!**