



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



STRATEGIC PLAN

2019-2021

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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, seeking to promote effective water supply and sanitation regulation through regional cooperation.

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.

Since its formation in 2007, ESAWAS has continued to grow in terms of membership and activities. The number of Members grew from five to eight with the potential to continue increasing. The final year (2018) of implementing the second Strategic Plan saw ESAWAS establishing four strategic partnerships with the African Ministers' Council on Water (AMCOW), the Bill&Melinda Gates Foundation, the Climate Resilience Infrastructure Development Facility (CRIDF) and the Water and Sanitation for Urban Poor (WSUP). These partnerships will propel the activities of ESAWAS to an Africa-wide and global reach.

An environmental scan undertaken revealed pertinent issues within the water supply and sanitation sub sector for consideration. Top issues were sanitation service provision, rural water supply and sanitation, reducing Non-revenue water and climate change adaptation.

With the foregoing, four Strategic Objectives have been developed for the 2019-21 to guide the activities of the Association over three years as follows:

- 1. Develop harmonised regulatory approaches and frameworks;**
- 2. Facilitate experience and knowledge sharing;**
- 3. Undertake and document research in emerging regulatory trends and practices; and**
- 4. Improve operations of the ESAWAS Regulators Association**

The execution of the key actions under each objective will enhance the regulatory capacity of Members to deliver effective regulation, widen the reach of ESAWAS beyond the region and improve the operations of the Association.

The total budget is estimated at US\$878,480 over the period of the plan. ESAWAS will finance the Plan through membership fees, externally sourced funds from Development Partners and other strategic partnerships, as well as direct contributions to activities by Members.

2.

OVERVIEW OF THE ESAWAS REGULATORS ASSOCIATION



1st Regulators Meeting, Zambia- 2007

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 effective regulation through cooperation and mutual assistance.

2.1 FORMATION OF THE ESAWAS REGULATORS ASSOCIATION

The ESAWAS Regulators Association began in 2007 as an informal meeting in Zambia supported by the then Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ). The meeting was held among five WSS Regulators from different countries in the Eastern and Southern African region to exchange experiences and knowledge on water supply and sanitation (WSS) regulation and water sector reforms. 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 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. In 2016, the Zanzibar Utilities Regulatory Authority (ZURA) of Zanzibar became the seventh member and the Agency for Regulation of Water, Electricity, and Mines Sectors (AREEM) of Burundi formally ratified the Constitution in 2017 to become the eighth member.

Institutions with a WSS regulatory function that have participated at ESAWAS meetings include the Water Utilities Regulatory Department (WURD) of Uganda; the Water Services Association (WASAMA) of Malawi; the Ministry of Land Management, Water and Sanitation Services of Botswana; Ministry of Electricity, Dams, Irrigation and Water Resources of South Sudan; and Water, Sanitation & Hygiene (WASH) Sector National Coordination Unit of Zimbabwe.

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 WSS regulators for the effective, efficient and sustainable provision of WSS 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 on Regulatory Issues that is tasked to support the execution of annual technical activities of ESAWAS. The Technical

Committee is composed of at least one technical expert from each Member in the fields of engineering, finance, legal 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



12th Regulators Meeting, Rwanda- 2018

Since the first meeting of the ESAWAS Regulators Association in 2007, the regional cooperation has grown from five Members to eight and with a potential for more growth. The Association has also been strengthened through various partnerships established.

Regulation has been strengthened among the Members through knowledge and information exchange, as well as capacity building. Water supply and sanitation service delivery among the Member countries has shown improving trends in most indicators.

In order to formulate an appropriate strategy, a situational analysis was done covering the regional regulatory situation, performance on the previous strategic plan, current status of regional WSS coverage, a limited review of broader international regulatory practice for key issues, as well as ESAWAS' internal and external environment.

3.1 REGIONAL 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, Burundi, Zanzibar and Angola. Some countries have reposed the WSS regulatory function in a government department or wing e.g. Uganda, South Sudan, South Africa, Namibia, Malawi, Botswana and Zimbabwe.

