MAINSTREAMING MINI-GRID TARIFF SETTLEMENT TOOLS AND METHODOLOGIES ACROSS AFRICAN REGULATORS

LESSONS LEARNED REPORT

MAY 2024
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EXECUTIVE SUMMARY

In Sub-Saharan Africa, not all consumers have access to electricity, and electrification rates are particularly low especially in rural areas. Off-grid renewable energy solutions will be the key to achieve universal access to electricity in Sub-Saharan Africa in order to meet SDG 7 by 2030.

A combination of decreasing technology costs, established track record of deployment, and ability to generate electricity rapidly have accelerated the case for adoption of mini-grid and isolated solutions. As a result, it is estimated that between 60-70% of the future electricity supply will be from off-grid systems (both isolated and mini-grids).

The African governments on their own cannot meet this future electricity supply needs and private sector investments will increasing play an important role to plug the gap. Governments have an important role in facilitating private sector participation as there is growing interest from the private sector in the development, financing, operation and management of mini-grids to support implementation of universal energy access goals.

To achieve this will entail placing less reliance on the centralized power supply (mostly by state monopoly), by creating a conducive business climate for more private investors participation in the generation and delivery of the power to the unserved consumers.

A conducive business climate includes providing a cost reflective tariff to the investors/developers. Cost-covering tariffs are one way of ensuring economic viability for private sector mini-grids. Providing a cost reflective tariff is within the remit of regulators and governments policy makers. In most countries all off-grid/mini-grid developers are required by law to apply for an energy generation, distribution and retailing permit/license and are required to obtain an energy retail tariff approval from the regulators.

But, mini-grids development is still hampered by several factors including a challenging regulatory and political environment. This is the case for tariff settlement processes which tend to be cumbersome and a lengthy process for developers and regulators alike across the continent.

Since 2021, as the African Forum for Utility Regulators (AFUR), we have developed the Standardised Enhanced Tariff Settlement Tool that has been tested in five early adopter countries of Nigeria, Sierra Leone, Zimbabwe, Burkina Faso and Ghana. This was done under the Mainstreaming Mini-grid Tariff Settlement Tools and Methodologies project through collaboration with the Africa Mini-grid Developers Association (AMDA). This work was supported by UKAid through the Transforming Energy Access (TEA) program.

This Lessons Learned Report is intended to showcase the project execution and highlight the project, key lessons learned from the implementation in the Early Adopter countries, recommendations for the continuation of the project as well as the next steps of the project.
INTRODUCTION

Mini-grids are expensive to implement, and there is a great need to attract more private sector involvement on the continent.

For the mini-grid sector to continue to grow and succeed there needs to be a strong collaboration between the private and public sector, to understand what is required needed and what role each stakeholder plays.

To bring both parties together to have open discussions on mini-grids, AFUR developed the Project Steering Committee (14 country energy regulators and private sector representative) where developers and policy members can connect. It was during these discussions the topic of tariffs came about.

Tariffs play a major role in the attraction of private players into the mini-grid space (as they are a source of recouping investments). However, currently countries have different methodologies and tools to determine mini-grid tariffs, and this confuses developers and regulators who need to have a better understanding of regulations and tariffs required for development.

To tackle this issue, AFUR took on the responsibility to develop a Standardised Mini-Grid Tariff Tool for Africa, which would answer this question. The reasons for this are;

- To provide clarity on mini-grid tariff methodologies and calculation tools on the continent
- To provide a clear and common tariff tool for regulators to use in the calculation of mini-grid tariffs
- To shorten the steps and procedures a developer will go through to have a mini-grid tariff approved on the continent
- To improve the capacity of African regulators on issues to do with mini-grids and mini-grid regulations
INTRODUCTION

The African Forum for Utility Regulators (AFUR) is a pan-African body established in terms of Clause 113 of the New Partnership for Africa’s Development (NEPAD) policy document, which provides for the establishment of an African Forum for Utility Regulation and establishment of regional regulatory associations. AFUR was formally established in November 2002 and a Memorandum of Understanding was signed with NPCA in 2011.

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.

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). As a continental body AFUR fosters learning across the member regulators on issues to do with utility regulation.

It is also aimed at establishing and fostering co-operation amongst utility regulators on the African continent in support of Africa’s growth and socioeconomic development.

AFUR brings together over 30 regulators and their collective knowledge goes a long way in fostering an understanding of key issues.

