



WORKSHOP REPORT ON
EASTERN AND SOUTHERN AFRICA
WATER AND SANITATION REGULATORS ASSOCIATION
9TH ANNUAL GENERAL MEETING
Theme: “Enhancing Regulatory Substance”



Hosted by the Water Services Regulatory Board (WASREB)

Fairview Hotel, Nairobi, Kenya

6th-8th October, 2015

Report prepared by: ESAS Secretariat

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1. INTRODUCTION

The ninth Annual General Meeting of the Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association was held in Nairobi, Kenya from 6th-8th October, 2015. The meeting was hosted by the Water Services Regulatory Board (WASREB) at the Fairview Hotel under the theme *'Enhancing Regulatory Substance'*.

The three-day meeting which drew over 50 participants was attended by the six members of ESAWAS, as well as, representatives from the new water and electricity regulator for Burundi, the Regulation Unit under the Ministry of Water & Environment of Uganda, the Ministry of Electricity, Dams, Irrigation and Water Resources from South Sudan, the Department of Water Affairs of Botswana, African Development Bank, International Water Association (IWA) and the Dar es Salaam Water and Sanitation Corporation (DAWASCO). Local representation was also from Nairobi Water and Sewerage Company, GIZ and other local stakeholders.

The opening was officiated by the Hon. Minister of Water, Mr Eugene Wamalwa.

2. PROGRAMME OUTLINE

The meeting was structured around the theme *'Enhancing Regulatory Substance'*, also referred to as the “what” of regulation, is concerned with the intellectual and technical context of regulators’ decisions. The theoretical reasoning and methodologies adopted for making decisions in the various areas of regulation should be well grounded in order that their quality and robustness leads to the intended outcomes and that they can stand up to independent scrutiny and/or challenge.

The programme (annexed) conducted over three-days was as follows:

- Day one and two of the programme was conferencing focussed on the theme and included presentations on:
 - Tariff determination;
 - Technical Indicators for reliability and quality of supply;
 - Complaint Handling and Resolution;
 - Licensing;
 - First benchmarking report on utility performance across regional countries;
 - AfDB support for regulation and WSS;
 - NWASCO and WASREB Peer Review Findings; and
 - Enhancing regional partnerships.

- Day three was dedicated to the Annual General Meeting to discuss business of the ESAWAS Regulators Association.

2.1 DAY ONE

2.1.1 OFFICIAL OPENING

The meeting begun with welcoming remarks by the Chief Executive Officer, as well as, the Chairperson of WASREB. In their remarks, they touched on Sustainable Development Goal (SDG) 16 and how accountable, effective institutions is key for regulators. “Regulation is politically boring, but regulators are remembered when things go wrong’.

The meeting was officially opened by the Hon. Minister of Water, Mr Eugene Wamalwa. In his opening speech, the Minister said he was particularly interested in SDG 6 and the need to examine ourselves and the manner in which to contribute towards the global goal. The MDGs set specific targets for 2015, among which was the goal to reduce by half, the proportion of people without access to water supply and sanitation services. “The year 2015 is here and it is time to take stock as institutions charged with an oversight role on service provision and what our role has been”, read the speech in part. According to the Minister, a strong regulatory environment is able to balance social and economic aspects. There is need to maintain adequate competitive conditions. At the heart of every regulator should be the consumer. A regulatory framework should be anchored on a level playing field to protect the consumer. In concluding his speech, the Minister emphasised that regulators should be concerned with universal access and concern for the poor.

2.1.2 PRESENTATIONS

i. Tariff Determination, EWURA-Tanzania

Eng. Mutegeki gave a presentation on the tariff determination process used by EWURA. The presentation focused on the process, methodology and key components of the tariff.

Plenary Discussion

The plenary discussion centered on the following.

- How is tariff setting influenced by technical and non-technical losses?
- In the tariff design, different stakeholders have different objectives. Which objective is more powerful in balancing social and economic considerations?
- Is the total asset base of the regulatory authority included for revenue requirement?

- In terms of investments, Government commitment not always honoured. Therefore, if the CU cost coverage is below 50%, how do you address subsidy? Where do they come from and conditions?

ii. **Technical Indicators for reliability and quality of supply, CRA-Mozambique**

Eng. Munhequette gave a presentation on the technical indicators for reliability and quality of supply as used by CRA. The presentation focussed on the KPIs selected, definitions and monitoring performance.

