



**Eastern and Southern Africa Water and Sanitation
(ESAWAS) Regulators Association**

Strategic Plan 2013-2015

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1. Executive Summary

The East and Southern Africa Water and Sanitation (ESAWAS) Regulators Association was formed by a Memorandum of Understanding signed among five regulators to enhance cooperation with an aim to build effective regulation. The cooperation was formalised by the ratification of a Constitution in 2010 and to give the ESAWAS Regulators Association legal capacity. The current members are the Water Services Regulatory Board (WASREB) of Kenya; the Water Regulatory Council (CRA) of Mozambique; the Rwanda Utilities Regulatory Agency (RURA) of Rwanda; the Energy and Water Utilities Regulatory Authority (EWURA) of Tanzania; and National Water Supply and Sanitation Council (NWASCO) of Zambia.

Consequent to the ratification of the Constitution, this Strategic Plan for the period 2011-2013 guides the activities of the Association. The Strategic Plan is drawn from the objectives of the ESAWAS Regulators Association which are two-fold: **Capacity Building and Information Sharing** and **Regional Regulatory Co-operation**. The Plan outlines key focus areas under each objective. The main focus areas are to undertake a Peer-review study of each regulator, adopt applicable aspects of Regulation by Incentives within the context of members, develop a single document for the ESAWAS Regulators Association on approaches to Pro-poor regulation, as well as disseminate best practices among members.

The main source of revenue for the ESAWAS Regulators Association will be membership fees pegged at US\$ 5,000 per member per year. The total operating expenses are estimated at US\$ 427,800 over the period of the plan at approximately US\$ 140,000 per year. This will leave a deficit of about US\$ 110,000 per year which will be financed through contributions by individual members or sourced externally.

2. Background

In the Eastern and Southern African region, water supply and sanitation (WSS) service provision has not yet reached acceptable levels largely due to the poor financial sustainability of the providers which is evidenced in low coverage figures.

According to the World Bank, "the greatest challenge lies in building competent, efficient, business-like, and service-oriented institutions. Sustainable service provision is only possible where customers themselves cover the costs of operation and maintenance; capital cost recovery is not always possible, but often requires predictable public subsidies."

The WSS regulators therefore face increasing challenges to ensure access to efficient, affordable, reliable and quality services while balancing the commercial interest with that of social consideration through effective regulation.

In recognizing the need for the development of an effective WSS regulatory framework, five WSS Regulators from different countries in the Eastern and Southern African region held the first meeting in 2007 in Zambia to exchange knowledge and experiences that could enrich their work.

The Eastern and Southern Africa Water & Sanitation (ESAWAS) Regulators Association

Drawing from the impact of the first meeting and taking into account the different legal and regulatory responsibilities and environments in which each regulator operates, the five regulators resolved to establish a network of Eastern and Southern Africa Water and Sanitation Regulators for regional cooperation on issues of mutual concern and interest in the areas of water regulation. Five subsequent meetings were held in Tanzania in 2008, Mozambique in 2009, Kenya in 2010, Zambia in 2011 and Rwanda in 2012. GTZ (now GIZ) supported the inception meeting and four of the subsequent meetings while the World Bank supported the meeting in Mozambique, with members also contributing towards participation.

In 2009, a Memorandum of Understanding (MoU) was signed among the Water Services Regulatory Board (WASREB) of Kenya; the Water Regulatory Council (CRA) of Mozambique; the Rwanda Utilities Regulatory Agency (RURA) of Rwanda; the Energy and Water Utilities Regulatory Authority (EWURA) of Tanzania; and National Water Supply and Sanitation Council (NWASCO) of Zambia. The MoU sets out a framework for cooperation to enhance each member's regulatory capacity.

In 2010, a Constitution was ratified among the regulators to formalise cooperation to develop effective WSS regulatory frameworks thus giving the Association a legal personality and naming it the ESAWAS Regulators Association. In 2012, the Lesotho Electricity and Water Authority (LEWA) of Lesotho ratified the Constitution to become the sixth member of the Association.

A first Strategic Plan was prepared for the period 2011 to 2013. However, following delays in implementing some major activities, such as the Regulatory Peer Review, due to inadequate funding, the Strategic Plan has now been revised to the period 2013-2015.