WHO IS THE AFRICAN FORUM FOR UTILITY REGULATORS (AFUR)?
AFUR, the Lead Implementer, was able to execute this project with varying degrees of public sector and private sector participation in the implementation of the project as shown by the main project partners.

Main funding for the project was done by UKAid through the Transforming Energy Access (TEA) Program.

A key delivery partner was the Africa Mini-grid Developers Association (AMDA) that coordinated the involvement of the private sector in the implementation of the project.

A Reviewing partner that joined the implementation of the project over the course of the just concluded Phase One of the project with key technical assistance and knowledge sharing.

The Project Consultant, Africa Energy Services Group (AESG), providing technical expertise during the implementation of the project over the just concluded Phase One.
INTRODUCTION

To point out the key observations and lessons learned of the Mainstreaming Mini-grid Tariff Settlement Tools and Methodologies project

To highlight the successes of this project, which falls under the AFUR Energy Sector

To highlight what worked and what did not work during the implementation of the project

To propose recommendations to address the failures in a possible Phase Two of the project

To point out the failures of the project over the course of the implementation of the project

To highlight the next steps of the project in Phase Two

THE PURPOSE OF THE REPORT
PROJECT BACKGROUND

1. The Tariff Tool has been tested in different types of markets (private sector led and public sector led in different Adopter countries) on the continent
2. The Tariff Tool was structured after reviewing tariff Tools in six other African countries
3. The Tariff Tool was structured after discussions with private sector players on the continent
4. The Tariff Tool was approved after review and consultation with Project Steering Committee
5. The Tariff Tool was reviewed by independent observers outside of AFUR
6. Regional and continental bodies are aware of the AFUR Tariff Tool
7. Several countries are observing the project and want to adopt the tariff tool after either Phase One or Two of the project
**PROJECT BACKGROUND**

**OUTCOME 1**  
Streamlined tariff settlement processes that allow for investor-attractive off-grid energy tariffs

**OUTCOME 2**  
Increased capacity building for African regulators on mini-grid tariff frameworks.

**OUTCOME 1 ACHIEVEMENTS TO-DATE**
- Developed a BETA Enhanced Tariff Tool with involvement from all key stakeholders
- Developed a streamlined tariff settlement processes that allows for clear investor-attractive off-grid energy tariffs

**OUTCOME 2 ACHIEVEMENTS TO-DATE**
- Increased the capacity of African regulators on topics dealing with mini-grid tariff frameworks.
PROJECT BACKGROUND

OUTCOME 3
Increased engagement on investor friendly mini-grid tariff settlements between the public and private sector facilitated

OUTCOME 4
Successful facilitation of a clear debate on the interaction between tariffs, connection numbers and subsidy per connection

OUTCOME 1 ACHIEVEMENTS TO-DATE
• Increased engagement on investor friendly mini-grid tariff settlements, and mini-grid related topics between the public and private sector facilitated

OUTCOME 2 ACHIEVEMENTS TO-DATE
• Facilitated clear debate on the interaction between tariffs, connection numbers and subsidy per connection
  • In the Adopter Countries most especially
PROJECT BACKGROUND

PUBLIC SECTOR ENGAGEMENT

ROLE OF PUBLIC SECTOR
- Tariff Regulation in the various countries on the continent
- Set the National Energy Policy

COUNTRY UTILITY REGULATORS ENGAGED
1. Nigeria
2. Burkina Faso
3. Sierra Leone
4. Zimbabwe
5. Ghana
6. Kenya
7. Mozambique
8. Tanzania
9. Uganda
10. Zambia
11. Ethiopia

COUNTRY MINISTRIES OF ENERGY ENGAGED
1. Nigeria
2. Burkina Faso
3. Sierra Leone
4. Zimbabwe
5. Uganda
6. Rwanda
7. Ethiopia

STAKEHOLDERS ENGAGED
PROJECT BACKGROUND

INTERNATIONAL FUNDERS ENGAGED
1. FCDO
2. INFRACO Africa
3. SEforAll
4. CREDCENT
5. ACUMEN
6. AfDB

CONTINENTAL MINI-GRID DEVELOPERS ENGAGED
1. CAMCO Energy
2. RENEWVIA Energy
3. Crossboundary
4. Standard Microgrid
5. Power Gen
6. ENSOL
7. REI Cameroon
8. ENGIE

PRIVATE SECTOR ENGAGEMENT

ROLE OF PRIVATE SECTOR
- Financing of mini-grids
- Development of mini-grids
- Operation of mini-grids
- Maintenance of mini-grids
- Management of mini-grids

INDEPENDENT REVIEWERS ENGAGED
1. GET.transform
2. INENSUS
3. AfDB
4. ECA
5. UNDP AMP
These are key reports about the work of the project explaining the rationale for the work put together during the project. They are found on the AFUR Website as well as on the Social Media pages of AFUR and the key project partners.

