



**AN INTRODUCTION TO
THE
AFRICAN FORUM FOR UTILITY
REGULATORS
(AFUR)**

July 2015

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BACKGROUND

Infrastructure forms the backbone of Africa's economies. Without adequate energy, communications, transport, and water and sanitation services, Africa's economies will not achieve their growth potential or be able to meet the needs of their citizens.

The large, network infrastructure industries are undergoing fundamental reform. These reforms need to be managed and regulated in such a way that Africa's development imperatives are met.

Infrastructure regulation and the harmonisation of regulatory policies on the continent remains part of the strategy which the African Union's New Partnership for Africa's Development (AU NEPAD) is promoting to attain the requisite enabling environment to attract investments, fast-track the facilitation of infrastructure development, and regional integration as well as to meet the targets of the UN Millennium Development Goals, and the forthcoming UN Sustainable Development Goals.

The increasing demand for infrastructure investment and the integration of infrastructure systems in Africa has also resulted in a growing need to address regulatory issues at the regional and continental level. This has increased the need for an association such as the African Forum for Utility Regulators (AFUR) - where best practices, regulatory experience, and skills and guidelines are shared for the development of the appropriate framework for transactions to take place, to promote the harmonisation of market structures, and to facilitate the development of trans-border infrastructure development and management institutions and to provide oversight of transnational infrastructure initiatives as may be required.

AFUR is regarded as a key building block in the efforts of the African Union and its socio-economic programme, the New Partnership for Africa's Development (NEPAD) in the integration and rebirth of Africa. AFUR's vision and objectives are derived from Clause 110 of the NEPAD Framework Document, which recognises the establishment of the African Forum for Utility Regulation and regional regulatory associations.

AFUR was founded in November 2002 and the establishment of AFUR was again supported in the Declaration of the First Conference of African Ministers Responsible for Electrical Energy (FCAMRE), held in Addis Ababa, Ethiopia, from 20 - 24 March, 2006, amongst others, (19/f) committed to: "...encourage the establishment of Regulatory Associations at the regional and continental levels, support and strengthen the African Forum for Utility Regulation (AFUR)..." and a further Memorandum of Understanding regarding collaboration was signed with the NEPAD Planning and Coordination Agency (NPCA or the NEPAD Agency) in 2011.

INTRODUCTION

The African Forum for Utility Regulators (AFUR) focuses on issues related to the regulation of energy, telecommunications, transport, and water & sanitation industries, with a particular emphasis on issues that are common across sectors (but not necessarily limited to the primary focus sectors). It aims to establish and foster co-operation amongst utility regulators on the African continent in support of Africa's growth and socio-economic development.

- **Mission**

To facilitate the development of effective utility regulation in support of Africa's infrastructure development.

- **Mandate**

1. To provide a forum for the exchange of information and ideas among members and

between members and other relevant organizations,

2. To act as an effective advocate for members by coordinating activities and increasing members' influence with continental, sub-regional and national decision-makers, and
3. To collaborate with international partners, leaders and influence international decision-makers

- **Core Values**

1. **Cooperation:** Cooperation in line with the integrative processes on the African Continent and broader international trends amongst regulators;
2. **Commitment:** The members are committed to the ideals and goals of AFUR;
3. **Sharing:** Information, skills, experience and best practices are shared amongst regulators;
4. **Good Governance:** Accountability and transparency are promoted within AFUR and practiced by its members.

- **Structure**

AFUR operates as a formal association of African regulators, with its own constitution stipulating its objectives, functions and other operational requirements. AFUR is managed by a small Secretariat that is formally housed in the National Energy Regulator of South Africa under an MOU between the two organs.

AFUR founding members agreed that the organisation will operate according to the following principles:

1. **Objectives:** The objectives of AFUR can be broadly summarised as supporting the development of effective utility regulation in Africa through facilitating, the harmonisation of regulatory policies, exchange of information and lessons of experience amongst regulators, and capacity building in support of the socio-economic development of the continent.
2. **Participation:** AFUR exists primarily to meet the needs of African utility regulators (established as autonomous agencies or otherwise). Participation in AFUR activities is also open to other government officials with an interest in utility regulation and, when appropriate, other stakeholders in the regulation process.
3. **Sectoral Focus:** AFUR focuses on issues associated with the regulation of energy, communications, water and sanitation, as well as transport when sufficient transport regulators would have been established. The forum emphasizes issues that are common across sectors.
4. **Geographic Focus:** AFUR has a continental mandate with regions serving as building blocks for its activities.