Plenary Discussion

The plenary discussion raised the following issues:

- Asset management must be considered as a KPI, to ensure assets are not deteriorating.
- Only the percentage of water sold that is metered is monitored, what happens to unmetered portion?
- Is the worst performing KPI announced at the public event?
- If the KPI should reflect reality on the ground, what happens to subjectivity in measuring performance?

iii. **Complaints Handling and Resolution –NWASCO, Zambia**

Eng. Chitumbo gave a presentation on complaints handling and resolution employed by NWASCO. The presentation covered regulations and procedures for complaints, type of complaints and resolution times set, complaints handling process and reporting. The presentation also highlighted the development of a web-based complaints platform (www.mywatsan.co.zm) adapted from WASREB's MajiVoice (www.majivoice.com).

Plenary Discussion

The discussion considered the following:

- Are there cases where utilities can have conflicts (CU vs CU) and regulator intervenes?
- Is there a standard time for CU to comply to handle complaints and what happens if not complying?
- What is the appeal process if the customer is not happy with complaint resolution?
- Does NWASCO approve CU complaints handling procedures?

- What are the timeframes to resolve complaints (range)?
- How long are billing complaints resolution been given in other countries? CRA, RURA, LEWA (+ 14 days regulator) = 14 days, EWURA- 10 days. Non billing complaints is 20 days (both have 5 days for response).
- What human resources are needed to handle complaints at the regulator?
- How many complaints are received at the regulator?
- What are the experiences in challenges faced with complaints handling?

iv. Licensing- LEWA, Lesotho

Mr Ntlama gave a presentation on licensing under LEWA. The presentation covered the criteria, process and conditions for licensing, as well as means of enforcing.

Plenary Discussion

The discussion considered the following:

- What is the relevance of LEWA to Government? Sometimes we get lost in the processes, but how are we contributing to Government objectives?
- If there is lack of benchmarking, comparison of a single utilities' performance can be made using zones/ towns. KPIs can be developed for each of the 16 centres to weed out areas of experience.
- Enforcement seems to be a common challenge- how can the regulator remain relevant and balance the carrot with the stick?
- The regulator was established after provider, what challenges were faced in licensing? *Board and top level Management of the Utility were trained in regulatory issues at inception of regulation.*
- What is duration of license?
- What is annual license fee? *As approved by parliament.*
- If policy maker understands the role of the regulator then enforcing compliance is made easier.
 - EWURA has designed an annual session where minister invites all service providers (Board Members, CEOs), PSs, Directors in Ministries, Ministry of Finance reps, Auditor Gen) in a retreat to present annual sector performance report. Sometimes the Minister invites the press. Each CEO is asked to explain under-performance. In some cases, management has been replaced by the Minister using the report.

2.2 DAY TWO

2.2.1 PRESENTATIONS CONTINUED

v. **Benchmarking Utility Performance across regional countries Report, Technical Task Force-ESAWAS.**

Eng. Njaggah gave a presentation on the first regional benchmarking report produced by ESAWAS for large WSS Utilities in the ESAWAS member countries. The presentation covered the methodology used to arrive at a regional benchmarking framework, the comparison of performance for six large utilities and the recommendations made.

Plenary Discussion:

The discussion centred on the verification of data, dissemination of the results to a wider audience and expansion of the exercise to other countries. The two Utilities present from Nairobi and Dar Es Salaam expressed their support and appreciation for the exercise as it allowed them to gauge their own performance to similar sized entities and beyond their borders.

vi. **AfDB support for regulation and WSS, AfDB-Ivory Coast**

Mr Osward Chanda gave a presentation on the AfDB support available to regulators and WSS service provision. The presentation highlighted areas of funding, the need to have projects ready and success for implementation.

Plenary Discussion:

The discussion sought clarity on how the regulators could access funds from AfDB and specific areas of focus e.g. NRW.

vii. **NWASCO and WASREB Peer Review Findings - ESAWAS**

Eng. Nzitonda gave a presentation on the findings and recommendations of the peer review undertaken on NWASCO in 2015.

Ms. Magawa gave a presentation on the collection of findings of the Peer Reviews undertaken by ESAWAS for WASREB in 2014 and EWURA in 2013.

Plenary Discussion:

The discussion recommended that regulators peer reviewed must give updates on the implementation of recommendations made and also best practices must be documented into a single handbook.

viii. **Enhancing regional partnerships- IWA, Kenya**

Mr Masinde gave a presentation on IWA and the benefits of membership for partnership in WSS.

Plenary Discussion:

The discussion sought clarification on how individual institutions that are members of IWA would be affected by ESAWAS membership to IWA.