Publicly Published Knowledge Reports
- GAP Analysis Report
- Literature Review Report
  https://afurnet.org/downloads/#1545-132-literature-review-paper

Publicly Published Knowledge Reports
- Individual Mini-grid Environment Presentations
The presentations are a brief overview of the mini-grid and off-grid space of over ten countries who are members of AFUR. Just like the reports these presentations are found on the AFUR website with the permission of the regulators of those countries.
  https://afurnet.org/downloads/#1545-103-psc-docs
- Model Mini-grid Regulation Guideline Templates
The model mini-grid regulation templates are a brief guideline on what a model mini-grid regulation should have in it. It was developed together with the regulators and GET.transform over the course of the project
  https://afurnet.org/downloads/#1545-146-model-mini-grid-regulations
A series of on the project work was done in a podcast series on the K-Financial, an African business news podcast. It was also followed by an Interview on the SABC Closing Bell East Africa, where the project was discussed in detail.

Audio and Visual Series About the Initial Stages of the Project

- Podcast Series on K-Financial
  - https://t.co/zBG8o55Mjp
  - https://t.co/YtBhffm5Vg
  - https://t.co/64vQ1d0QYK
  - https://t.co/igBgXiajk2
- SABC Closing Bell Interview
  - https://www.cnbcfrica.com/media/6295203947001/

Two articles about the project and its progress were written in the ESI Africa energy magazine. These articles were published both online and in print.

- ESI Africa New Articles
The project was presented at different conferences and Webinars over the course of the implementation. Some of the presentations were done in online forums while others were in-person conferences.

1. PIDA Week in 2022 – Online
2. Energy Regulators Regional Association Webinar in 2022 - Online
3. The AFUR Annual Conference in 2022, 2023 and 2024 – both online and in Cape Town
4. The Mini-grid Action Learning Event (ALE) in 2023 – Nairobi
5. TEA Annual Delivery Review Workshop in 2022, 2023 and 2023 – both online and in Kigali
The PSC approves and consents to any publications, changes to the tariff tool and major plans. The WG oversees the general implementation with bi-weekly meetings. The Project Coordinator oversees the daily execution of the project by ensuring all other stakeholders listed are executing their roles as discussed with the project. The Consultant is responsible for doing the project work and submits to the Project Coordinator who submits to all the above. Regional Bodies, Continental bodies, donors and funders, Ministries of Energy, Rural Electrification Agencies and Political Players were also interacted with and engaged over the course of the project.
EVIDENCE BASED APPROACH

- Involved reviewing all existing reports on off-grid tools and regulations globally
- Involved taking a look at different countries on the continent and what is happening in them
- Involved reviewing the existing tariff tools in Nigeria, Sierra Leone, Zambia, Kenya and Tanzania. Mozambique’s tool was reviewed as well
- The positives from the various tools were used for the AFUR Tool and the negatives highlighted so as not to be used for the AFUR Tool
PARTICIPATORY AND CONSULTATIVE APPROACH

- A Project Steering Committee (PSC) membership with 14 country energy regulators, the working group and a private sector developer was constituted
- The PSC had monthly meetings to discuss the project progress and knowledge products
- Wider stakeholder workshops were carried out virtually to obtain a feeling on AFUR's findings and recommendations
- Discussions with both public sector and private stakeholders on their experiences was done
- Early Adopters were selected from a pool of countries with varying experiences
- Support to the Early Adopters continues as well as the PSC meetings
**METHODOLOGY**

**Literature Review**
- Review of global material on mini-grids/off-grids
- Review of material on African mini-grids/off-grids
- Literature Review Report Produced

**GAP Analysis Review**
- GAP Analysis Report Produced

**Stakeholder Workshop**
- Review of reports produced

**Second Stakeholder Workshop**
- Review of Enhanced BETA Tariff Tool

**BETA Tariff Tool Development**
- Multi-sectoral Technical Group Review
- PSC Review
- Enhanced BETA Tariff Tool Developed