3. Overview of the ESAWAS Regulators Association

The cooperation and mutual assistance among member countries seeks to enhance the water regulatory capacity to address new challenges and exploit opportunities to ensure quality and effective regulation to achieve public policy objectives.

3.1 Vision

To be a leading forum for promoting effective regulation of water supply and sanitation services in Africa

3.2 Mission

To facilitate the development of effective regulation of water supply and sanitation services in the Eastern and Southern African region.

3.3 Structure

The organs of ESAWAS Regulators Association comprise the following:

3.3.1 Annual General Meeting

The Annual General Meeting is the highest decision-making authority of the ESAWAS Regulators Association and is comprised of chief executive officers or their representatives of all the Members of the ESAWAS Regulators Association that ratify the Constitution.

The ESAWAS Regulators Association may hold Special General Meetings comprised of the chief executive officers of the member countries or their representatives for purposes as may be defined from time to time.

3.3.2 The Chairperson

The Chairperson of the ESAWAS Regulators Association is selected by simple majority by all members voting at the AGM. The Chairperson holds office for a period of two years.

3.3.3 The Secretariat

The Secretariat is responsible for the day-to-day activities of the ESAWAS Regulators Association and is based in Zambia under the auspices of NWASCO. It consists of an Executive Secretary and other staff as determined by the Annual General Meeting.

3.3.4 A Host Member

The Host Member is responsible for organising and hosting of the Annual General Meeting. The Host Member is selected on rotation basis at the Annual General Meeting.

3.3.5 Committees

3.3.5.1 Executive Committee

The Executive Committee is responsible for the conduct of the affairs of the ESAWAS Regulators Association and is composed of at least five Chief Executive Officers of the members appointed by the Annual General Meeting for a tenure of two years. The Chairperson of the Executive Committee, is also the Chairperson of the AGM.

3.3.5.2 Special Committees

The Executive Committee may set up such other committees to carry out such functions on such terms and conditions as it may deem fit.

3.4 Objectives

The objectives of the ESAWAS Regulators Association as stated in its Constitution are:

a) Capacity Building and Information Sharing

Facilitate information sharing and skills training at national, regional and international level to enhance the capacity of members in WSS regulation;

b) Regional Regulatory Co-operation

Identify and encourage the adoption of best practices to improve the effectiveness of WSS regulation in the region.

3.5 Functions

The functions of ESAWAS Regulators Association as per the Constitution are to:

- i. Promote quality regulation and monitor and evaluate regulatory practices.
- ii. Strengthen the operational capacity of the water regulators for the effective, efficient and sustainable provision of water services.
- iii. Achieve a better understanding of each member's regulatory system and share the benefits of expertise to enhance the efficacy of regulation and to share best practices on implementation and compliance with regulations.
- iv. Enhance the understanding by members of good regulatory governance and

working toward the promotion of best practices in the development of regulatory proposals, legislation, directives and guidelines for sector development.

- v. Facilitate information sharing and promote networking among members, through study and exchange visits.
- vi. Provide a framework for the discussion of regulatory issues and exchange experiences in order to facilitate conveyance of views and common positions where appropriate.
- vii. Provide the necessary elements for the development of regulation and promote increased harmonization and efficiency in the regulatory framework and processes and where necessary, the establishment of common norms and standards.
- viii. Promote and support the enhancement of independence among the regulators.
- ix. Promote research on various aspects of regulation.
- x. Establish working relationships with other agencies that promote regulatory development.
- xi. Promote a peer-review mechanism amongst the members.

3.6 Guiding Principles

The ESAWAS Regulators Association Members are guided by the following principles enshrined in its Constitution:

- a) Independence
- b) Good governance
- c) Professionalism

3.7 Membership

Membership to ESAWAS Regulators Association is open to all water regulatory bodies in Eastern and Southern Africa that subscribe to and ratify the Constitution.

3.8 Funding

According to the Constitution (Article 8), the financial resources of the ESAWAS Regulators Association consist of:

- Annual Contributions by Members
- Special Contributions by Members
- Grants or donations as shall be approved by the Annual Forum

During this strategic plan period, annual contributions from members shall be US\$5,000 per year to cover the costs of running the Secretariat, holding of the Annual General Meetings and information sharing.