As at October 2018, ESAWAS had eight members as indicated in Table 1:

Table 1: Overview of ESAWAS Members

| | Regulator | Established by | Year begun operations | Number of regulated Urban WSS Utilities |
|---|---|--|-----------------------|---|
| 1 | National Water Supply and Sanitation Council (NWASCO), Zambia | Water Supply and Sanitation Act No. 28 of 1997 | 2000 | 18 |
| 2 | Conselho de Regulação de Águas (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 |

Table 1 cont'd: Overview of ESAWAS Members

| | Regulator | Established by | Year begun operations | Number of regulated Urban Utilities WSS |
|---|--|--|------------------------------|--|
| 6 | Lesotho Electricity and Water Authority (LEWA), Lesotho | LEA Act of 2002, LEA Amendment Act of 2011 | 2013 | 1 |
| 7 | Agence de Régulation des secteurs de l'Eau potable, de l'Electricité et des Mines (AREEM), Burundi | Decree No. 100/320 of 2011 | 2015 | 1 |
| 8 | Zanzibar Utilities Regulatory Authority (ZURA), Zanzibar | Act No. 7/2013 | 2015 | 1 |

3.1.1 Regulatory functions

The regulators have generally been mandated to undertake both economic and technical regulation of WSS service provision to ensure a balance between the quality of the service, the interests of consumers and the financial sustainability of the providers. 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

For effective regulation, a number of instruments and tools have been put in place and generally include:

- Licensing: All WSS providers are required to operate under a license issued by the regulator except in Mozambique where the regulator, CRA, signs a regulatory agreement/contract with the provider that defines the regulatory framework.
- Development and Enforcement of Guidelines, Regulations, Rules and Standards: Various guidelines, regulations, rules and standards have been developed and enforced to ensure compliance to the governing water supply and sanitation legislation. Some key regulations, guidelines and standards include: Minimum Service Level, Business Planning, Corporate Governance, Reporting and Quality of Supply and Service Standards (QoSSS).

- **Tariff Setting:** All WSS providers are required to submit tariff applications to the regulator for analysis 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.
- **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.

3.2 PERFORMANCE ON PREVIOUS STRATEGIC PLAN

The second ESAWAS Strategic Plan spanned the period 2016- 2018. The three Strategic Objectives that were formulated focussed on:

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

The performance on the Strategic Plan is given in Table 2:

Table 2: Performance on 2016-18 Strategic Plan Objectives

| Objective 1: Strengthen regulatory capacity among Members and within the region | | |
|--|--|---|
| Key Focus Areas | Key Expected Results | Performance |
| Undertake Peer-Review of Regulators annually | Member regulators benchmarked and experience on good practices shared | Three more regulators were peer-reviewed bring the total to six. CRA, Mozambique (2016), LEWA, Lesotho (2017), RURA, Rwanda (2018) |
| Extend annual benchmarking exercise for large utilities in the region | Results of Benchmarking used to enhance tools and promote efficiency of regulated entities | The number of benchmarked Utilities increased from six to nine with the inclusion of ZAWA, Zanzibar; REGIDESO, Burundi; and NWSC, Uganda. |
| Improve regulation of sanitation | A framework for sanitation regulation developed | A grant was obtained from the Bill & Melinda Gates Foundation and works commenced in October 2018 as a 3.5 years project. |
| Provide support to WSS regulators newly established or under formation in the region | Regulators in formative stages supported by older regulators for capacity building | ZURA, Zanzibar and WURD, Uganda received capacity-building support through onsite visit presentations by the Technical Committee |

| Objective 2: Facilitate experience and knowledge transfer | | |
|--|--|--|
| Key Focus Areas | Key Expected Results | Performance |
| Consolidate peer review findings into a single handbook | Peer review findings shared as a package | This will be initiated in the next Strategic Plan as the sixth Peer Review was undertaken in Oct, 2018. |
| Document and share good regulatory practices | Good practices shared among regulators Toolkit on setting-up regulatory framework developed | Good practices in tariff-setting documented into a handbook and shared. |
| Undertake technical regulatory exchange programmes | Working approaches in key regulatory aspects shared | One technical exchange meeting undertaken on tariff-setting in Zambia (2016). |
| Establish/Strengthen partnerships with other WSS sector associations | Members have access to trainings, knowledge and innovations | Partnerships established by MoU with AMCOW, WSUP and CRIDF. Collaboration under discussion with AFUR and AfWA. |
| Update knowledge hub | Knowledge database updated for Members to share issues, obtain feedback, contribute and access non-public documents/publications | Knowledge hub upgraded and non-public documents shared with members. |