**Independent Peer-to-Peer Review**
- Feedback and Feedback Incorporation on Tool
- Adoption of Tariff Tool by PSC

**Early Adoption Selection**
- Determination of different groupings of Adopters
- Selection of Early Adopters
- Approval of Early Adopters by PSC

**Finalising of Tariff Tool**
- Continued Support to Early Adopters
- Continued peer-to-peer reviews
- Endorsing of Tariff Tool for Wider Use

**Implementation of Tariff Tool**
- Country Specific Early Adopters’ Feedback

**ALL LEADING TO**

**PROJECT METHODOLOGY PROGRESS**

**Project Phase Two Development**
- Planning of Phase Two Activities
- Transition to Phase Two
Review of Available Tariff Settlement Tools
- Kenya
- Tanzania
- Nigeria
- Sierra Leone
- Zambia
- Mozambique (additional tool reviewed due to interactions with various regulators)

Interactions with key stakeholders in the mini-grid sector

Research and review of available data and information on mini-grids in Africa
- Available Reports
- Desktop Survey of available data

Work with the Technical Group of regulators to develop the AFUR Tariff Tool

Stakeholder workshop and review of developed tariff Tool

Implementation of BETA Version of the Tariff Tool in five early adopter countries
OUTCOME 1

The Five Early Adopters Implementing the Tariff Tool
• Ghana
• Nigeria
• Sierra Leone
• Nigeria
• Zimbabwe

Nature of the Early Adopters Implementing the Tariff Tool
Have a Mini-grid Policy in Place

Have a Mini-grid Tariff Tool developed
• Nigeria
• Sierra Leone

Have no Mini-grid Policy in place and no Mini-grid Tariff Tool developed
• Burkina Faso
• Zimbabwe
PROJECT OUTCOMES REVIEW

Continuous Project Steering Committee (PSC) meetings
- Had over 20 PSC meetings since project inception
- PSC Made up of 14 Energy Regulators, AMDA and 1 Private Sector Developer
- Both male and female members are part of the PSC

Engagement of the various stakeholders on a regular basis
- Ministries of Energy, Rural Electrification Agencies updates and presentations
- Donors and Mini-grid funders group presentations
- Regional bodies interactions and presentations of Tool and project

In-country Stakeholder Workshop Meetings on the use of the developed Tool and mini-grid regulations

Engaging of other partners on subjects concerning mini-grids/off grids
- Partners like GIZ GET.transform, AfDB, SEforAll, RERA, World Bank and ERERA are continuously engaged on the project developments and possibilities

Fostering knowledge sharing and exchange of ideas on mini-grids between the various PSC members
- PSC member presentations on country specific mini-grid environments

INCREASED CAPACITY BUILDING FOR AFRICAN REGULATORS ON MINI-GRID TARIFF FRAMEWORKS

Addition of model mini-grid regulation guidelines
- Done with support of GET.transform

Having regular communication updates to the AFUR Energy Regulators in various forums
- Updates provided to the AFUR Energy Committee, AFUR Executive Committee (board)

LINKS TO CAPACITY BUILDING DOCUMENTS
Outcomes Review

Increased engagement on investor friendly mini-grid tariff settlements between the public and private sector facilitated

- Online Stakeholder Workshops with both private sector and public sector organised
  - 2 Online Stakeholder Workshops organised
  - 6 Quarterly Webinars on issues of model regulation guideline topics organised
- In-country discussions between private sector and public sector for all the Early Adopters
  - Renewable Energy Associations in various countries present at Early Adoption in-country visits
  - Private Sector developers present in Early Adoption in country visits
- Moderation of discussions
  - Presentations at various webinars and events with varying stakeholders in attendance
  - Green Energy Africa Summit
  - AEEP Conference 2022/23
  - AFUR AGA 2022, 2023 and 2024
  - 7TH Mini-grid Action Learning Event
- Early Adopter country interactions between public and private sector
  - Need More Interaction – 3 Countries
  - Interaction Substantial – 1 Country
  - Interaction Average – 1 Country
Through the PSC Meetings

- The private sector is represented by AMDA and a Private Sector Developer and engage with the regulators on the PSC

The Tariff Tool has been shared with various private sector players

- Private Sector developers under AMDA (Sunkolfa) and private consultants such as ECA and INENSUS have had access to the Tool