- **Membership**

Membership to AFUR is open to African utility regulators, whether established as autonomous agencies or not, which are signatories to AFUR's Constitution. Each regulator in a particular country is entitled to a single membership. Following the rationalisation of

membership approved by the General Assembly in April 2008, AFUR presently has 30 members as well as 4 organisations that are classified as observers as indicated in the table below:

No.	Organisation	Country
1	National Energy Regulator of South Africa (NERSA)	South Africa
2	Agence de Régulation du Secteur de l'Électricité (ARSEL)	Cameroon
3	Autorité Nationale de Régulation du Secteur de l'Énergie (ANARE)	Côte D'Ivoire
4	Electricity Regulatory Authority (ERA)	Uganda
5	Public Utilities Regulatory Commission (PURC)	Ghana
6	Energy Regulatory Commission (ERC)	Kenya
7	National Communications Authority (NCA)	Ghana
8	Communications Authority of Zambia (CAZ)	Zambia
9	Electricity Control Board (ECB)	Namibia
10	Autorité de Réglementation du Secteur de l'Electricité (ARSE)	Togo
11	Department of Water & Sanitation (DWS)	South Africa
12	Commission Malienne de Régulation d'électricité et d'eau (CREE)	Mali
13	Energy Regulation Board (ERB)	Zambia
14	National Water Supply and Sanitation Council (NWASCO)	Zambia
15	Zimbabwe Electricity Regulatory Authority (ZERA)	Zimbabwe
16	Commission de Régulation du Secteur de l'Electricité (CRSE)	Senegal
17	Nigerian Electricity Regulatory Commission (NERC)	Nigeria
18	The Gambia Public Utilities Regulatory Authority (PURA)	The Gambia
19	Malawi Energy Regulatory Authority (MERA)	Malawi
20	L'Autorité de Régulation Multisectorielle (ARM)	Niger
21	Energy and Water Utilities Regulatory Authority (EWURA)	Tanzania
22	Commission de Régulation de l'Electricité et du Gaz (CREG)	Algeria
23	Lesotho Electricity Water Authority (LEWA)	Lesotho
24	Autorité de Régulation de la Maurétanie (ARE)	Mauritania
25	Energy Commission of Ghana (ECG)	Ghana
26	Agence des Télécommunications de la Côte D'Ivoire (ATCI)	Côte D'Ivoire
27	Nigeria Communications Commission (NCC)	Nigeria
28	Public Contracts Regulatory Agency (ARMP)	Cameroon
29	Surface & Marine Transport Regulatory Authority (SUMATRA)	Tanzania
30	Autorité de Régulation du Sous-secteur de l'Electricité (ARSE)	Burkina Faso
31	Public Contracts Regulatory Agency (ARMP)	Cameroon

32	Water Regulatory Council (CRA)	Mozambique
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In addition, the Executive Committee recognises the following organisations as observers:

No.	Organisation	Country
1	Independent Communication Authority of South Africa (ICASA)	South Africa
2	Rwanda Utilities Regulatory Authority (RURA)	Rwanda
3	Swaziland Energy Regulatory Authority (SERA)	Swaziland
4	Ethiopian Electricity Agency (EEA)	Ethiopia

SELECTED ACTIVITY

1. Building regulatory credibility through the development of regulatory guidelines such as for: transparency, independence and accountability, pro-poor regulation, etc
2. Development of common minimum standards on Quality of Service in three sectors (CSC; ESC; WSSC)
3. AFUR's worked is generally aimed at Regulatory harmonisation on the continent,
4. A lot of activities geared towards information sharing such as the publication of a bulletin, the development of a Content Management System and database,
5. Development of a voluntary peer review and learning network for regulators,
6. Harmonising regulatory frameworks and market structures for integration of infrastructure : e.g. quality of service standards, reporting and data requirements from providers,
7. Database: clarification on country reform agendas – governance arrangements, investment environment conditions, etc.,
8. Sustained regulatory capacity building initiatives (training in economic regulation + sectoral workshops),
9. Building the demand side for regulatory performance (consumer associations),
10. AFUR is developing structured partnerships with other regional and sectoral initiatives such as: ATU; WATRA; CRASA; SATA; RERA; the Power Pools; etc.,
11. Engaging the African Union Commission to initiate relevant declarations and decisions on the promotion of investment in infrastructural services within a regulatory context,
12. Closely working with the AUC and NPCA on the implementation of PIDA,
13. AFUR sits on several AUC-led initiatives and commissions such as the African Energy Commission (AFREC); and the Coordinating Commission for Major Hydro-electricity Integrative Projects in Africa (the process of becoming a specialised agency of the AU has been initiated),
14. AFUR is a member of the Steering Committees of the World Forum on Energy

SELECTED ACHIEVEMENTS

Since its establishment, AFUR has made significant progress and some of its achievements are summarised below:

1. Organised twelve (12) annual workshops/conferences on cross-sectoral utility regulatory themes; facilitated several exchange and study visits between members; and developed a website,
2. Organised eleven (11) regulatory training courses with the participation of over 250 regulatory staff members,
3. Training/Skills Audit Survey has been carried out and is being used in the design of regulatory training courses for members,
4. Identified and working with two institutions in the Southern African region on regulatory training programmes and other capacity development services,
5. AFUR Framework Document on the Principles of Utility Regulation in Africa adopted by AFUR. This is being used by members and is being disseminated at various forums; also adopted Recommended Guidelines on Regulatory Transparency at its 3rd AGA and recently adopted Recommended Guidelines on Regulatory Independence and Accountability,
6. Established strong working links with both the African Union Commission; the NEPAD Secretariat and the NEPAD E-Africa Commission; also established strong working links with regional organisations such as the Regional Electricity Regulatory Association of Southern Africa (RERA), the Southern Africa Power Pool (SAPP), and the nascent Association of West Africa Utility Regulators (AWAUR), African Ministers Council on Water (AMCOW), Central African Power Pool (CAPP),
7. AFUR made formal interventions at various conferences and investment forums including the NEPAD-OECD Investment Roundtable; the Africa Energy Forum; the Southern African Regional Electricity Investment Conference, the Pro-Invest organised ACP-EU Investment Conference in Public Utilities and Transport (INPUT), and the World Forum on Energy Regulation on whose Steering Committee AFUR sits. AFUR has also been invited onto the Steering Committee of the International Energy Regulatory Network (IERN) project and the Technical Advisory Board of the African Energy Commission (AFREC),
8. Established four Sectoral Committees on energy, communications, transport and water & sanitation; and intensified efforts to mobilise resources for the programmes and projects,
9. In addition to the proceedings of the above Annual Conferences, AFUR publishes reports on topical regulatory issues. Selected publications include:
 - AFUR Guidelines on Independence and Accountability
 - AFUR Common Guidelines on Minimum Quality of Service for Water and Sanitation
 - AFUR Guidelines on Minimum Quality of Service and Reliability Standards for Electricity
 - AFUR Quality of Service Standards for Communications Services
 - AFUR Data Collection and Reporting Requirements for Water and Sanitation

Services

- The AFUR Bulletin is published bi-annually in January and July
10. Initiated and presented workshops in 2012 whose objectives are to increase capacity building within Regulators and Utilities in Africa as well as provide an additional source of revenue for the organization.
- Utility Pricing and Tariff Design for the Electricity and Water Sectors (South Africa 2011 and Mali 2012).
 - Designing Pro-Poor Tariffs For The Electricity and Water Sectors
 - Enhancing Consumer Participation in Regulation of the Infrastructure Sector (South Africa, 2012).
 - Workshop on Enhancing Consumer Participation in Regulation of the Infrastructure Sector – 17th and 18th April 2012
 - Workshop on Electricity Market and Power Pools For The Energy Sectors – 13th to 17th August 2012

CONCLUSION

Regional infrastructure networks around the world are contributing to the integration of gas and electricity, the harmonisation of pricing and regulatory regimes and the invigoration of investment regimes to attract foreign capital.

These networks are underpinned by functioning and effective energy information systems to allow for sound analysis and planning for sustainable development. Reliable information based on comparable, detailed and timely data, is necessary for sound infrastructure development and related analysis and planning. Africa is the only region with no such regional network.

There is a need for an association such as AFUR where best practices, regulatory experience, skills and guidelines are shared for the development of the appropriate regulatory frameworks to facilitate transactions, harmonise market structures, and oversee trans-border initiatives.

After recent elections in July 2015, the leadership of AFUR is comprised of:

2015 – 2018 Monsieur Moctar Toure, Director General, CREE, Mali (Chair)
Prof. Ntoi Rapapa, LEWA, Lesotho (Deputy Chair)

The previous Chairpersons and Deputy Chairpersons were:

2012 – 2015 : Mr Felix Ngomlagosi, EWURA, Tanzania (Chair);
Monsieur Nani Ould Chrougha, ARE, Mauritania (Vice).

2009 – 2012 : Professor ASSI Bénié, ANARE, Cote d'Ivoire (Chair),
Dr. Benon Mutambi, ERA, Uganda (Vice).

2003 – 2009: Mr. Smunda Mokoena, NERSA, South Africa (Chair),
Mr. Ndouka Hell, ARSEL, Cameroon (Vice).

The AFUR Secretariat is located in Pretoria and hosted by NERSA (National Energy Regulator of South Africa). The Executive Secretary of AFUR is Mrs. Debbie Roets

- **Selected Proposed Projects for 2015/16:**

1. Producing guidelines for sustainable renewable energy systems within rural areas,
2. Roundtable of African stakeholders involved in utility regulation,
3. Review of Regulatory Framework of the Water and Sanitation members,
4. Regulation of Urban Poor in the supply of water – Workshops, Training and Development of Guidelines,
5. The effects on climate change on the regulation of water and sanitation,
6. Incorporating mini grids into the electricity regulatory framework,
7. Development of an African Centre of Excellence on Infrastructure Regulation (ACEIR).