



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

A graphic featuring a map of the African continent. The northern part of the continent is shaded in light grey, while the southern part is shaded in a light green color. The map is set against a dark blue background that includes a faint, stylized globe and several overlapping, semi-transparent blue squares of various sizes. The text "STRATEGIC PLAN" and "2016-2018" is overlaid on the map in a white, bold, sans-serif font.

**STRATEGIC PLAN**  
**2016-2018**

*October, 2015*

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## **1. EXECUTIVE SUMMARY**

The Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association is a network of water supply and sanitation regulators, with legal capacity and governed by a Constitution ratified by members. The current members are the Water Services Regulatory Board (WASREB) of Kenya; the Water Regulatory Council (CRA) of Mozambique; the Lesotho Electricity and Water Authority (LEWA) of Lesotho; the Rwanda Utilities Regulatory Authority (RURA) of Rwanda; the Energy and Water Utilities Regulatory Authority (EWURA) of Tanzania; and National Water Supply and Sanitation Council (NWASCO) of Zambia.

This second Strategic Plan for the period 2016-2018 guides the activities of the Association over the next three years. The Strategic Plan is drawn from the objectives of the ESAWAS Regulators Association which are two-fold: (i) Capacity Building and Information Sharing and (ii) Regional Regulatory Co-operation.

The second Strategic Plan builds on the achievements made in the first Strategic Plan for the period 2013-2015. Three strategic objectives have been identified for the 2016-18 period as follows:

- i. Strengthen regulatory capacity among Members and within the region
- ii. Facilitate experience and knowledge transfer
- iii. Improve operations of ESAWAS Regulators Association

The total budget is estimated at US\$397,215 over the period of the plan. ESAWAS will finance the Plan through membership fees, direct contributions to activities by individual members (e.g. cost of travel), participation fees to the annual conference and externally sourced funds.

## **2. OVERVIEW OF THE ESAWAS REGULATORS ASSOCIATION**

The Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association is a regional network of water supply and sanitation (WSS) regulators that seeks to enhance the regulatory capacity of members to deliver quality and effective regulation to achieve public policy objectives through cooperation and mutual assistance.

### **2.1 FORMATION OF THE ESAWAS REGULATORS ASSOCIATION**

The ESAWAS Regulators Association began in 2007 as an informal meeting held among five WSS Regulators from different countries in the Eastern and Southern African region to exchange experiences and knowledge on WSS regulation. These were the Water Regulatory Council (CRA) of Mozambique; the Energy and Water Utilities Regulatory Authority (EWURA) of Tanzania; the National Water Supply and Sanitation Council (NWASCO) of Zambia; the Rwanda Utilities Regulatory Authority (RURA) of Rwanda; and the Water Services Regulatory Board (WASREB) of Kenya.

In recognising the need for the development of an effective WSS regulatory framework, 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 and sanitation regulation. Subsequently, in 2009 a Memorandum of Understanding (MoU) was signed among the five regulators that set out the framework for cooperation.

In 2010, a Constitution was ratified among the regulators that formalised the cooperation, gave the Association a legal personality and named 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.

### **2.2 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.

### **2.3 VISION**

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

### **2.4 MISSION**

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

### **2.5 FUNCTIONS**

The functions of ESAWAS Regulators Association 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

## **2.6 GUIDING PRINCIPLES**

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

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

## **2.7 STRUCTURE**

The organs of ESAWAS Regulators Association comprise the following:

### ***2.7.1 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.

### ***2.7.2 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 three years.

### ***2.7.3 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.

### ***2.7.4 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.

### ***2.7.5 Committees***

#### ***2.7.5.1 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 three years. The Chairperson of the Executive Committee, is also the Chairperson of the AGM.

#### *2.7.5.2 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.

There is a standing Technical Committee for Regulatory Issues that is tasked to oversee aspects such as benchmarking, peer reviews and research areas for ESAWAS. The Technical Committee is composed of at least one technical expert from each Member from the fields of engineering, finance and economics.

## **2.8 MEMBERSHIP**

Membership to the ESAWAS Regulators Association is open to all WSS regulatory bodies in Eastern and Southern Africa that subscribe to and ratify the Constitution. These include autonomous WSS regulators, Government departments and individuals.