The Tariff Tool continues to undergo review by peers in the sector

- Continuous engagement on the tariff Tool continues to happen with potential partners like UNDP and AfDB

SUCCESSFUL FACILITATION OF A CLEAR DEBATE ON THE INTERACTION BETWEEN TARIFFS, CONNECTION NUMBERS AND SUBSIDY PER CONNECTION
LESSONS LEARNED

Project Execution Involved a hybrid approach of both Virtual Meetings and Physical Meetings

Online Meetings, Online Webinars & Online Conferences
Advantages
• Reach more people
• Time saving as did not involve travel
• Flexibility in terms of scheduling
• Less carbon footprint
• Easy to set up
• Less Expensive

Disadvantages
• Shorter concentration times
• Differences in time zones
• Feedback can be difficult to obtain
• Internet and network challenges/disruptions
LESSONS LEARNED

Project Execution Involved a hybrid approach of both Virtual Meetings and Physical Meetings

In-country Visits, First Initial Training, Physical Conferences and Seminars

Advantages
- Easier to concentrate over a longer period of time
- More discussion involved
- Feedback received easily
- Simulated enhanced ideas through brainstorming

Disadvantages
- Costly to organize
- Involves a lot to travel
LESSONS LEARNED

Over the Project Execution, a series of lessons were learned

- African Consultant and Project Coordination
  - Made PSC and regulators more comfortable with work done by the project
  - Made understanding of the context of the project matches the needs of the African regulators

- The Varying Level of Early Adopters
  - Allowed for differences in mini-grid environments to be shown
  - Allowed for knowledge exchanges during first initial training
  - Enabled identification of key differences in various and specific mini-grid markets

- Conducting In-country visits during Project Implementation
  - Allowed for viewing of different mini-grid models used in the various countries
  - Allowed for the collection of different data sets showing issues in different countries
  - Enhanced better understanding and clarity from both private and public stakeholders about tariff settings
  - Open dialogue and quick feedback

- Conducting a Physical General Training
  - Enabled knowledge sharing from among the selected regulator countries
  - Enabled easy setting of the scene and planning for the in-country visits
  - Enabled easy identification of errors within the tariff tool
  - Allowed easier understanding of the AFUR Tariff Tool by the Early Adopter Regulators

- Conducting of In-country visit trainings at the offices of the Early Adopters
  - Concentration of regulators was limited as they could be called for official work at any moment
  - Interruptions due to needs of senior officials limited the full in-country workshops

- Logistics for Travel and in-country implementation (According to the Consultant)
  - Travel was planned, but did not fully anticipate covering the various stakeholders such as AMDA in the implementation of the project
  - Travel was planned, but did not fully anticipate covering the various stakeholders such as AMDA in the implementation of the project

- Data Collection by the Early Adopters
  - Data collected for live use of the Tariff Tool in most Early Adopter countries was not fully satisfactory
  - Developers hesitantly shared data highlighting a major issue of a communication gap between the regulators and developers

- Initial Project Budgeting
  - Did not take into account the amount of translation to be needed for the project

- Virtual meetings and solutions
  - Did not consider the full scale of travel to be done over the course of the project
  - Did not consider the need to finance the Workshops for Early Adopters.
  - Did not consider the need for a general meeting taking care of all delegates traveling for it
  - Did not enable for long and sustained engagements due to concentration online being limited
  - Issues of connectivity and network led to some communication being lost in translation
  - Issues of time zones affected the attendance of meetings at different times
The Project Implementation Consultant (AESG) shared a number of lessons about the project implementation:

**In-country Visits, First Initial Training, Public-Private Platform for Dialogue**
- Took into account balanced approach with trade-offs from both the private sector and public sector.
- Minimised resistance from both the public sector players and private sector players as all issues were relatively discussed.

**Wide Stakeholder Engagements**
- Enabled a number of international, continental and regional stakeholders review of the reports, findings from engagements and mini-grid tariff tool versions for wider acceptance.
- Reduced the resistance from both continental and international partners concerning the work being done by AFUR on the Tariff Tool.
- Secured ownership from stakeholders most especially in the Early Adopters.
- Secured both buy-in and additional insights necessary for the tools' accuracy and completeness.