| Objective 3: Improve operations of ESAWAS Regulators Association | | |
|---|--|---|
| Key Focus Areas | Key Expected Results | Performance |
| Hold Annual General Meeting | Issues deliberated upon improve performance of ESAWAS Regulators Association | Annual General Conference and Meetings held on: <ul style="list-style-type: none"> • 'Regulating for the Future-Incorporating SDGs' in Dar es Salaam, Tanzania (2016) • 'Water Integrity and SDG6–designing appropriate regulation' in Livingstone, Zambia (2017) • 'The Regulatory environment for accelerating access to WSS services with focus on sanitation and climate resilient systems: leaving no one behind' in Rwanda (2018) |
| Update Website for ESAWAS Regulators Association | Public visibility of ESAWAS increased | Website upgraded and updated on events and activities undertaken. |
| Increase membership of ESAWAS Regulators Association | Number of members increased annually by at least one | ZURA, Zanzibar and AREEM, Burundi joined as full members. |

| | | |
|---|--|---|
| Explore options to strengthen Secretariat | Secretariat can successfully handle increased activities | One supporting person at the Chairing Member backed-up Secretariat. |
| Source external funds for activities | Increased revenue for activities | Funds received as a grant from BMGF for Non-sewer sanitation regulation and direct support for activities sourced from <ul style="list-style-type: none"> • GIZ for Peer Reviews and Conferencing • WIN for presenters to 11th AGM • CRIDF for Strategic Plan |

3.3 STATUS OF NATIONAL WSS COVERAGE IN THE REGION

At the close of the MDGs period in 2015, the final assessment by the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) showed that while some progress had been made, particularly on water supply, most countries missed their targets for sanitation. The assessment of the ESAWAS Member countries from the UN Progress on Sanitation and Drinking Water- 2015 Update and MDG Assessment Report in Table 3 shows that none of the ESAWAS Member countries met either of their targets.

Table 3: Performance of ESAWAS Member Countries against WSS MDG targets

| Country | Water Supply Progress towards MDG target | Proportion of the 2015 population that gained access since 1990 (%) | Sanitation Progress towards MDG target | Proportion of the 2015 population that gained access since 1990 (%) |
|------------|--|---|--|---|
| Burundi | Moderate progress | 40 | Limited or no progress | 26 |
| Kenya | Good progress | 42 | Limited or no progress | 18 |
| Lesotho | Moderate progress | 23 | Limited or no progress | - |
| Mozambique | Moderate progress | 33 | Limited or no progress | 15 |
| Rwanda | Good progress | 42 | Good progress | 42 |
| Tanzania | Limited or no progress | 29 | Limited or no progress | 12 |
| Zambia | Moderate progress | 41 | Limited or no progress | 23 |

Following the progress made under the MDGs, 17 Sustainable Development Goals (SDGs), were thus formulated as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Unlike the MDGs, the SDGs are interconnected which means that the key to success on one will involve tackling issues more commonly associated with another. According to the SDGs, 'Water and sanitation are at the very core of sustainable development, critical to the survival of people and the planet'. Goal 6 of the SDGs on 'Clean Water and Sanitation' is to 'Ensure availability and

sustainable management of water and sanitation for all'. The SDGs came into effect in 2016 with targets set for 2030.

The respective Governments of the eight ESAWAS Member countries, who are all member states of the United Nations, adopted the 2030 global agenda on sustainable development (the SDGs) with each government setting its own national targets by taking into account its national circumstances. The responsibility for monitoring and reporting on the progressive realisation of Goal 6 on availability and sustainable management of supply and safely managed sanitation services is vested in the water and sanitation regulatory agencies of the respective countries.

Table 4 shows the national urban services coverage for water supply and sanitation by sewer network for the 2016/17 period.

Table 4: Urban service coverage by ESAWAS Member Countries

| | Total Urban Population | Water Supply Service Coverage | Sewerage Service Coverage |
|--------------|------------------------|-------------------------------|---------------------------|
| Burundi | 800,732 | 83% | N/A |
| Kenya | 20,138,579 | 55% | 16% |
| Lesotho | 685,938 | 58.9% | 5.4% |
| Mozambique | 6,337,702 | 57.2% | N/A |
| Rwanda | 3,406,846 | 85.2% | N/A |
| Tanzania | 17,141,210 | 63% | 4.2% |
| Zanzibar | 1,505,232 | 90% | 10.3% |
| Zambia | 6,696,266 | 85.1% | 27.4% |
| TOTAL | 56,712,505 | 64.4% | 10.5% |

All countries had water supply service coverage above 50% while sewerage service coverage was a marginal 10.5% on average. These figures underscore the fact that access to adequate sanitation services continues to lag far behind. Attaining the SDG target for universal access will not be realised without massive investments in sewerage infrastructure versus limited available funding. Recognising that the largest proportion of the population in the urban areas of the member countries depend on non-sewered (onsite) sanitation, achieving the 2030 target of safely managed sanitation services requires a pragmatic approach for inclusive urban sanitation that combines both sewerred and non-sewerred sanitation services.