4. Situation Analysis

The current member countries of the ESAWAS Regulators Association have been undergoing Water Sector Reforms which have established Regulators for WSS. As such, the regulation is still in formative stages with the two oldest regulators (CRA and NWASCO) having been in operation since the year 2000. There are still a number of gaps that need to be filled within the various member regulators.

4.1 Regulatory functions

The major functions of a WSS regulator are to:

- (a) Develop guidelines for regulation
- (b) Issue licences for the provision of water services
- (c) Enforce regulations
- (d) Monitor compliance to regulations and standards
- (e) Approve tariffs and Service Agreements for water services
- (f) Promote competition in the water services sub-sector
- (g) Assess the performance of providers
- (h) Gather, document and disseminate information
- (i) Establish procedures for handling customer complaints and dispute resolution
- (j) Advise Government on any matter in connection with WSS services.

4.2 Current Regulatory Situation

The Strategic Plan considers the operating environment of each member country as well as the current capabilities in the region in order to establish the issues of common interest and priority action.

Water Services Regulatory Board (WASREB), Kenya:

Governed by the Water Act of 2002, WASREB was established in March 2003 to oversee the implementation of policies and strategies relating to the provision of water and sewerage services and regulates to ensure that consumers are protected and have access to efficient, adequate, affordable and sustainable services.

The following instruments of regulation are in place:

- É Guidelines: corporate governance, tariffs, reporting, business planning, water quality and effluent monitoring
- É Licences issued to Water Services Boards
- É Service Provision Agreements issued to water service providers

- É Information and Monitoring through the Water Regulatory Information System (WARIS)
- É Performance Reporting/ Benchmarking through publication of *Impact* report
- É Empowerment of right holders through Water Action Groups (WAGs)

WASREB currently regulates 124 water service providers.

WASREB is also a member of International Water Association (IWA) and the WSS Committee of African Forum for Utility Regulators (AFUR)

The Water Regulatory Council (CRA), Mozambique

Created in 1998 by a Decree of the Council of Ministries, (Decree no. 74/98, 23rd of December), CRA is an entity under public law with a legal personality, and administrative and financial autonomy. Its main mission is to ensure a balance between the quality of the service, the interests of consumers and the financial sustainability of the water supply systems.

The following instruments of regulation are in place:

- Tariff setting authority;
- Delegated management contracts and regulatory agreements approval with regard to regulatory issues;
- Guidelines: tariffs, reporting, business planning, service quality, customers contract;
- Bulletin of Service Quality Assessment (BAQS);
- Performance Reporting;
- CRA's regional offices and delegates;
- Partnership agreements with the municipalities for consumers need identification.

CRA is currently regulating 18 water service utilities, covering 60% of urban cities. However, in 2009, the Government of Mozambique expanded CRA's mandate to regulate sanitation and small systems of small cities and towns, designated secondary systems.

Rwanda Utilities Regulatory Agency (RURA), Rwanda

The Rwanda Utilities Regulatory Agency (RURA) was created by law No. 39/2001 as a multi-sector regulator with the mission to regulate certain public Utilities namely: ICT, Electricity, Sanitation, Gas, Transport and Water. The Agency started its operations in 2003 with very few staff but continued to build its capacity.

RURA's mandate in the water sector is to regulate in a way that promotes fair competition, sustainable and efficient use of water resources and ensure better quality of services to customers at fair prices. The Water sub-sector has been looking at issues of water accessibility in both rural and urban areas, water quality monitoring and water infrastructure standards.

Currently, RURA regulates one utility in urban areas: the Rwanda Water and Sewerage Corporation (RWASCO), a public utility operating over towns and urban centers around the country. Despite that the market remains open, there is still a monopoly in the water sector and investors are still reluctant.

Regulation of water services in rural areas remains basic. Water supply systems belong to districts and the policy is to delegate those systems to private operators through management contracts to boost their operation. However, about 25% of water supply systems are currently under private management but most operators are not professionals.

RURA has already published six annual reports since 2004 as well as Guidelines in various regulated sectors.