### 3. SITUATION ANALYSIS

In the Eastern and Southern African region, 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 particularly for sanitation.

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 consumers have access to efficient, affordable, reliable and quality services while balancing the commercial interest with that of social consideration through effective regulation.

#### 3.1 CURRENT REGULATORY SITUATION

Ongoing water sector reforms in the Eastern and Southern African region have established autonomous regulators for water supply and sanitation (WSS) services provision in Lesotho, Kenya, Rwanda, Tanzania, Mozambique, Zambia and most recently, Burundi and Zanzibar. As such, the regulation is still in formative to growth stages with the two oldest regulators having been in operation since the year 2000.

As at October 2015, ESAWAS had six members as indicated in Table 1:

**Table 1: Members of ESAWAS Regulators Association**

	<b>Regulator</b>	<b>Established by</b>	<b>Year begun operations</b>	<b>Number of regulated WSS Utilities</b>
1	National Water Supply and Sanitation Council (NWASCO), Zambia	Water Supply and Sanitation Act No. 28 of 1997	2000	18
2	Water Regulatory Council (CRA), Mozambique	Decree No. 74 of 1998	2000	15
3	Water Services Regulatory Board (WASREB), Kenya	Water Act of 2002	2003	103
4	Rwanda Utilities Regulatory Authority (RURA) Rwanda	Law No. 39 of 2001	2003	1
5	Energy and Water Utilities Regulatory Authority (EWURA), Tanzania	Cap 414 of 2001	2006	130
6	Lesotho Electricity and Water Authority (LEWA), Lesotho	LEA Act of 2002, LEA Amendment Act of 2011	2013	1



### **3.1.1 *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.

### **3.1.2 *Regulatory instruments and tools***

Although there are still a number of gaps that need to be filled within the various Members of ESAWAS, a number of instruments and tools have been put in place for effective regulation and generally include:

- Licensing: All WSS providers are required to operate under a license issued by the regulator.
- Development and Enforcement of Guidelines, Regulations and Rules: Various guidelines, regulations and rules have been developed and enforced to ensure compliance to the governing water supply and sanitation legislation. Key among these are Minimum Service Level, Business Planning, Corporate Governance and Reporting Guidelines.
- Tariff Setting: All WSS providers are required to submit tariff applications to the regulator for review and approval.
- Performance Monitoring and Quality Control: The regulators undertake regular inspections of utility infrastructure and operations. Areas of non-compliance are addressed through written directives and orders. Continued non-compliance attracts penalties as stipulated in the legislation.
- Sector Performance Reporting and Information Dissemination: The regulators have in place systems for data collection on the performance of the utilities that is used for sector reporting. All the regulators produce annual reports on the performance of the sector which is published and disseminated to the public in hardcopy and electronically available online. The annual sector performance reports are also used as a tool to promote competition in an otherwise monopolistic service.

### 3.2 PERFORMANCE ON FIRST STRATEGIC PLAN

The first ESAWAS Strategic Plan for the years 2013- 2015 adopted the Association’s objectives as the key strategic objectives for the period. Key activities undertaken in the period were:

- the undertaking of three regulatory peer reviews for EWURA of Tanzania, WASREB of Kenya and NAWASCO of Zambia. The peer-reviews were structured in a collegial learning environment through a hands-on approach of regulatory systems interrogation with an aim to learn and share best practices on what works, what can be improved and what can be adapted. The Peer Review Team led by an independent Consultant was composed of five Chief Executive Officers and senior officers from respective ESAWAS Member institutions.
- the inception of regional benchmarking for large utilities among member countries. ESAWAS developed a regional benchmarking framework with harmonised performance benchmarks. The first report focused on the performance of the largest utilities among the ESAWAS member countries.