The major challenge to improving non-sewerred sanitation service delivery in the member countries is the absence of a regulatory framework to address the full value chain of onsite sanitation. ESAWAS Members therefore need to actively put in place measures to regulate inclusive urban sanitation service provision to ensure that faecal matter generated in onsite sanitation facilities is effectively contained, collected, transported, treated and disposed of/reused in a safe manner to protect public health and the environment while delivering sustainable and affordable quality services.

3.4 KEY ISSUES FOR CONSIDERATIONS

A high level environmental scan was carried out, looking at the latest trends in the water services sectors in countries in Sub Saharan Africa, as well as some of the latest international developments in regulation. This has resulted in compilation of the following list of key issues for consideration in the development of the strategy:

- **Enhanced regulation of sanitation service provision**

The 2016/17 ESAWAS Regional Benchmarking Report of Urban WSS Utilities from the eight members of ESAWAS showed that on a regional level, an estimated 5.95million people are on the sewer network out of a combined total urban population of about 56.71million. In other words, about 89.5% or over 50.76million people of the urban population are not on the sewer network. This and the fact that sanitation service coverage has continued to lag far behind water service coverage, has prompted the need for the development and implementation of an appropriate regulatory framework for inclusive urban sanitation service provision that incorporates non-sewered (onsite) sanitation services in order to achieve the SDGs.

- **Rural WSS regulation**

In most ESAWAS Member countries, the water supply and sanitation service coverage for the rural subsector lags behind urban. This has prompted increased calls from stakeholders for the WSS regulators to be involved in rural, which sentiments were also documented in the findings from ESAWAS Peer Reviews. It speaks to the fact that most WSS regulators currently operate primarily in the urban environment, apart from RURA and EWURA. There is thus need for the development of a comprehensive regulatory framework for intervention in rural WSS.

- **Improving performance on NRW management**

Reducing Non-Revenue Water (NRW) has continued to be a high-priority for most countries. The 2016/17 ESAWAS Regional Benchmarking Report showed that NRW averaged above 40% for three consecutive years, for nine Utilities selected as the largest or single Utility from the country. This is clearly unacceptable particularly in consideration of the internationally recognised acceptable benchmark of 25% for water losses. This situation underscores the need for innovative and pragmatic approaches to arrest and reduce NRW.

- **Enhancing climate resilience**

There is little doubt that it is Climate Change occurring. Reduction in water resources has become a key challenge for a number of countries due to climate variability and anthropogenic activities. The recent water shortages in Maputo, Nairobi and Capetown serve as a wake-up call to all stakeholders. Sustainable alternative water sources, as well as adequate storage facility coupled with climate change management is becoming a key focus for regulators to safeguard water supply service delivery. Regulators need to develop policies for water storage and flood control, review resilience of water supply systems and manage water supply against competing demands with reduction in water wastage.

- **Asset management**

The devotees of asset management view it as something that should permeate and become a culture within the whole organisation and not just an isolated unit or discipline. There is much good-practice material that has been developed internationally on this subject so this is an area where Regulators do not need to reinvent the wheel. Focussing on asset management will not only potentially improve non-revenue water management but it will also contribute towards more effective use of financial resources, improved customer service and reduce the usage of consumables such as chemicals and electricity.

- **Advocacy regarding the role and value of the Regulator**

Most of the ESAWAS member water supply and sanitation regulators have been operating for more than 10 years. Regulatory impact assessments carried out by independent consultants under ESAWAS in six countries (Tanzania, Kenya, Mozambique, Zambia, Lesotho and Rwanda) have shown that the presence of a regulator has yielded gradual improvements in service delivery. ESAWAS has already identified the need for, and importance of, advocacy work with respect to the role of regulators. Experience has shown that, often the role of the regulator is poorly understood, sometimes even by the sector professionals. There is thus need to continue promoting the beneficial role of the regulator backed by evidence in the advocacy for independent WSS regulators in the region and Africa-wide.

- **Technological change and innovation**

Advances in digital technology in the last two decades have affected and permeated every sector of society. This is likely to have many potential advantages, positive impacts and in some cases, could have negative impacts from a regulatory perspective. Nevertheless, regulators need to undertake a regular scanning process to adopt technologies that could improve regulatory operations.