The following instruments of regulation are in place:

- i) The law No. 39/2001 establishing the Agency that determine duties, responsibilities and powers of various organs of the Agency,
- ii) As regulatory tools for water regulation, RURA has developed some Guidelines and Regulations to serve as regulatory instruments and include:
 - Regulations on Minimum Required Service Level for water service provision: These Regulations were developed in line with the national policy on water and sanitation as well as the Economic Development and Poverty Reduction Strategy and the Vision 2020. They set levels on which the performances of water utilities are assessed.
 - Guidelines on Minimum requirements for liquid waste disposal and treatment that set levels and indicators for liquid waste treatment and disposal,

- Water Services Licensing Regulations for water service provision: According to the Water Law of 2009, every water supplier has to be granted a license for the provision of water services by the regulator;
- Water resale Guidelines governing the resale activity of water services and generally used where the supply is not continuous 24 hours a day.
- Reporting Guidelines and compliance assessment procedures.
- Regulations on solid waste collection and transportation that set requirements, conditions and obligations in solid waste collection and transportation
- Guidelines on management of landfill determining standards for the management of landfill.

Energy and Water Utilities Regulatory Authority (EWURA), Tanzania

The Energy and Water Utilities Regulatory Authority (EWURA) was established through an Act of Parliament (CAP 414 of the Laws of Tanzania) and it became operational in June 2006. EWURA is a multi-sector regulatory authority that is empowered to regulate the electricity, water and sewerage, natural gas and petroleum sectors. It is empowered to undertake economic as well as technical regulation of the regulated sectors and promote and oversee competition issues within the regulated sectors.

The following instruments for the regulation of the water sector are in place:

- Licensing; According to the Water Supply and Sanitation Act of 2009, water and sanitation service provision in commercially viable centers must be undertaken by Water Supply and Sanitation Authorities which are obliged to have an operational licence from EWURA. EWURA has already issued permanent licenses for a duration of ten years to 105 Water Supply and Sanitation Authorities.
- Strategic Business Planning Guidelines: This is a document which guides Water Supply and Sanitation Service Providers to prepare their Business, Asset management and Long-term financial plans in accordance with the requirement of EWURA.
- Tariff Application Guidelines; This is a document which guides Service Providers in Water, Electricity and Natural Gas Sectors on the necessary procedures and documentation needed for an application of a tariff to EWURA. Currently, EWURA is working on a particular guideline for evaluating water tariff applications.
- Performance Monitoring; EWURA is implementing a computerised system (The Water Utility Information System ó MajIs) for monitoring and evaluating water and sanitation services providers to ensure that quality of service and consumer

satisfaction is maintained. Inspections are carried out to verify the submitted information.

- Publication; EWURA has already published six annual reports on its activities from 2006/07 to 2011/12. In addition, EWURA has five reports for the years 2008/09 to 2011/12 on the comparative performance of Water Supply and Sanitation Authorities..

EWURA regulates a total of 123 water utilities which include 19 Regional Towns, 74 District Towns, 21 Small Towns, 7 National Projects and DAWASA and DAWASCO for Dar-es-Salaam City.

EWURA is also a member of the WSS Committee of African Forum for Utility Regulators (AFUR)

National Water Supply and Sanitation Council (NWASCO), Zambia

Established by the Water Supply and Sanitation Act No. 28 of 1997 to regulate the water providers for efficiency and sustainability of water supply and sanitation service provision, NWASCO has been operating since the year 2000.

The following instruments of regulation are in place:

- Licence Process: All service providers require the authority of a licence issued by NWASCO to operate. NWASCO can cancel, suspend or amend a licence.
- NWASCO sets guidelines and standards e.g, on Minimum Service Level, Accounting, Corporate Governance, Business and Investment Planning. The service providers are monitored for compliance.
- Tariff Negotiations: All service providers have to submit any tariff adjustments to NWASCO for approval.
- Enforcement Notices and Penalties: NWASCO will issue enforcement notices to non-compliant providers. Failure to perform or deliver services after two notices results in penalties.
- Monitoring of Service Providers: NWASCO uses the NWASCO Information System (NIS) to capture reports from service providers. Inspections are carried out to verify the submitted information. Voluntary consumers called Water Watch Groups monitor service on the ground.
- Publicity: NWASCO annually publicises the performance of providers with ratings through the Urban and Peri-Urban Water Supply and Sanitation Sector Reports.

