

EXECUTIVE SECRETARY'S REPORT

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1. INTRODUCTION

This report highlights the activities of the African Forum for Utility Regulators (AFUR) under each of the organisational strategic objectives from August to October 2021. It also outlines some of the major organisational issues and challenges. The effects of the Covid-19 pandemic are still felt across the continent and South Africa is still experiencing levels of lockdown. However some sort of normality is slowly returning as the activities of AFUR are gaining momentum especially between AFUR and the AUC and NEPAD.

2. HIGHLIGHT OF ACTIVITIES UNDER EACH STRATEGIC OBJECTIVE

The major activities undertaken under each of the organisational strategic objectives are summarised as follows:

2.1 Information Sharing

The website (www.afurnet.org) is used extensively to publicise AFUR and its activities, including Technical Assistance and Capacity Building and the current project on Mainstreaming mini-grid tariff settlement tools and methodologies across African regulators <https://afurnet.org/mini-grid-project/>. Documents are continuously uploaded onto the website as they become available.

Again we haven't had any movement on the forum section of the website.

AFUR Website Statistics for August to October 2021

<http://www.afurnet.org>



Month 2020	Unique visitors
Aug	2972
Sep	2883
Oct	1846+

2.2 Capacity Building

A draft road map on regulatory guidelines for climate change has been received from Mr. Sander van Sluis, CIGRE. We are busy discussing the next steps.

2.3 Partnerships and Resource Mobilisation

- **African Union Commission:**
 - **Formal Recognition of AFUR** – We have now engaged the help of AUDA-NEPAD to assist with this matter. Since the Summit held in July we haven't received correspondence from the AUC, Follow up emails have been sent monthly.
 - **Letter of Support for the AFUR Training Program** – With the assistance of Dr William Gboney a comprehensive training program has been developed covering courses on the fundamentals of regulation and tools for effective regulation; quality of service and cost of service. The AUC has approved the training courses and has agreed to further design the proposed training courses to accommodate the work currently being done regarding AfSEM (The Africa Single Electricity Market) regulatory framework. We are waiting for the AUC to develop the concept note in collaboration with the EU-TAF for approval by the EU for funding, we are in constant communication with them.
 - **Meetings of the AUC attended by AFUR:**
 - **Validation Workshop on Post COVID-19 Recovery Strategy and Guidelines for the Energy Sector** – this meeting took place on the 28th September. This Post-COVID-19 Recovery Strategy and Action Plan for the African Energy Sector focuses on the electricity sector. The impact of COVID-19 on the electricity sector is critical for Africa because the continent is so far behind in achieving universal access as expected under the Sustainable Development Goals. Gains that have already been made in improving access on the continent can be reversed if the sector is not resilient enough to sustain the crisis of COVID-19 Pandemic. The objectives are to help minimize the impact of COVID-19 pandemic in the AU Member States and support the building up of inherent resilience to the electricity sector in order to make it able to respond to future comparable challenges.
 - **Validation Workshop of Strategy and Roadmap for evolving the distribution grids to smart grids (Deliverable 3) And Guidelines for facilitating the deployment of the short term activities** – this meeting took place on the 12th October. The main objective was to set the path towards smart distribution grids in Africa through the development of a strategy, roadmap, and a guidelines document addressing and facilitating the implementation of the short-term activities of the roadmap.
 - **Africa-EU Energy Partnership (AEEP) Forum** – This took place on the 20th October. The Forum was hosted by the African Union Commission Department of Infrastructure and Energy and AEEP Secretariat on the theme: Aligning Energies for a Green and Prosperous Africa. The main objective of the Forum is to bring together a wide range of stakeholders from the energy sector, including

policy-makers, businesses, civil society and academia, to explore insights on aligning objectives and priorities towards achieving a green energy transformation in Africa.

- **Validation Workshop on Preparatory Actions for APUA towards AfSEM** – this meeting took place on the 26th October. With the demand for modern energy consistently on the rise, huge electricity infrastructure is required at the continental, regional and national levels. Numerous challenges that mostly appear during the implementation of such an electricity infrastructure, and related to the electricity market structures, policy and regulatory improvements at the continental, level can be mitigated through the development of a Single Electricity Market for Africa (AfSEM). The main objective of this assignment is to provide support to APUA in close cooperation with AFUR to prepare its transition to the AfSEM.

- **GIZ** – Further meetings have been held with GIZ to discuss the Assessment of the Energy Regulatory Index (ERI), finding a way to advance the AfDB annual ERI to make it more meaningful to every stakeholder; to enhance the collaborative partnership for the Mainstreaming Mini-grid Tariff Settlement Tools and Methodologies Project by providing independent feedback to the work done, building complementary and supplementary knowledge items for the project and working together for PIDA Week presentations and side events in December. There is also an opportunity to work together to review EU Project on Regulatory Assessment and Readiness.