- **Gender in regulation**

It is widely acknowledged that women are poorly represented in decision-making processes within the sector and institutions. It is now regarded as best practice to create awareness regarding these issues, and put in place measures and strategies to improve the situation. ESAWAS has low female participation at its meetings and events. This needs to be addressed via advocacy with Members and implementation of gender intentional activities

- **Pro poor and social inclusion**

In addition to their other functions and objectives, the Regulators monitor a number of indicators that address pro-poor issues. The most significant of these is that of service coverage and quality of service to those who are already being supplied which are mostly reported as consolidated figures. Regulators need to start looking at more disaggregated information in order to address pro poor interventions and social inclusion.

3.5 SWOT ANALYSIS

A SWOT analysis of ESAWAS reveals the following:

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> • Has legal personality • Low running costs with Secretariat housed and managed by NWASCO. • Growing recognition and interest among institutions dealing with WSS regulation. • Ability to attract funding for activities from Development Partners directly and through members. • Enhanced and documented WSS regulatory experience and capacity through robust Peer Review processes and findings. • Well-organized and attended annual conferences and other events. • Regional organization that enables learning from other countries easily and collect information across multiple countries • Membership includes multi-sectoral regulators for cross-exchange of experiences • Partnership with African Ministers' Council on Water (AMCOW); Bill & Melinda Gates Foundation; Climate Resilience Infrastructure Development Facility (CRIDF); and Water and Sanitation for the Urban Poor (WSUP) | <ul style="list-style-type: none"> • Secretariat does not have full time employees and therefore has to rely on NWASCO for staff support (Executive Secretary, accounts etc.) • Limited expertise in some key areas such as non sewered sanitation and rural regulation |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Strong international trend towards the establishment of independent regulators • Support mechanism for newly formed WSS regulators and countries in the process of forming WSS regulators. • Potential to recruit additional members in the categories of Associate and Affiliate members for Government departments, individuals and non-WSS regulators. • Potential partnerships with other institutions in the WSS sector for capacity building and knowledge exchange. • Extension of the benchmarking of WSS utilities to the rest of the region. • Unique position/role of Regulators to provide strategic advice and inputs to Government(s) • Exposure to wider international experience (outside Sub Saharan Africa) • Review of principle legislation in a number of countries to improve/extend regulation underway | <ul style="list-style-type: none"> • Loss of institutional resources among staff of members with long years of experience in regulation. • Political pressures on the independence of regulators • Weak financial viability of many utilities |

4. THREE-YEAR STRATEGY



ESAWAS Members on a learning visit to Manila water and sewerage regulator – Philippines

In consideration of the situation analysis and in line with the overarching objective of the Association to enhance the capacity of its Members for effective regulation, the Strategic Plan for the period 2019-2021 will focus on:

- Developing harmonised regulatory approaches and frameworks;
- Facilitating experience and knowledge sharing;
- Undertaking and documenting research in emerging regulatory trends and practices; and
- Improving operations of the ESAWAS Regulators Association

4.1 STRATEGIC OBJECTIVES

The Strategic Objectives for the three-year period are outlined hereunder.

Objective 1: Develop Harmonised Regulatory Approaches and Frameworks

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. The ESAWAS Member regulators face some similar challenges despite operating in different country environments. Hence developing harmonised regulatory approaches and frameworks will enable regulators to adopt and adapt what is applicable and thus cascade the benefits across the region more quickly through consolidated efforts. Furthermore, newly formed regulators do not need to reinvent the wheel where regulators in similar environments have successfully implemented appropriate regulatory tools and instruments. The key focus areas under this objective are shown in Table 5.

Table 5: Key focus areas for Strategic Objective 1

| Objective 1: Develop Harmonised Regulatory Approaches and Frameworks | | |
|---|--|----------------------------|
| Key Actions | Key Expected Results | Implementation Year |
| 1.1 Extend annual benchmarking exercise for WSS utilities in the region | Sector reporting improved by the introduction of new indicators and alignment with SDGs Results of Benchmarking used to enhance regulatory tools and promote efficiency of regulated entities | 2019-21 |
| 1.2 Improve regulation of sanitation service provision | Regulatory strategy and framework for inclusive urban sanitation service provision that incorporates non-sewered (onsite) sanitation services developed and implemented | 2019-21 |
| 1.3 Address regulation of WSS in the rural areas and small schemes | A strategy and implementation framework for rural WSS regulation developed | 2020-21 |

| Objective 1 cont'd: Develop Harmonised Regulatory Approaches and Frameworks | | |
|---|---|------------------------|
| Key Actions | Key Expected Results | Key Focus Areas |
| 1.4 Develop a regulatory handbook from consolidated findings of six Peer Reviews | Regulatory Handbook on establishment of a regulator and good practices in regulatory governance & substance developed, published and disseminated | 2020 |
| 1.5 Promote equity in terms of service provision (pro poor/vulnerable communities, households and social inclusion) | Key performance Indicators established and/or refined to improve measurement and identification of service levels to poor communities | 2019-20 |