- Regulation by Incentives: NWASCO utilises incentives to induce efficiency in service provision.

NWASCO currently regulates 18 Water Service Providers of which 11 are Commercial Water Utility companies and 7 are private schemes.

NWASCO is also a member of International Water Association (IWA) and the WSS Committee of the African Forum for Utility Regulators (AFUR)

Lesotho Electricity and Water Authority (LEWA) of Lesotho

The Lesotho Electricity Authority (LEA) was established in terms of the Lesotho Electricity Authority Act No.12 of 2002 to regulate electricity supply industry in Lesotho. In 2011, the Act was amended to expand the regulatory mandate of the Authority to include regulation of water and sewerage services, thus making it a multi-sector regulator. In preparation to assume regulating water and sewerage services, the Authority has developed a number of regulatory instruments in order to operationalise the Act

In terms of legislation LEWA will regulate the production, treatment, transmission, distribution and supply of water and the storage of water for the purpose of treatment, distribution or onward supply, delivery of water to trunk main pipe lines and the collection, treatment of sewage and disposal of treated effluent.

The instruments that have been reviewed and approved, which are applicable to regulation of both electricity, and water and sewerage services are: Tariff Filing and Review Procedures, and Charging Principles. Furthermore instruments that have undergone extensive final reviews with the public, large water consuming industries, Water and Sewerage Company (WASCO), Commissioner of Water and other relevant stakeholders, and are undergoing final appropriate approvals are: Licence Fees & Levies Regulations, Resolution of Complaints for Water and Sewerage Services Rules, Water and Sewage Treatment Facilities Safety Standards, License and Quality of Service and Supply Standards (QoSs).

LEWA shall regulate Water and Sewerage Company (WASCO), the only water utility in Lesotho. The implementation of water regulation is scheduled to commence by April 2013. As a result, LEA shall officially become LEWA by April 2013.

LEWA is a member of the following regional and international bodies:

- African Forum Utility for Regulators (AFUR)
- Regional Electricity Regulators Association (RERA)
- International Confederation of Energy Regulators (ICER)

4.3 Key Strengths

Drawing from the individual regulatory situation analysis the common strengths are as follows:

- The establishment of the Regulators is enshrined in respective country laws
- Similarity in regulatory functions and existing instruments
- Willingness of members to participate in ESAWAS Regulators Association activities.
- Professional staff among members

4.4 Key Challenges

The demands of the industry are becoming even more dynamic day by day and the expectations from the stakeholders are numerous and sometimes conflicting. The adopted technologies, state of infrastructure, service access and quality, the organizational set up of the licensed operators, their business roll out, commitments and the emerging complexity of the consumers are all inherently part of the dynamic forces in today's complex calling in modern utilities regulation.

Given the impact of the above drivers, the current regulatory situation and also taking into consideration the objectives of the ESAWAS Regulators Association , the Association shall facilitate its members to mitigate the following specific challenges:

- Regulatory instruments not fully developed
- Inadequate benchmarking of regulatory procedures among regulatory agencies
- Low transfer of new knowledge or innovations among regulatory agencies
- Inadequate experience transfer on issues of regulations of WSS sector in the context of public sector utilities e.g. enforcements, compliance, inadequate funding etc
- Inadequate regulation of sanitation

5. Key Focus Areas

In line with the objectives, from the Constitution, of Capacity Building and Information Sharing as well as Regional Regulatory Co-operation, the Strategic Plan sets out key focus areas under each objective. These focus areas are intended to assist the regulators in addressing identified challenges.