**Cost reflective tariff versus affordability and a declining marginal cost environment**
- There is tremendous political pressure on regulators to lower the tariffs due to socio-economic considerations.
- Difficult macro-economic conditions over the last two to three years have resulted in high inflation rates and major depreciation of the local currencies against the United States dollar.
- The initial upper threshold for cost reflective tariffs was avoided costs, the new threshold is coming down to mini grid marginal costs of captive power for Productive Use of Energy and Commercial and Industrial customer segments.
LESSONS LEARNED

The Project Steering Committee (PSC) and Working Group (WG) provided valuable lessons during the project implementation.

The Project Steering Committee (PSC) provided a number of lessons from the start of the project mostly focused on how it operated.

**Virtual meetings and solutions**
- Enabled the project to have continuous update meetings
- Allowed the project to reach many stakeholders all over the continent and world easily
- Allowed the project to engage with many international conferences and webinars
- Reduced the project carbon footprint because of constant air travel

**The Constitution of the PSC Membership**
- Allowed for knowledge sharing through different country mini-grid presentations
- Allowed for capacity building of different regulators due to different levels of mini-grid environment maturity
- Built the buy-in for the project and project knowledge products at the continental level

**The Operations of the PSC group**
- Allowed limited liability on issues of ownership of knowledge products
- Allowed for quick submission of feedback
- Allowed for quick approval of decisions for the project
- Allowed easy reporting of activities

The Working Group (WG) made up of AFUR, AMDA, Carbon Trust (CT) and the Consultant (AESG) provided key insights into the project implementation.

**Virtual meetings and solutions**
- Enabled the project to have continuous update meetings
- Allowed the project to reach decisions quickly and easily despite the working group being all over the continent
- Allowed the project to engage with different members of the entities engaged in the working group
- Reduced the project carbon footprint because of constant air travel

**The Operations of the Working Group**
- Allowed the project to run smoothly among the working group
- Eased the different goals and objectives execution by the consultant and coordinator
- Allowed the easy reporting of activities
The adoption of the AFUR tool has contributed to streamlining our tariff settlement processes, reducing complexities and time, and improving efficiency for both developers and regulators implementation.

There is need to extend and intensify the training and awareness raising programs for the tariff tool to all key stakeholders in the country.

We appreciated the open communication channels and the receptiveness of the AFUR team to our input and suggestions throughout the process. The regular updates and opportunities for feedback allowed us to actively contribute to the development and refinement of the tool.

Phase one has been great and has improved on the regulator’s knowledge in the mini-grid space. And we look forward to phase two of the project.

Increase the time for face-to-face training and, if possible, organize an experience-sharing workshop between first users of the tariff settlement tool.
Recomendations

What Can the Project do Better In Phase Two and Beyond?

Refining of Country Selection Criteria;
- Prioritise countries with large unelectrified populations that are heavy users of fossil fuels generators as they are more attractive to private sector
- Consider high potential for productive use of electricity (PUE) that increase probability of mini grids viability in selection criteria

Clearer budget provisions for the project in Phase Two. To cater for;
- Project Management on activities to be undertaken in Phase Two of the project
- Translation activities on all documents, webinars and actual physical events
- Travel and Accommodation to the necessary countries of adopters
- Planning for all project partners and implementers

Logistics for Travel and in-country implementation and support (According to the Consultant) to cater for;
- Use of specialised external service providers for more efficient logistical planning
- Managing participants expectations regarding the trainings most especially through budgeting
- Obtaining workshop venues to conduct the specific in-country visits

Consultant team Work Plan;
- Ensure the consultant team has more members to execute the project work from the start
- Ensure easier communication between the consultant team as a whole and not through one or two individuals

Virtual Sessions and Plans with Adopters;
- Increase these sessions, but make them shorter to try and solve the issue of concentration
- Increase the number of webinars to share more information about the project
Recommendations

What Can the Project do Better In Phase Two and Beyond?

Enhancing the Knowledge Transfer process for Lead Implementers:
- Providing for adequate staff shadowing arrangements to provide for continuity and institutional memory retention
- Possibility of acquiring another resource to assist the AFUR Projects Coordinator as roles and responsibilities grow

Maintaining of the Public Private Partnership (PPP):
- Avoid taking the relationship for granted due to original success in Phase One of the project
- Acknowledging the presence and contribution of both the public and private sector during in-country implementation and various joint efforts

Improving the implementation completion hand-off/sign-off protocols to ensure accountability:
- Clearly define the process and steps to be undertaken in this process
- Define this process to ensure smooth transition from consultant Technical Assistance to implementation main partners (AFUR/AMDA) for ongoing maintenance of the project

