



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

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Presentation Outline

- Background- Operating Principles & Formation of AFUR
- Objectives of AFUR
- *AFUR and NEPAD*
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- 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**

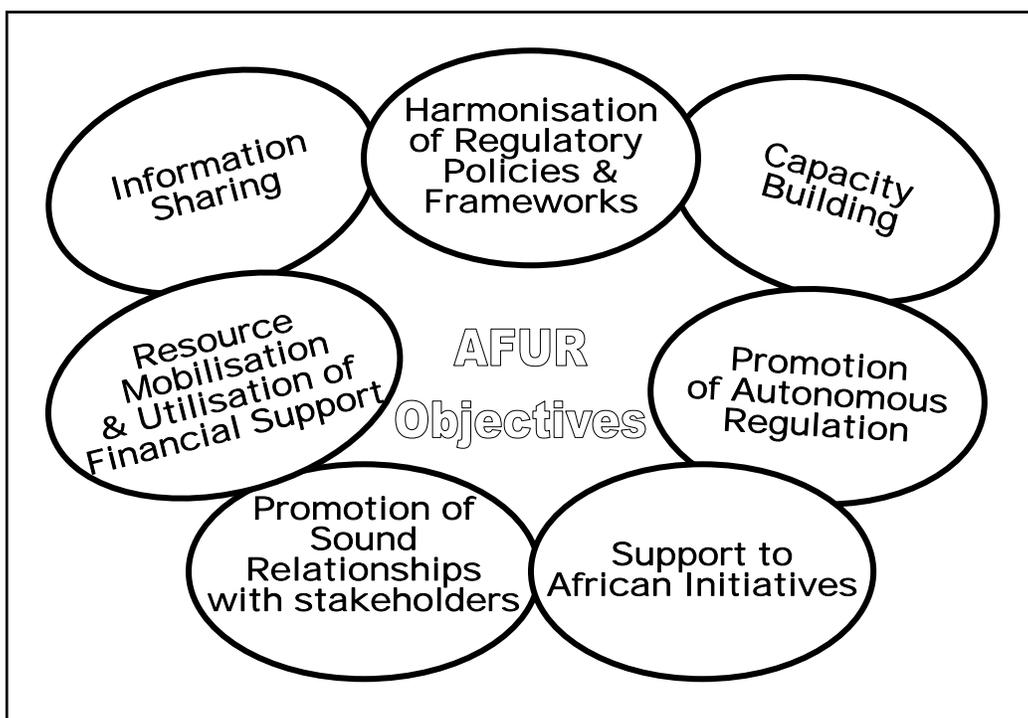
- **AFUR focuses on issues related to the regulation of the Energy, the Telecommunications, the Transport and the Water & Sanitation Sectors**

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**

Key Achievements of AFUR

Harmonisation of regulatory policies and legislation

- AFUR Framework Document on the Principles of Utility Regulation in Africa adopted by AFUR and being disseminated at various fora,
- Recommended Guidelines on Regulatory Transparency were adopted at the 3rd AGA

Promotion of the Philosophy of Utility Regulation and Good Governance

- AFUR Framework Document on the Principles of Utility Regulation in Africa adopted by AFUR has been implemented by some members
- Guidelines on Regulatory Transparency adopted is being implemented by a number of members

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

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

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