The detail on the performance of the first Strategic Plan is shown in Table 2:

*Table 2: Performance on First Strategic Plan Objectives*

<b>Objective 1: Facilitate Capacity Building and Information Sharing</b>		
<b>Key Focus Areas</b>	<b>Expected Output and Implementation Year</b>	<b>Performance</b>
<b>Share best practices in regulation</b>	Common standards developed (2013-15)	Regional benchmarking framework introduced and implemented
<b>Facilitate experience and knowledge transfer</b>	Members have access to knowledge and innovations (2013-15)	Learning visits facilitated for EWURA and RURA to NAWASCO, and Uganda Ministry of Water to RURA and WASREB.
<b>Establish partnership with other WSS sector associations</b>		Partnership under establishment with AFUR, IWA, Turin School of Local Regulation and Energy Regulators Regional Association (ERRA)

*Table 2 cont'd: Performance on Strategic Plan Objectives*

<b>Objective 2: Enhance Regional Regulatory Cooperation</b>		
<b>Key Focus Areas</b>	<b>Expected Output and Implementation Year</b>	<b>Performance</b>
<b>Annual General Meeting</b>	Issues deliberated improve performance of ESAWAS Regulators Association (2013-15)	Annual General Meetings held in Lesotho (2013), Mozambique (2014) and Kenya (2015)
<b>Set-up a Knowledge-Hub for ESAWAS Regulators Association members</b>	Knowledge database available as a working environment for members to share issues, obtain feedback, contribute and access non-public documents/publications (2013-14)	Done and incorporated in the website.
<b>Set-up a Website for ESAWAS Regulators Association</b>	Information sharing enhanced and public visibility of ESAWAS increased (2013)	Website developed ( <a href="http://www.esawas.org">www.esawas.org</a> ) and has had over 20,000 visits by 2015.
<b>Undertake Peer-Review of Regulators</b>	Member regulators benchmarked and experience on best practices shared (2013-15)	Three Peer Reviews undertaken for EWURA (2013), WASREB (2014) and NWASCO (2015). Findings disseminated among members.
<b>Undertake study on approaches to Pro-poor Regulation</b>	Single document on approach to pro-poor regulation developed and adopted by ESAWAS Regulators Association (2015)	Activity postponed due to limited funding and preference given to regulatory peer review
<b>Increase membership of ESAWAS Regulators Association</b>	Number of members increased annually by at least one. (2013-15)	Not achieved. Membership criteria was revised in 2014 to enable Government departments and other regulators become members.

### 3.3 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 organisational 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.

With this foreground, the key challenges were identified as follows:

- Inadequate regulation of sanitation.
- Low cost coverage among the regulated.
- Slow progress to improve operational efficiencies among the regulated.
- Lack of harmonised documentation (e.g. handbook) on key regulatory aspects e.g. tariff setting, quality of supply standards.
- Low transfer of knowledge or innovations among regulatory agencies (or departments) in the region
- Low advocacy and support for formation of autonomous regulators in the region

### 3.4 SWOT ANALYSIS

A SWOT analysis of ESAWAS reveals the following:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Has legal personality</li> <li>• Low running costs with Secretariat housed and managed by NWASCO.</li> <li>• Growing recognition and interest among institutions dealing with WSS regulation.</li> <li>• Ability to attract funding for activities from Development Partners directly and through members.</li> <li>• Ability to undertake consultancy work.</li> <li>• Strengthened WSS Regulatory experience and capacity as a result of hands-on interrogations of Member's regulatory frameworks through Peer Reviews.</li> </ul>	<ul style="list-style-type: none"> <li>• Secretariat not completely independent and therefore has to rely on NWASCO for staff support (Executive Secretary, accounts etc) and procedures (e.g. procurement).</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Provide support mechanism for newly formed WSS regulators and countries in the process of forming WSS regulators.</li> <li>• Recruit additional members in the categories of Associate and Affiliate members for Government departments and non-WSS regulators.</li> <li>• Develop partnerships with other institutions in the WSS sector for capacity building and knowledge exchange.</li> <li>• Spearhead and extend the benchmarking of WSS utilities to the rest of the region..</li> <li>• Spearhead, extend, document and share findings of Peer Reviews for WSS regulators</li> <li>• Develop harmonised regulatory approaches for common aspects among regulators.</li> <li>• Secure funding for activities from Development Partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate funding (inability to source sufficient funds) to deliver on planned activities.</li> <li>• Loss of institutional resources among staff of Members with long years of experience in regulation.</li> </ul>