Objective 1: Facilitate Capacity Building and Information Sharing		
Key Focus Areas	Expected Output	Implementation Year
Share best practices in regulation	Common standards developed	2013-15
Facilitate experience and knowledge transfer	Members have access to knowledge and innovations	2013-15
Establish partnership with other WSS sector associations		2013-15

Objective 2: Enhance Regional Regulatory Cooperation		
Key Focus Areas	Expected Output	Implementation Year
Annual General Meeting	Issues deliberated improve performance of ESAWAS Regulators Association	2013-15
Set-up a Knowledge-Hub for ESAWAS Regulators Association members	Knowledge database available as a working environment for members to share issues, obtain feedback, contribute and access non-public documents/publications	2013-14
Set-up a Website for ESAWAS Regulators Association	Information sharing enhanced and public visibility of ESAWAS increased	2013
Undertake Peer-Review of Regulators	Member regulators benchmarked and experience on best practices shared	2013-15
Undertake study on approaches to Pro-poor Regulation	Single document on approach to pro-poor regulation developed and adopted by ESAWAS Regulators Association	2015
Increase membership of ESAWAS Regulators Association	Number of members increased annually by at least one	2013-15

IMPLEMENTATION

ESAWAS Regulators Association will entrust its Secretariat to oversee the implementation of the set objectives taking into consideration the different operating environments and requirements of each member. The members will contribute to the achievement of the set objectives in a manner as agreed in the Action Plan or stipulated fora.

6. Action Plan

Focus Area	Activities	Expected Output	Year of Implementation	Responsible
Secretariat Costs				
Executive Secretary	<i>Focal point for ESAWAS for implementation of objectives, mangement of website and communication to members</i>	Functions of ESAWAS Regulators Association discharged	2013-2015	Secretariat
Other costs	<i>Communication (phone, fax, courier)</i>			
Objective 1: Capacity Building and Information Sharing				
Share best practices in regulation	<i>Disseminate the following (where applicable) among other members:</i> - Tariff Setting - Pro-poor regulation - Sector Performance Reports - Annual Reports - Other pertinent issues	Common standards developed	2013-2015	Individual Regulators
	<i>Engage external experts from within the host country to deliver presentations on topical issues during</i>			Host/Secretariat
	<i>Share regulation best practices through presentations delivered by country regulators on topical issues during AGMs</i>			Individual Regulators
Facilitate experience and knowledge transfer	<i>Facilitate study/exchange visits and field attachments in area of interest</i> <i>Facilitate twinning of regulators</i>	Members have access to knowledge and innovations	2013-2015	Secretariat
Establish partnership with other WSS sector associations				Secretariat
Objective 2: Regional Regulatory Cooperation				
Annual General Meeting	<i>Coordinate and organise AGM (logistical support, accommodation, travel)</i>	Issues deliberated improve performance of ESAWAS Regulators Association	2013-2015	Host and Secretariat
Undertake peer review of regulators	<i>Formulate TORs for peer-review on aspects agreed upon</i>	Member regulators benchmarked and experience on best practices shared	2013-2015	Special Committee
	<i>Recruit an Independent consultant to assist the member Regulators to do a peer-review amongst themselves</i>			Secretariat
	<i>Conduct peer-review for all member countries by peer-review team consisting of all member CEOs/representatives</i>			Consultant and CEOs
	<i>Disseminate peer-review findings</i>			Secretariat
Set-up a Knowledge-Hub for ESAWAS Regulators Association members	<i>Prepare TORs and develop Knowledge Base</i>	Knowledge database available as a working environment for members to share issues, obtain feedback, contribute and access non-public documents/publications	2013-14	Secretariat
Undertake a study to on approaches to Pro-Poor Regulation	<i>Prepare the ToRs and recruit a consultant to undertake the study on pro-poor regulation</i>	Single document on approach to pro-poor regulation developed and adopted by ESAWAS Regulators Association	2015	Secretariat
	<i>Evaluate the approach to Pro-poor regulation in member countries and best practices from other comparable regulators and make draft recommendations</i>			Consultant
	<i>Evaluate the Consultant's draft report and establish applicability within its context</i>			Individual Regulators
	<i>Develop a single draft document from individual country submissions to be adopted as an ESAWAS document</i>			Special Committee and Consultant
Website for ESAWAS	<i>Approve and adopt the single document as ESAWAS document</i>	Information sharing enhanced	2013	AGM
	<i>Develop website</i>			Secretariat
	<i>Maintain website</i>			Secretariat
Increase membership of ESAWAS Regulators Association	<i>Annually identify potential members, invite as observers to AGM and offer participation incentives for membership</i>	Number of members increased	2013-2015	Secretariat

7. Financial Plan and Budget

7.1 Assumptions

The financial plan takes into consideration the cost of running the Secretariat and implementing the set objectives. The main assumptions underpinning the plan for the period 2013-2015 are as below:

7.1.1 Membership

It is assumed that membership will grow by one member per year for the planning period as ESAWAS Regulators Association activities are increasingly seen to be of direct benefit to members. Other regional regulators identified as potential members will be invited to the AGM with the view to increase members. The membership fee will remain unchanged during the period of the plan.