Objective 2: Facilitate experience and knowledge sharing

There is a wealth of knowledge and experience on WSS regulation among ESAWAS Members and worldwide, 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. In addition, ESAWAS will undertake evidence-based advocacy work with regard to the beneficial role of independent regulators among Members, within the region, Africa-wide and internationally. The key focus areas under this objective are shown in Table 6.

Table 6: Key focus areas for Strategic Objective 2

| Objective 2: Facilitate Experience and Knowledge Sharing | | |
|---|--|----------------------------|
| Key Actions | Key Expected Results | Implementation Year |
| 2.1 Document and share good practices in regulation | Good practices shared among regulators. | 2019-21 |
| 2.2 Undertake technical regulatory exchange programmes | Working approaches in key regulatory aspects shared | 2019 and 2021 |
| 2.3 Promote and support independent regulation within the region | Improved awareness regarding the role of WSS regulators Regulators existing, newly formed and under-establishment supported with advocacy and technical expertise | 2019-2021 |
| 2.4 Establish and strengthen partnerships with training organisations on regulation | Members have access to specialised training in regulation and curriculum influenced by ESAWAS | 2020-21 |

Objective 3: Undertake and Document Research in Emerging Regulatory Trends and Practices

As the environment changes, regulation will evolve with it. Thus the regulatory regime needs to be alive to these changes in order to incorporate appropriate systems and strategies for regulatory efficiency and effectiveness. Part of this process should be to regularly scan the environment in order to identify important new trends and best practices to improve the regulatory regime. These findings can be documented, disseminated, discussed with members and action taken, as appropriate. The key focus areas under this objective are shown in Table 7.

Table 7: Key focus areas for Strategic Objective 3

| Objective 3: Undertake and Document Research in Emerging Regulatory Trends and Practices | | |
|---|--|----------------------------|
| Key Actions | Key Expected Results | Implementation Year |
| 3.1 Promote climate resilient WSS services | Tools developed to promote climate resilience disseminated and applied | 2019-2021 |
| 3.2 Improve performance with regard to NRW management | Key case studies addressing both good and bad practice for NRW, captured and disseminated. | 2019 |
| 3.3 Identify new technologies and processes that can significantly enhance regulation | Technologies for enhanced regulation documented and shared. | 2019-2021 |

Objective 4: 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 addition, ESAWAS will establish and strengthen strategic partnerships that are mutually beneficial to create a platform to expand the Association's influence, opportunities and reach. In this regard, the operations of the Association, and its 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 8.

Table 8: Key focus areas for Strategic Objective 4

| Objective 4: Improve Operations of ESAWAS Regulators Association | | |
|---|--|----------------------------|
| Key Actions | Key Expected Results | Implementation Year |
| 4.1 Hold Annual General Meeting | Issues deliberated upon improve performance of ESAWAS Regulators Association | 2019-21 |
| 4.2 Enhance profile of ESAWAS Regulators Association | Number of members increased Visibility increased at regional, Africa and international events through active participation (presentations given, hosting breakaway sessions etc.) | 2019-21 |

| Objective 4 cont'd: Improve Operations of ESAWAS Regulators Association | | |
|--|--|---------|
| 4.3 Establish/ strengthen strategic partnerships with other like-minded WSS sector organisations | ESAWAS' influence, exposure and reach widened globally | 2019-21 |
| 4.4 Strengthen gender inclusiveness | Female participation at decision-making level at ESAWAS events and meetings increased | 2019-21 |
| 4.5 Strengthen capacity and sustainability of Secretariat | Secretariat can successfully handle increased activities Increased revenue for core activities | 2019-21 |

4.2 ACTION PLAN

The Action Plan with detailed activities for the stipulated Objectives and Actions is detailed in Annex.

5. IMPLEMENTATION PLAN



The ultimate goal of regulation is to ensure improved water supply and sanitation services

The implementation plan takes into consideration the financial plan and human resources for executing the set objectives.