## 4. THREE-YEAR IMPLEMENTATION PLAN

In consideration of the situation analysis and in line with the objectives of the Association, the Strategic Plan for period 2016-2018 will focus on:

- Strengthening regulatory capacity among Members and within the region;
- Facilitating experience and knowledge transfer; and
- Improving operations of ESAWAS Regulators Association

### 4.1 STRATEGIC OBJECTIVES

Three strategic objectives have been identified for the three-year period as follows:

#### **Objective 1: Strengthen regulatory capacity among Members and within the region**

Regulation is dynamic in nature and the environment demands that regulators be a step-ahead of the regulated in order to develop regulatory instruments and tools that are responsive to the changing environment. To achieve this, regulators must undertake continuous capacity building. Furthermore, newly formed regulators do not need to reinvent the wheel where regulators in similar environments have successfully implemented appropriate regulatory tools and instruments. ESAWAS will thus facilitate the strengthening of regulatory capacity among its Members and in the region. The key focus areas under this objective are shown in Table 3.

*Table 3: Key focus areas for Strategic Objective 1*

<b>Objective 1: Strengthen regulatory capacity among Members and within the region</b>		
<b>Key Focus Areas</b>	<b>Expected Output</b>	<b>Implementation Year</b>
Undertake Peer-Review of Regulators annually	Member regulators benchmarked and experience on good practices shared	2016-18
Extend annual benchmarking exercise for large utilities in the region	Results of Benchmarking used to enhance tools and promote efficiency of regulated entities	2016-18
Improve regulation of sanitation	A framework for sanitation regulation developed	2018
Provide support to WSS regulators newly established or under formation in the region	Regulators in formative stages supported by older regulators for capacity building	2016-18

## **Objective 2: Facilitate experience and knowledge transfer**

There is a wealth of knowledge and experience on WSS regulation among ESAWAS Members and world-wide that if harnessed would aid in delivering effective regulation. In this regard, ESAWAS will aim to promote regulatory exchanges and consolidate information in key regulatory aspects in a bid to share experiences and preserve knowledge/information for reference. The key focus areas under this objective are shown in Table 4.

***Table 4: Key focus areas for Strategic Objective 2***

<b>Objective 2: Facilitate experience and knowledge transfer</b>		
<b>Key Focus Areas</b>	<b>Expected Output</b>	<b>Implementation Year</b>
Consolidate peer review findings into a single handbook	Peer review findings shared as a package	2018
Document and share good regulatory practices	Good practices shared among regulators Toolkit on setting-up regulatory framework developed	2016-18 2017
Undertake technical regulatory exchange programmes	Working approaches in key regulatory aspects shared	2016-18
Establish/Strengthen partnerships with other WSS sector associations	Members have access to trainings, knowledge and innovations	2016-18
Update knowledge hub	Knowledge database updated for Members to share issues, obtain feedback, contribute and access non-public documents/publications	2016-18

## **Objective 3: Improve operations of ESAWAS Regulators Association**

With growing recognition and interest from WSS regulators, Government departments and institutions, ESAWAS is poised to be a hub for spearheading WSS regulatory issues in both the region and Africa. In this regard, the operations of the Association and secretariat in particular need to be strengthened in order to absorb the expanding activities.

The key focus areas under this objective are shown in Table 5.

**Table 5: Key focus areas for Strategic Objective 3**

<b>Objective 3: Improve operations of ESAWAS Regulators Association</b>		
<b>Key Focus Areas</b>	<b>Expected Output</b>	<b>Implementation Year</b>
Hold Annual General Meeting	Issues deliberated upon improve performance of ESAWAS Regulators Association	2016-18
Update Website for ESAWAS Regulators Association	Public visibility of ESAWAS increased	2016-18
Increase membership of ESAWAS Regulators Association	Number of members increased annually by at least one	2016-18
Explore options to strengthen Secretariat	Secretariat can successfully handle increased activities	2016-18
Source external funds for activities	Increased revenue for activities	2016-18

## **4.2 IMPLEMENTATION**

The Action Plan for the stipulated objectives is detailed in Annex.