- **Carbon Trust / UKAid - Transforming Energy Access – African Led Partnerships – Mainstreaming mini-grid tariff settlement tools and methodologies across African Regulators.** The project is gaining momentum with interest shown from by GIZ, AfDB and many others, it is at the stage where the tariff tool is being developed. The steering committee meets every month together with the consultant, funders and developers. The first Stakeholder workshop was held on the 7th October and was very well attended by regulators, investors and developers. The report is available on the website, www.afurnet.org. The Gap Analysis Report as well as the Literature Review are also available on the website.

- **Energy Regulators Association of East Africa (EREA) – 1st Africa Energy Regional Regulators Summit.** AFUR has been invited to give the keynote address on “**The Road Towards Harmonised Energy Regulatory Frameworks in Africa**” on the 30th November. The meeting will be virtual. The summit looks to explore the various developments, strategies and challenges facing energy markets in Africa

3. ORGANISATIONAL ISSUES

3.1 Membership

As part of the continuous outreach to utility regulators on the Africa continent Sierra Leone has expressed their interest in becoming members and have sent a letter to that fact, however they have asked for a three year waiver of membership fees as they are a newly formed regulator totally reliant on the government for financing the operations of the regulator and membership to associations has not been budgeted for.

3.2 The Sectoral Committees

The following projects, over and above the collaboration with partners above, are underway, however scheduling virtual meetings, especially setup meetings, has been a challenge.

Energy:

There are currently two projects –

- **Upstream Petroleum Markets Forum** – This is an ongoing project, a meeting has still to be scheduled.
- **Mainstreaming mini-grid tariff settlement tools and methodologies across African regulators** – as disclosed above.

Water and Sanitation:

Discussions have been held with ESOWAS and CRIDF, awaiting next steps.

Transport:

A meeting has still to be scheduled with the new member, ARTI and the other transport members.

Cross Cutting Sectoral Committee:

The first meeting was held on the 6th October with the Secretariat and ARMP, Cameroon. This was an introductory meeting exploring issues that the committee can explore.

3.3 The Executive Committee sub-committees:

- **Ad-hoc Committee on Membership fees** – The draft proposal for membership fees for 2022 will be presented to the Exco. It was concluded that, after considering the votes by members as well as their concerns, membership fees going forward would stay the same, with the exception of NERSA. The committee agreed that the fees would be looked at each year as the Secretariat explores other avenues of revenue sources.
- **Ad-hoc Committee on the Strategic Plan** – This continues to be a challenge with little support from members. The project is ongoing.

3.4 Membership Fees

Membership contributions to AFUR in terms of subscription fees remained the same as in previous years, but collections have been very slow. Twenty-eight invoices were issued, with thirteen members having paid to date – ERA, Uganda; EPRA, Kenya; ARTI, Ivory Coast; PURC, Ghana; ECB, Namibia; LEWA, Lesotho; CRSE, Senegal; EWURA, Tanzania, ARSEL, Cameroon, ARSE, Togo, ZERA, Zimbabwe, RURA, Rwanda; MERA, Malawi.

3.5 Eighteenth AFUR Annual Conference and General Assembly

The theme and Concept Note has been developed and sent to all members on 15th June - **“Towards Convergence Of Regulatory Practices In Africa. The Case Of: Environmental Protection, Utility Sustainability And Consumer Protection”** <https://afurnet.org/events/18th-virtual-afur-conference/>. This will again be a virtual conference, the dates need to be finalised, however the support this year has been very bad, with only two abstract received.

4. CHALLENGES

The most vital challenge for the organisation remains the continued support of AFUR by the members and partners. It is thus critically important that in order to ensure long term sustainability, continued African leadership and ownership of the regulatory agenda in Africa as well as the attainment of the objectives outlined at the formation of the organisation that members provide AFUR with continued support and that an exerted effort is made to get donor funding for projects that will benefit its members and the African continent as a whole. Our biggest challenge during COVID-19 is the collection of membership fees and members inability to pay due to the effects of the pandemic on the collection of their levies.

Having said this AFUR is seen as a specialised institution in regulation, although not formally, by the African Union Commission. We have the support of the African Development Bank and UKaid through Carbon Trust and TEA as well as CRIDF and GIZ and continue to reach out to other donors such as SIDA (Swedish International Development Cooperation Agency) and the European Union.

End.