Data Collection by the Adopters:
- Engage the stakeholders of the Adopter countries early on concerning the data needs and authentic benchmarking process

Knowledge dissemination and project activity promotion:
- More attendance to various webinars, conferences and events to talk about the project
- Submission of project knowledge products into more award windows
- Submission of more articles for sharing knowledge products
RECOMMENDATIONS

1. Reach out to partners and stakeholders through conferences and webinars
2. Showcase the Tariff Tool to the wider group of stakeholders and carry out capacity building on it
3. Invite more international partners to engage on issues of mini-grid tariffs and regulations with the wider AFUR Project PSC membership
4. Engage more mini-grid programs on the continent to showcase the project and its knowledge products with an aim of harmonizing

WHO CAN WE POSSIBLY ENGAGE WITH FOR PHASE TWO?
- World Bank
- Trade Development Bank
- AUDA-NEPAD
- UNDP
- African Development Bank
- More regional bodies on the African continent
- BADEA – Arab Bank for Development of Sub-Saharan Africa

Engage More International Partners and Stakeholders about the Project and its Successes

KEY FOCUS FOR PHASE TWO

Engage More International Partners and Stakeholders about the Project and its Successes

WHO CAN WE POSSIBLY ENGAGE WITH FOR PHASE TWO?
- World Bank
- Trade Development Bank
- AUDA-NEPAD
- UNDP
- African Development Bank
- More regional bodies on the African continent
- BADEA – Arab Bank for Development of Sub-Saharan Africa

Engage More International Partners and Stakeholders about the Project and its Successes

WHO CAN WE POSSIBLY ENGAGE WITH FOR PHASE TWO?
- World Bank
- Trade Development Bank
- AUDA-NEPAD
- UNDP
- African Development Bank
- More regional bodies on the African continent
- BADEA – Arab Bank for Development of Sub-Saharan Africa
RECOMMENDATIONS

1. Engage the wider AFUR membership and share the outcomes of Phase One and proposed work plan regarding the tariff tool in Phase Two of the Project
2. Invite the AFUR Members to express interest in the use of the Tariff Tool in their countries
3. Carry out more capacity building and introductory presentations to the wider AFUR membership on the use of the Tariff Tool
4. Engage with countries where AMDA members are operating to create more input for both AFUR and AMDA
5. Take advantage of the relationship with COMESA, GET.transform, UNDP AMP, AfDB AMAP to showcase the tariff tool and its value to the continent, and mini-grids as a whole

COUNTRIES INTERESTED IN USING TARIFF TOOL IN PHASE TWO
- EPRA Kenya
- ARSE Togo
- ASS Senegal
- ARSEL Cameroon
- ERB Zambia
- ECB Namibia
- ERA Uganda
- ESERA Eswatini
- Egypt ERA Egypt

Reach out to more AFUR Observers of the project and countries with AMDA presence about use of the Tool combining it with the virtual sessions
RECOMMENDATIONS

1. Develop complementary products such as the regulation generation tool, model mini-grid guideline templates, etc.
2. Share the developed complementary products as well as the Tariff Tool with existing partners such as AfDB, UNDP, COMESA and AUDA NEPAD to peer review.
3. Engage with AMDA to coordinate the reviews from the knowledge products for the private sector mini-grid developers.
4. Continuously seek opportunities to present the knowledge products in conferences, webinars, interviews and articles.

Continuous engagement with technical partners on the tariff tool and other knowledge products proposed for Phase Two.

A NUMBER OF INTERNATIONAL AND INDEPENDENT REVIEWERS CAN BE ENGAGED TO CONTINUOUSLY REVIEW THIS FOR UNIVERSAL AND CONTINENTAL ACCEPTANCE. SOME OF THESE CAN INCLUDE:

- World Bank
- Trade Development Bank
- Individual African Tariff Consultants
- African Regional Bodies (RERA, EAC, ECOWAS, SADC, etc.)
- Indo Pacific Regulators (OPERA and FCCC)
Adherence to the Current Model Concerning review, modifications and updates of the Tariff Tool. The use of the PSC and WG approach to maintain uniformity as well as having any emerging improvements and best practices shared across the board.

1. In the event that there are no improvements, the PSC should initiate an initial formal review of the tool after a specified period of time of the first country to approve a tariff in a five-year multi-year tariff order.