5.1 FINANCING THE PLAN

According to the ESAWAS 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 require approximately **US\$878,480** to implement the Key Actions under the adopted objectives over the three-years, 2019-2021 as shown in Table 9.

Table 9: Total Strategic Plan Budget (US\$)

| | Operating Expenses | | | |
|--|--------------------|----------------|----------------|----------------|
| | 2019 | 2020 | 2021 | TOTAL |
| Secretariat | 86,900 | 98,900 | 105,500 | 291,300 |
| Strategic Objective 1: Develop Harmonised Regulatory Approaches and Frameworks | 143,000 | 192,180 | 70,500 | 405,680 |
| Strategic Objective 2: Facilitate Experience and Knowledge Sharing | 23,500 | 16,500 | 18,500 | 58,500 |
| Strategic Objective 3: Undertake and Document Research in Emerging Regulatory Trends and Practices | 17,000 | 16,000 | 0 | 33,000 |
| Strategic Objective 4: Improve Operations of ESAWAS Regulators Association | 25,000 | 29,000 | 36,000 | 90,000 |
| Total Budget (US\$) | 295,400 | 352,580 | 230,500 | 878,480 |

ESAWAS will undertake to finance the Strategic Plan through membership fees, externally sourced funds from Development Partners and other strategic partnerships, as well as direct contributions to activities by Members (e.g. travel and accommodation).

5.2 HUMAN RESOURCES

ESAWAS will undertake to recruit at least one full-time employee at Secretariat to handle the expanding activities.

The Secretariat is supported by a Technical Committee on Regulatory issues (TeCRI) that is tasked to oversee the implementation of the annual operational plan drawn from the Strategic Plan. The TeCRI is composed of one senior personnel from each Member with expertise in various regulatory aspects such as engineering, economics, legal etc

Temporary internship staff will also be recruited based on arising needs to support the implementation of the activities.

5.3 MONITORING AND EVALUATION

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.

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 it 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.

ESAWAS REGULATORS ASSOCIATION ACTION & FINANCIAL PLAN 2019-2021

| Focus Area | Activities | 2019 | 2020 | 2021 |
|---|--|---------------|---------------|----------------|
| | | US\$ | US\$ | US\$ |
| SECRETARIAT COSTS | | | | |
| Personnel | <i>Focal point for ESAWAS for implementation of objectives, mangement of website and communication to members</i> | 62,400 | 74,400 | 81,000 |
| Administration | <i>Communication, Interns, Website maintenance, Annual Returns-Registrar of Societies</i> | 6,000 | 6,000 | 6,000 |
| | <i>Travel, Accommodation</i> | 4,500 | 4,500 | 4,500 |
| Committee Meetings | <i>Technical Committee on Regulatory Issues (TeCRI)</i> | 8,000 | 8,000 | 8,000 |
| | <i>Executive Committee (Ex.Co)</i> | 6,000 | 6,000 | 6,000 |
| Sub-Total | | 86,900 | 98,900 | 105,500 |
| OBJECTIVE 1: DEVELOP HARMONISED REGULATORY APPROACHES AND FRAMEWORKS | | | | |
| 1.1 Extend annual benchmarking exercise for WSS utilities in the region | <i>Improve and add indicators for SDG aligned reporting - in collaboration with the International Benchmarking Network (IBNET)</i> | 10,500 | - | - |
| | <i>Collect data and prepare the report (combined with the annual TeCRI meeting)</i> | - | - | - |
| | <i>Publish and disseminate the benchmarking report electronically</i> | - | - | - |
| 1.2 Improve regulation of sanitation service provision | <i>Develop regulatory framework and strategy</i> | 89,500 | - | - |
| | <i>Formulate key regulatory tools and instruments</i> | - | 138,180 | - |
| | <i>Train Members and implement regulatory framework</i> | - | - | 55,500 |
| 1.3 Address regulation of WSS in the rural areas and small schemes | <i>Develop regulatory framework and strategy</i> | 25,000 | 20,000 | - |
| | <i>Formulate key regulatory tools and instruments</i> | - | 25,000 | - |
| | <i>Train Members and implement regulatory framework</i> | - | - | 15,000 |
| 1.4 Develop a regulatory handbook from consolidated findings of six Peer Reviews | <i>Review progress and impact of implementing recomendations from Peer Reviews by Members</i> | 4,000 | - | - |
| | <i>Consolidate findings of Peer Reviews & Member experiences into a single regulatory handbook on how to establish a WSS regulator and good practices in the regulatory regime</i> | - | 9,000 | - |