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.



## **5. FINANCIAL PLAN AND BUDGET**

### **5.1 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 2016-2018 are as below:

#### ***5.1.1 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 regulators and WSS institutions identified as potential members will be invited to the AGM with the view to increase members. Secretariat may also undertake mobilisation visits to potential members.

As determined by the AGM, the membership fee will be increased by 10% per year from the year 2017.

#### ***5.1.2 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 seat of Secretariat (NWASCO) will continue to lend at least 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 running costs. It is assumed that options to strengthen Secretariat will be considered in terms of the recruitment of an extra person to Secretariat or appointing a support person from the Member that is Chair of ESAWAS.

#### ***5.1.3 Special Committee***

It is assumed that at least one Technical Committee meeting will be held per year. It is further assumed that one ad-hoc Special Committee meeting 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 costs for committees include air tickets estimated at US\$1,000 per person, plus accommodation at US\$200 per night for 3 nights. The cost of the Technical Committee will be financed from Membership fees while the cost of the Special Committee meetings will be majorly financed from contributions from individual members and external funds. Membership fees would cater for conferencing costs if needed.

#### ***5.1.4 Annual General Meeting***

One Annual General Meeting shall be held per year following the rotating chair. It is assumed that each member will cater for their own participation costs (travel and accommodation) to the meeting as stated in the Constitution. The cost of conferencing and local logistics of the Annual General Meeting shall be financed from membership fees. Additional financial support from external sources will be sought for local logistics and expert presentations.

It is assumed that ESAWAS will introduce a participation fee to partially cater for the cost of holding the AGM.

#### ***5.1.5 Support to WSS Regulators newly established or under formation***

It is assumed that at least three institutions per year will be supported by ESAWAS in terms of knowledge exchange visits to the regulatory entity. ESAWAS will send representatives from its members as per identified needs to assist the regulatory entity. The costs for the visits include air tickets estimated at US\$1,000 per person, plus accommodation at US\$200 per night for 3 nights. It is assumed that external funds will be sourced for the activity.

#### ***5.1.6 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 resources.

### **5.2 REVENUES**

According to the Constitution, 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

The ESAWAS Regulators Association will undertake to finance its activities through membership fees, external funds and direct contributions to activities by Members (e.g. travel and accommodation). ESAWAS will further raise revenue through introduction of participation fees to its annual general meeting. The revenue sources for the Plan are shown in Table 6:

**Table 6: Strategic Plan Revenue Sources (US\$)**

	Year		
	2016	2017	2018
<b>No. of Members</b>	7	8	9
<b>Membership Fees (MF)</b>	35,000	44,000	54,450
<b>Contributions by Members (CF)</b>	32,000	30,000	20,000
<b>Participation Fees</b>	-	5,000	5,000
<b>External Funds (E)</b>	52,000	54,000	66,000
<b>Total</b>	<b>119,000</b>	<b>133,000</b>	<b>145,450</b>
	<b>397,450</b>		

### 5.3 Operating Expenses

The total operating expenses are estimated at US\$397,215 over the period of the plan as shown in Table 7. The detailed financial plan is as presented in Annex.

**Table 7: Total Operating Budget (US\$)**

	Operating Expenses			
	2016	2017	2018	TOTAL
Secretariat	10,200	11,200	12,400	<b>33,800</b>
Strategic Objective 1	69,000	74,500	87,000	<b>230,500</b>
Strategic Objective 2	12,765	12,800	10,850	<b>36,415</b>
Strategic Objective 3	27,000	34,500	35,000	<b>96,500</b>
<b>Total Budget (US\$)</b>	<b>118,965</b>	<b>133,000</b>	<b>145,250</b>	<b>397,215</b>
<b>Total Revenue</b>	<b>119,000</b>	<b>133,000</b>	<b>145,450</b>	<b>397,450</b>

## 6. MONITORING AND EVALUATION

The Secretariat will be responsible for implementing, monitoring and evaluating 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.