2. Subsequent reviews should be done every five years to ensure that the tool reflects regulatory best practices at the time of the review. Consideration should be made to recognise that special circumstances may arise that may necessitate a review, and possibly more frequent reviews over shorter periods of time compared to the official five-year formal review cycle.

Continued Implementation of Tariff Tool with Adopters from the African Continent as well as the initial Five Early Adopters
NEXT STEPS

- Final Reports
- Spill Over Planning
- Phase Two Preparation

- Proposal Submission
- Confirmation of Partners
- Phase Two Confirmation

- Review of Spill Over Events
- Work Plan Consolidation
- Review Lessons Learned

- Final Reports like the Lessons Learned Report and Final Project Report will be reviewed, submitted and published
- Spill Over of activities in the implementation of the tariff tool in the Early Adopter countries will be reviewed and planned for. This will take into account transition into Phase Two
- Phase Two Proposal and Budget will be drafted in preparation for submission
- The proposal and budget of Phase Two will be submitted for approval while the PSC and Early Adopters are engaged in a transitional manner as well as communication on progress on the wider Work Packages of Phase Two.
- Some of the work being undertaken by new partners of the project (GET.transform and COMESA) will commence in the transitional period
Training Regulators Trainers (TRT) model and the 4 Clusters Approach

- Cluster the implementers into four clusters of the five African Union (AU)'s five geographical regional blocks;
  1. Eastern Africa,
  2. Southern Africa,
  3. Central Africa
  4. Western Africa
- Next, AESG recommends two high-capacity AFUR-member regulators are selected from two clusters. Each of these two regulators will initially be responsible for two clusters until satisfactory proof of concept of this model.
- Next step is for AESG to train these regulator staff members (total of four). AMDA will be encouraged to also provide up to two staff members for a total of six trainees.
- The Regulator Trainers will then be responsible for providing support to all implementing regulators.
- The AFUR Projects Coordinator will perform all his Phase I project activities and take over all the reporting to the Working Group and PSC, and preparation of all the project reports

AESG role will end upon completion of the one-off TRT training. This one-off TRT should take no more than (ten) 10 days level of effort (LOE). The 10 days can be covered in a short-term consultancy (STC) contract spanning no more than one calendar month.

The tool maintenance will be undertaken as explained in the AESG Close Out report under the section “Review, modifications or update of the tool”

• Approval of wider Work Packages and proposal for execution while fully confirming any additional partners (OPERA and FCCC from the Indo-Pacific Region)
• Spill Over of activities in the implementation of the tariff tool in the Early Adopter countries will continue to be reviewed and planned into the Phase Two work so as not to cause any disruptions.
• Work Plans and Phase Two execution planning will occur and be put into implementation
The Mainstreaming Mini-grid Tariff Settlement Tools and Methodologies Across African Regulators Project can be considered a success. This is because of the following reasons:

- The growing call from project PSC members, Early Adopters and other AFUR members to expand on the topics of mini-grids to go beyond the tariff tool
- The continued interest of all PSC members in the project and its outcomes
- The continued desire of the Early Adopters to implement and use the main knowledge product (Enhanced Tariff Settlement Tool) in varying capacities in their countries
- The continued interest and willingness of the Africa Mini-grid Developers Association (AMDA) to encourage dialogue between its members and AFUR’s members on issues to do with mini-grids
- The interest of AFUR members not involved in the project implementation to become adopters of the main knowledge product
- The growing interest in the project from regional and continental bodies
- The growing interest from various mini-grid players on the continent in the work done by AFUR on this project

Plans to expand on the scope of work in Phase Two can be justified because of:

- The growing call from project PSC members, other AFUR members, AMDA members and Early Adopters of the Tariff Tool to implement other activities such as benchmark data collection
- Phase Two is seen as an expansion of the initial goals, which have been achieved. This is by both the leading implementer AFUR and the support partner AMDA
- The continued desire of some of the Early Adopters to implement and use the main knowledge product (Enhanced Tariff Settlement Tool) in varying capacities in their countries together with development of regulations governing mini-grids with AFUR support.
- The interest from other international regulators in the work done by AFUR on this project has called into question how AFUR and the Adopters can share their experiences with the rest of the world given the fast approaching deadline for the SDGs.

This project goes beyond the borders of Africa. It is important for the project to continue as desired by both the AFUR and AMDA membership, but not to only continue as is, but add more in terms of areas of capacity building for mini-grids beyond just the tariff tool.
THANK YOU
IF YOU WISH
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