2.2.2 OPEN DISCUSSION – Observers

The status of regulation in Observer countries was discussed as follows:

Burundi

The regulator for electricity and water (ACR) was created in February 2015. The current law for water is not clear on how investors can intervene in the sector. The regulator is looking at how to improve the sector in terms of water quality, access and efficiency. Information is needed on good practices and standards etc. There is need for capacity building, benchmarking etc.

Botswana

The water sector has been under restructuring since 2008. The formulation of an electricity and water regulator is underway. The draft regulatory bill is done and undergoing enactment process. A water and wastewater policy is approved and going to parliament by November 2015.

South Sudan

Institutions and laws are still missing on regulation. ESAWAS should send a delegation to advocate for regulation. If possible, open up the Peer Review to others, if funding can be secured for participation.

3. CLOSING REMARKS

The meeting was closed by the Chief Executive Officer of WASREB who thanked everyone for their active participation.



**EASTERN AND SOUTHERN AFRICA WATER AND SANITATION
REGULATORS ASSOCIATION**

9TH ANNUAL GENERAL MEETING

Theme: “Enhancing Regulatory Substance”

6th-8th October, 2015

KENYA

PROGRAMME

Tuesday 6th October 2015

TIME	ACTIVITY	RESPONSIBLE
08:30	Registration of Participants	WASREB, Kenya
09:00	Opening session	Welcome Remarks & Introduction of Participants
09:05		Remarks by WASREB Chairperson
09:10		Remarks by the Chairperson of ESAWAS
09:15		Official Opening of ESAWAS Conference Speech by Guest of Honour
09:30		Keynote Presentation –Regulatory Substance
09:50		<i>Group Photo</i>
10:00	<i>Tea Break</i>	
10:30	Tariff Determination - Process, Methodology, Key components	EWURA, Tanzania
11:00	Plenary discussion- <i>ensuring financial viability of providers</i>	
11:45	Technical Indicators for reliability and quality of supply - KPIs, formulas and definitions	CRA, Mozambique
12:15	Plenary discussion- <i>measuring performance of providers</i>	
13:00	<i>Lunch Break</i>	
14:00	Complaint Handling and Resolution - Regulations, procedures, resolution timeframes	NWASCO, Zambia
14:30	Plenary discussion- <i>improving complaints handling and resolution</i>	
15:00	Licensing Criteria, Process, conditions, enforcing	LEWA, Lesotho
15:30	Plenary discussion- <i>improving licensing framework</i>	
16:15	<i>Tea Break and End of Day 1</i>	

Wednesday 7th October, 2015

TIME	ACTIVITY	RESPONSIBLE
08:30	Benchmarking Utility Performance across regional countries Report	3T
09:15	Plenary discussion – <i>first benchmarking report</i>	
10:00	<i>Tea Break</i>	
10:30	AfDB Study of Regulation findings- Mozambique, Tanzania, Zambia	O. Chanda, AfDB
11:00	<i>Plenary discussion</i>	
11:30	NWASCO Peer Review findings	RURA, Rwanda
12:00	WASREB Peer Review findings	ESAWAS Exec. Sec.
12:30	<i>Plenary discussion</i>	
13:00	<i>Lunch Break</i>	
14:00	Enhancing regional partnerships- IWA (presentation) and Observers (verbal)	WASREB
15:30	End of Day 2	

Thursday 8th October, 2015

TIME	ACTIVITY – AGM, Responsible- ESAWAS Secretariat
08:30	ESAWAS Regulators Association-Internal issues
	1. Welcome and Apologies
	2. Adoption of the Agenda for the 9 th Annual General Meeting
	3. Adoption of Minutes of the 8 th Annual General Meeting
	4. Matters arising and Action Sheet from the Minutes of the 8 th Annual General Meeting
	5. The Chairperson’s Report to the 9 th Annual General Meeting
	6. Secretariat’s Report to the 9 th Annual General Meeting
	7. Matters arising from the Chairperson and Secretariat’s Reports
	8. Ratification of new Members
	9. Resolution on Membership to IWA and partnership with ERRA and Turin School of Local Regulation
	10. Adoption of the Financial Report for the period ending December 2015
	11. Adoption of the Strategic Plan for the period 2016-2018
	12. Adoption of the Draft Operational Plan and budget for 2016
	13. Consideration of changes to the Constitution and Rules of Operation
	14. Appointment of new Chairperson and Executive Committee
	15. Selection of host for 10 th Annual General Meeting
13:00	<i>Lunch Break</i> and END OF AGM

18:30 Farewell Dinner