| | | | | |
|--|--|----------------|----------------|---------------|
| 1.5 Promote equity in terms of service provision (pro poor/vulnerable communities, households and social inclusion) | <i>Establish indicators for diasgregated reporting with a pro-poor focus - in collaboration with WSUP and IBNET and incorporate in regional benchmarking framework</i> | 14,000 | - | - |
| | Sub-Total | 143,000 | 192,180 | 70,500 |
| OBJECTIVE 2: FACILITATE EXPERIENCE AND KNOWLEDGE SHARING | | | | |
| 2.1 Document and share good practices in regulation | <i>Collect and share regulation good practices. Invite expert presenters to Annual General Conference.</i> | - | - | - |
| 2.2 Undertake technical regulatory exchange programmes | <i>Technical staff of Members meet to exchange on a specific topic determined by the TeCRI</i> | 7,000 | - | 9,000 |
| | <i>Facilitate study/exchange visits and field attachments in area of interest</i> | - | - | - |
| 2.3 Promote and support independent regulation within the region | <i>Carry out advocacy work with regards to the role of independent WSS regulators (outreach, presentations, training, briefs etc)</i> | 14,000 | 14,000 | 7,000 |
| | <i>Assist with the establishment of WSS regulators by request</i> | | | |
| | <i>Support newly formed WSS regulators by request</i> | | | |
| 2.4 Establish and strengthen partnerships with training organisations on regulation | <i>Identify capacity gaps among Members for training needs</i> | - | - | - |
| | <i>Identify reputable training institutions for WSS regulation and establish partnership and influence appropriate curriculum development</i> | 2,500 | 2,500 | 2,500 |
| | Sub-Total | 23,500 | 16,500 | 18,500 |
| OBJECTIVE 3: UNDERTAKE AND DOCUMENT RESEARCH IN EMERGING REGULATORY TRENDS AND PRACTICES | | | | |
| 3.1 Promote climate resilient WSS services | <i>Develop and disseminate tools for defining and assessing climate resilient WSS services, identifying risk and implementing adaptation measures</i> | - | 16,000 | - |
| 3.2 Improve performance with regard to NRW management | <i>Identify, analyse, document and disseminate suitable case studies of both good and bad practice in NRW.</i> | 17,000 | - | - |
| 3.3 Identify new technologies and processes that can significantly enhance regulation | <i>Scan the environment on new regulatory trends and practices and communicate to Members</i> | - | - | - |
| | Sub-Total | 17,000 | 16,000 | 0 |

| OBJECTIVE 4: IMPROVE OPERATIONS OF ESAWAS REGULATORS ASSOCIATION | | | | |
|--|--|----------------|----------------|----------------|
| 4.1 Hold Annual General Conference and Meeting | <i>Coordinate and organise AGM according to a specific theme</i> | 10,000 | 12,000 | 14,000 |
| 4.2 Enhance profile of ESAWAS Regulators Association | <i>Participate and present at key sector and regulatory conferences Africa Water Week, AfricaSan, AFUR, AfWA, IWA, WISA, World Water Week etc</i> | 8,000 | 10,000 | 12,000 |
| | <i>Publish briefs on key regulatory issues</i> | - | - | - |
| | <i>Website continuously updated to increase public visibility of ESAWAS</i> | - | - | - |
| 4.3 Establish/strengthen strategic partnerships with other like-minded WSS sector organisations | <i>Implement MoU activities with AMCOW, CRIDF and WSUP and report progress</i> | 3,000 | 3,000 | 3,000 |
| | <i>Explore and establish partnerships with SADC, AFUR, AfWA, WISA, IWA and other strategic institutions for mutually-beneficial activities with ESAWAS</i> | 4,000 | 4,000 | 4,000 |
| 4.4 Strengthen gender inclusiveness | <i>Advocate increased participation of females in decision-making at ESAWAS conferences and meetings</i> | - | - | - |
| 4.5 Strengthen capacity and sustainability of Secretariat | <i>Annually identify potential members and promote participation incentives for membership</i> | - | - | - |
| | <i>Explore options to increase revenue for core activities</i> | | | |
| | <i>Recruit a full-time staff for ESAWAS</i> | - | - | 3,000 |
| Sub-Total | | 25,000 | 29,000 | 36,000 |
| Total by Year | | 295,400 | 352,580 | 230,500 |
| | | 878,480 | | |