“Regulation of Public Utilities in Africa: AFUR a platform that advocates for strong Institutional Governance and Accountability in Africa”

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AFRICAN FORUM FOR UTILITY REGULATORS

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Presentation Outline

- Background- Operating Principles & Formation of AFUR
- Objectives of AFUR
- AFUR and NEPAD
- Why a Forum for African regulators?
- AFUR- Key Achievements
- Types of Water Regulators in Africa
- Water And Sanitation Sectoral Projects 2006-2008
- AFUR’s Role in this Workshop...
- Conclusion
Operating Principles of AFUR

- Multi-sector Forum
  - AFUR focuses on issues related to the regulation of the Energy, the Telecommunications, the Transport and the Water & Sanitation Sectors

**Vision:** To be the African Forum for effective utility regulation

**Mission:** To facilitate the development of effective utility regulation in support of Africa’s infrastructure development

Membership and Structures

- Over 35 Members
- Mixture of sectors & languages
- The General Assembly is the highest decision making body and comprises all AFUR Members
- 10 Executive Committee Members – 2 per region
  - SA – Chair & Cameroon - Vice Chair
  - Other members - Ghana, Mali, Ivory Coast, Kenya, Namibia, Uganda, Zambia.
  - 3 Sectoral Committees - Communications, Energy and Water & Sanitation
- The seat of the Secretariat is in Pretoria, RSA
AFUR and NEPAD

The urgency to address regulatory issues at Regional and Continental level?

Clause 110 of the NEPAD Framework Document recognizes the need to:

Establish an African Forum for Utility Regulation and establish Regional Regulatory Associations
### Why a Forum for African regulators?

- Poor financial performance of many State-Owned Utilities
- Inappropriate pricing (usually as a result of political pressures)
- Managerial & technical deficiencies (regulation, a relatively new concept)
- Unsustainable subsidies
- Limited public sector finance for new infrastructure
- Limited private sector participation
- Low levels of access to services

### Some of the Challenges for Utility Regulation in Africa

<table>
<thead>
<tr>
<th>Key Achievements of AFUR</th>
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<tr>
<td>Harmonisation of regulatory policies and legislation</td>
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<td>o AFUR Framework Document on the Principles of Utility Regulation in Africa adopted by AFUR and being disseminated at various fora,</td>
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<td>o Recommended Guidelines on Regulatory Transparency were adopted at the 3rd AGA</td>
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<td>Promotion of the Philosophy of Utility Regulation and Good Governance</td>
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<tr>
<td>o AFUR Framework Document on the Principles of Utility Regulation in Africa adopted by AFUR has been implemented by some members</td>
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<td>o Guidelines on Regulatory Transparency adopted is being implemented by a number of members</td>
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Three Types of Waters Regulators in Africa

- Most Water Regulators are embedded in the government ministry that deals with water; thus there is no separation of policy making and implementation.
- Some countries have fused water regulation with that of Electricity- Mali, Rwanda, The Gambia, Mauritania, Tanzania...
- A few countries like Zambia has a single sector water regulator- NWASCO- a success story in AFUR.

Water And Sanitation Sectoral Projects 2006-2008

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost Euro</th>
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<td>Sector specific projects</td>
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<tr>
<td>1. Strengthening of the water and sanitation sectoral committee</td>
<td>€ 50,000</td>
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<td>2. Develop a set of common water and sanitation quality of Service and Supply Standards</td>
<td>€ 94,312</td>
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<td>3. Service to the poor and universal access</td>
<td>€ 75,000</td>
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<td>4. Consumer involvement in monitoring service providers</td>
<td>€ 60,000</td>
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<td>5. Tariffs &amp; Pricing Design &amp; Modelling; bench marking</td>
<td>€ 84,884</td>
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<td>6. Capacity building and training efforts</td>
<td>€ 75,000</td>
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<td>7. Improve communication on water and sanitation regulation including development of water and sanitation database.</td>
<td>€ 75,000</td>
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<td>8. Secretariat</td>
<td>€ 475,435</td>
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<tr>
<td>Total</td>
<td>€ 989,591</td>
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AFUR’s Role in this Workshop...

- Together with UNDESA/UN-HABITAT explore synergies in advancing the use of regulation in the development of the Water & Sanitation Sector in Africa
- In line with the MDG targets on Water and the Africa Water Vision 2025 and NEPAD initiative, AFUR will continue to promote the 3 A’s for the full-scale deployment of; Accessible, Available and Affordable safe drinking water and basic sanitation in Africa within a regulatory framework
- Encourage Investment and Competition – Continue to advocate for the reduction of barriers to entry, limit anti-competitive behaviour, encourage public-private partnerships in the Energy sector

Conclusion

- AFUR is committed to facilitating a firm foundation for effective infrastructure regulation in Africa
- Adoption of the Framework for Utility Regulation in Africa by AFUR is a clear manifestation of its commitment to promote sound and transparent principles and approaches to regulation of utility sectors in Africa
- The development of recommended guidelines for regulatory transparency further shows AFUR’s commitment to promote regulatory best practice on the continent.
Thank You
For Your Attention