**Annex: ESAWAS Regulators Association Action and Financial Plan 2016-18**

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

Focus Area	Activities	2016		2017		2018	
		US\$	Sources of Funds	US\$	Sources of Funds	US\$	Sources of Funds
<b>SECRETARIAT COSTS</b>							
<b>Executive Secretary</b>	<i>Focal point for ESAWAS for implementation of objectives, management of website and communication to members</i>	7,200	MF	7,200	MF	8,400	MF
<b>Administration costs</b>	<i>Communication, Travel, Accommodation, Annual Returns-Registrar of Societies</i>	3,000	MF	4,000	MF	4,000	MF
<b>Sub-Total</b>		<b>10,200</b>		<b>11,200</b>		<b>12,400</b>	
<b>OBJECTIVE 1: STRENGTHEN REGULATORY CAPACITY AMONG MEMBERS AND WITHIN THE REGION</b>							
<b>Undertake Peer Review of Regulators</b>	<i>Recruit an Independent consultant to assist the member Regulators to do a peer-review amongst themselves</i>	15,000	MF	18,000	MF	18,000	MF
	<i>Conduct peer-review for all member countries by peer-review team consisting of all member CEOs/representatives</i>	20,000	E	20,000	E	20,000	E
	<i>Disseminate peer-review findings</i>	-		-		-	
<b>Extend annual benchmarking exercise for large utilities in the region</b>	<i>Collect data and hold one meeting for the Technical Task Team on Benchmarking to prepare the report</i>	12,000	E	14,000	E	16,000	E
	<i>Publish the benchmarking report</i>	2,000	MF	2,500	MF	3,000	MF
<b>Improve regulation of sanitation</b>	<i>Develop regulatory framework for Sanitation</i>	-		-		10,000	E
<b>Provide support to WSS regulators newly established or under formation in the region</b>	<i>Support WSS regulators newly established/under formation in the region through information exchanges and learning visits</i>	20,000	E	20,000	E	20,000	E
<b>Sub-Total</b>		<b>69,000</b>		<b>74,500</b>		<b>87,000</b>	

OBJECTIVE 2: FACILITATE EXPERIENCE AND KNOWLEDGE TRANSFER							
Consolidate peer review findings into a single handbook	Engage consultant to consolidate findings into a single handbook					10,000	MF
Document and share good practices in regulation	Disseminate and share publications and regulation good practices through presentations delivered on topical issues during AGMs and correspondences	-		-		-	
	Develop Toolkit on setting-up regulatory framework	-		-		-	
Undertake technical regulatory exchange programmes	Technical staff of Members meet to exchange on Tariff Setting (2016) and Promoting Efficiencies in utilities (2017)	12,000	CF	12,000	CF-10,000 MF-2,000		
	Facilitate study/exchange visits and field attachments in area of interest	-		-		-	
	Facilitate twinning of regulators	-		-		-	
Establish/Strengthen partnership with other WSS sector associations	Establish and strengthen partnership with AFUR, AfWA, IWA, ERRA, Turin School of Regulation and any other relevant association to the benefit of members	765	MF	800	MF	850	MF
Update knowledge hub	Knowledge database continuously updated	-		-		-	
<b>Sub-Total</b>		<b>12,765</b>		<b>12,800</b>		<b>10,850</b>	
OBJECTIVE 3: IMPROVE OPERATIONS OF ESAWAS REGULATORS ASSOCIATION							
Hold Annual General Meeting	Coordinate and organise AGM	25,000	MF-5,000 CF-20,000	30,000	MF-5,000 CF-20,000 Fees-5,000	30,000	MF-5,000 CF-20,000 Fees-5,000
Update Website	Website updated to increase public visibility of ESAWAS	-		250	MF	-	
Increase membership	Annually identify potential members and promote participation incentives for membership	-		1,750	MF	2,000	
Strengthen Secretariat	Explore and implement options to strengthen Secretariat	2,000	MF	2,500	MF	3,000	MF
Source external funds for activities	At least 90% of annual required external funds secured	-		-		-	
<b>Sub-Total</b>		<b>27,000</b>		<b>34,500</b>		<b>35,000</b>	
<b>Total by Year</b>		<b>118,965</b>		<b>133,000</b>		<b>145,250</b>	
<b>Grand Total Over 3 years</b>		<b>397,215</b>					