7.1.2 Secretariat

It is assumed that for the period of the Strategic Plan, the cost of the Secretariat will be fully financed from membership fees and the Secretariat (NWASCO) will appoint one of its staff to be the Executive Secretary of the ESAWAS Regulators Association. It is assumed that for the three years of the plan, NWASCO will host the Secretariat within its building thus reducing the cost for rentals.

7.1.3 Special Committee

It is assumed that at least two Special Committee meetings will be required per year as instituted by the Executive Committee for the purpose indicated in the Action Plan. It is assumed that the Special Committee will comprise one representative from each member country. The cost of the Special Committee meetings will be partly financed from membership fees and contributions from individual members.

7.1.4 Annual General Meeting

One meeting will be held per year following the rotating chair. While GTZ/GIZ has supported the holding of five meetings from inception and the World Bank one meeting, it is assumed that each member will cater for their own participation costs to the meeting as stated in the Constitution. The cost of logistics of the Annual General Meeting shall be financed from membership fees and contributions from members. Additional financial support from external sources could be sought for logistics and expert presentations.

It is assumed that the AGM will be hosted in Lesotho in 2013, Tanzania in 2014 and Mozambique in 2015.

7.1.5 Outsourcing

It is assumed that the key research and capacity building activities will be outsourced to ensure effective delivery and will be funded from external sources.

7.2 Revenues

The ESAWAS Regulators Association will undertake to finance its activities through membership fees as shown below:

ESAWAS Regulators Association Membership Fees and Revenue Structure			
	Year		
	2013	2014	2015
No. of Members	6	7	8
Membership fee (US\$)	5,000	5,000	5,000
Total Member fees (US\$)	30,000	35,000	40,000

For the planning period, it is assumed that external financing will be sourced to fund the activities of the plan at an annual support of approximately US\$ 110,000 per year.

7.3 Operating Expenses

Operating Expenses consist of four (4) main categories:

- i. Secretariat activities
- ii. Technical Committee meetings
- iii. Annual General Meeting
- iv. Regulatory programmes and projects

The total operating expenses are estimated at US\$427,800 over the period of the plan at approximately US\$ 140,000 per year.

ESAWAS Regulators Association Operating Expenses and Sources of Funds				
	Operating Expenses			
	2013	2014	2015	TOTAL
Sources of Funds	US\$	US\$	US\$	US\$
Membership Fees (<i>MF</i>)	30,000	35,000	40,000	105,000
Contribution by Members (<i>CF</i>)	20,000	13,200	34,600	67,800
External (<i>E</i>)	120,000	70,000	65,000	255,000
Total Budget (US\$)	170,000	118,200	139,600	427,800

The detailed financial plan is as presented below:

ESAWAS Regulators Association Financial Plan 2013-15

Source of Funds		
Membership Fees - MF	Contribution from Members- CF	External Funds- E

Focus Area	Activities	2013		2014		2015	
		US\$	Sources of Funds	US\$	Sources of Funds	US\$	Sources of Funds
Secretariat Costs							
Executive Secretary	<i>Focal point for ESAWAS for implementation of objectives, mangement of website and</i>	5,000	MF	6,000	MF	7,200	MF
Other costs	<i>Communication (phone, fax, courier)</i>	1,000	MF	1,200	MF	1,400	MF
Sub-Total		6,000		7,200		8,600	
Objective 1: Capacity Building and Information Sharing							
Share best practices in regulation	<i>Disseminate the following (where applicable) among other members: - Tariff Setting - Pro-poor regulation - Sector Performance Reports - Annual Reports - Other pertinent issues</i>	-		-		-	
	<i>Engage external experts from within the host country to deliver presentations on topical issues during AGMs</i>	5,000	MF	5,000	MF	5,000	MF
	<i>Share regulation best practices through presentations delivered by country regulators on topical issues during AGMs</i>	-		-		-	
Experience/knowledge transfer	<i>Facilitate study/exchange visits and field attachments in area of interest</i>	-		-		-	
	<i>Facilitate twinning of regulators</i>	-		-		-	
Establish partnership with other WSS sector associations		-		-		-	
Sub-Total		5,000		5,000		5,000	
Objective 2: Regional Regulatory Cooperation							
Annual General Meeting	<i>Coordinate and organise AGM</i>	40,000	MF-10,000 CF-20,000 E-10,000	45,000	MF-21,800 CF-13,200 E-10,000	55,000	MF-20,400 CF-19,600 E-15,000
Undertake peer review of regulators	<i>Formulate TORs for peer-review on aspects agreed upon</i>	-					
	<i>Recruit an Independent consultant to assist the member Regulators to do a peer-review amongst themselves</i>	5,000	MF				
	<i>Conduct peer-review for all member countries by peer-review team consisting of all member CEOs/representatives</i>	90,000	E	60,000	E		
	<i>Disseminate peer-review findings</i>	-		-			
Set-up a Knowledge-Hub for ESAWAS Regulators Association members	<i>Prepare TORs and develop Knowledge Base</i>	20,000	E				
	<i>Maintain and update Knowledge Base</i>			-		-	
Undertake a study to on approaches to Pro-Poor Regulation	<i>Prepare the ToRs and recruit a consultant to undertake the study on pro-poor</i>					5,000	MF
	<i>Evaluate the approach to Pro-poor regulation in member countries and best practices from other comparable regulators and make draft recommendations</i>					50,000	E
	<i>Evaluate the Consultant's draft report and establish applicability within its context</i>					-	
	<i>Develop a single draft document from individual country submissions to be adopted as an ESAWAS document</i>					15,000	MF, CF
	<i>Approve and adopt the single document as ESAWAS document</i>						
Website for ESAWAS	<i>Develop website</i>	4,000	MF				
	<i>Maintain website</i>			1,000	MF	1,000	MF
Increase membership	<i>Annually identify potential members,invite as observers to AGM and offer participation incentives for membership</i>	-		-		-	
Sub-Total		159,000		106,000		126,000	
Total by Year		170,000		118,200		139,600	
Grand Total Over 3 years		427,800					

The operating expenses have been arrived at as follows:

i) Secretariat Activities

The costs for running the Secretariat are recurrent and comprise retention costs for the Executive Secretary and communication. Retention costs for the Executive Secretary are estimated at 15% of the average annual basic salary as part-time work. Communication costs are based on international call charges and courier costs.

ii) Special Committee Meetings

Special Committee meeting costs are based on the cost of a return economy-class air ticket (approximately US\$1,000) and full board. It is assumed that each meeting will take at least two days (3 nights accommodation) and that each member will cater for the cost of travel.

iii) Annual General Meeting

The Annual General meeting includes two-days of conferencing and one day of the ESAWAS Regulators Association's affairs. The AGM costs include a return economy air-ticket, half board, logistics (conference venue and refreshments). It is assumed that the cost of logistics of the Annual General Meeting shall be financed from membership fees, contributions from members and external funding. Each member will cater for its own cost of participation (travel and accommodation) as per the Constitution.

v) Regulatory programmes and projects

For planned activities, the major costs are those of recruiting and retaining a consultant. Recruitment costs include advertising and holding a tender committee meeting. The cost of retaining a consultant is based on the number of days required multiplied by a daily average fee inclusive of reimbursables (e.g. travel expenses). It is assumed that external funding will be sourced for these activities.

The costs of undertaking study or exchange visits will be borne by individual members.

8. Monitoring and Evaluation

The Secretariat will be responsible for monitoring and evaluating the implementation of the plan and communicating to members. The Secretariat will compile annual reports on the progress made in the implementation of the plan and present to the AGM together with the financial statements. Once approved by the AGM, the report and statements will be circulated to members and key stakeholders.