



SECRETARIAT/07/2021

**Annual Report
2021**

**The Energy Regulators
Association of East Africa**

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EREA Secretariat
Arusha, Tanzania
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@EREA_EA



Energy Regulators Association of East Africa

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FOREWORD



Dr. Geoffrey Aori Mabea

*Executive Secretary of
Energy Regulators
Association of East Africa*

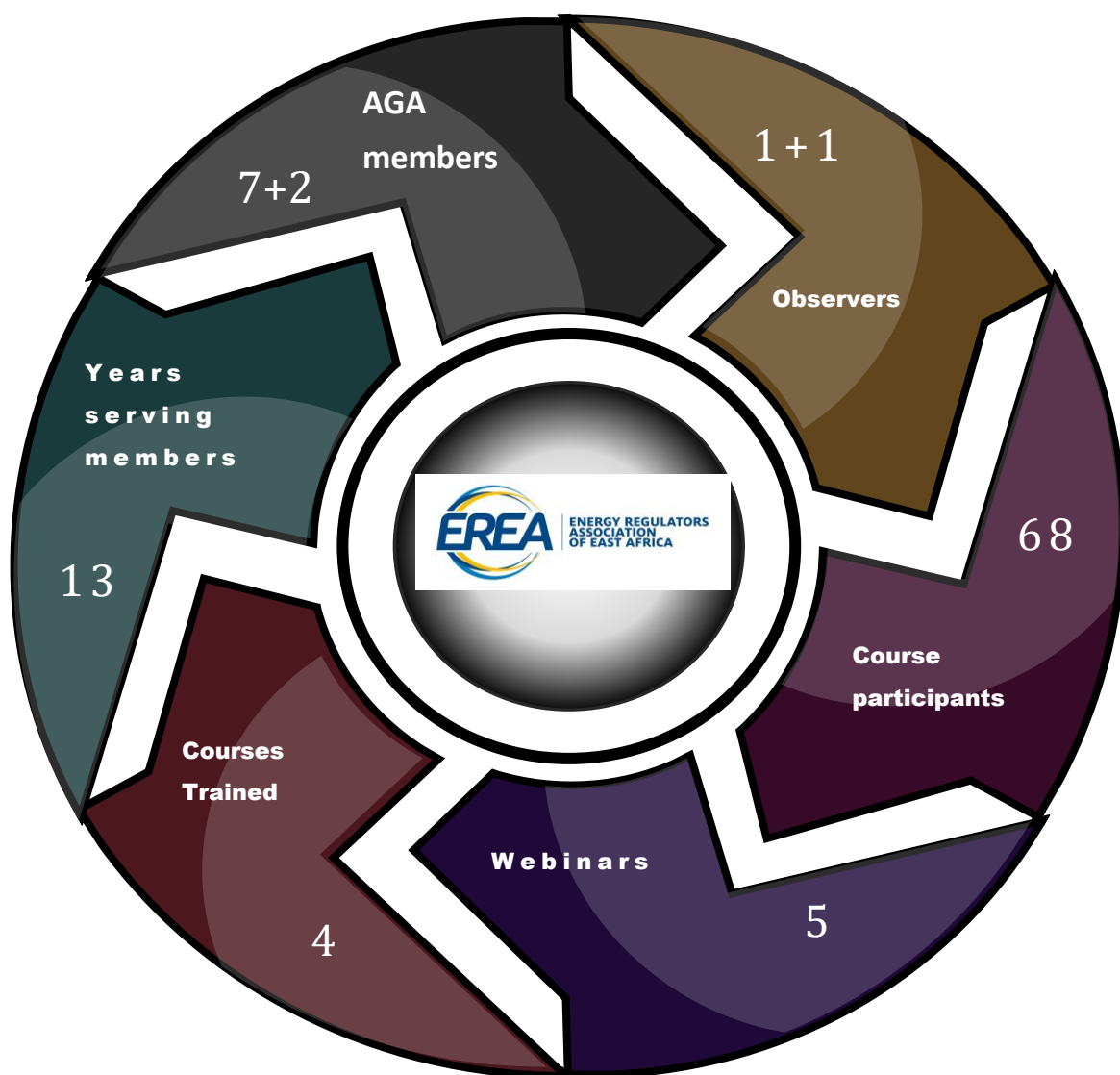
The year 2021 marks thirteen years since establishment of the Energy Regulators Association of East Africa (EREA). Many will agree that 2020/2021 was a turbulent year which we may live to forever remember. The COVID-19 pandemic, though indicating signs of slowing down, has broadly impacted the energy sector in East African region, especially amongst the national regulatory institutions.

Nevertheless, the Secretariat identified several critical measures to mitigate the impact on the implementation of our Strategic Plan. The measures were also put in place in our various institutions to mitigate against exogenous shocks arising from declined revenues as well as working from home. The effects of the coronavirus crisis have been felt in virtually every aspect of our operations.

Although it has been a difficult year, the responses by our national regulatory institutions and the secretariat will certainly ensure that we emerge more resilient and innovative. In my view, it has been productive to introduce virtual meetings and pieces of trainings to create an opportunity for sustained capacity building and energy policy harmonisation process.

I believe that these innovative approaches adopted in the past year by the EREA will speed up the necessary partnerships and cooperation to achieve our objectives. These approaches include establishing long-run sustainable collaborations with like-minded, to support the continental programs to have universal energy access and establishment of the power market, to leverage on the experiences in regulatory reforms to support in the development of robust regional regulatory reform agenda.

Energy Regulators Association of East Africa at a glance



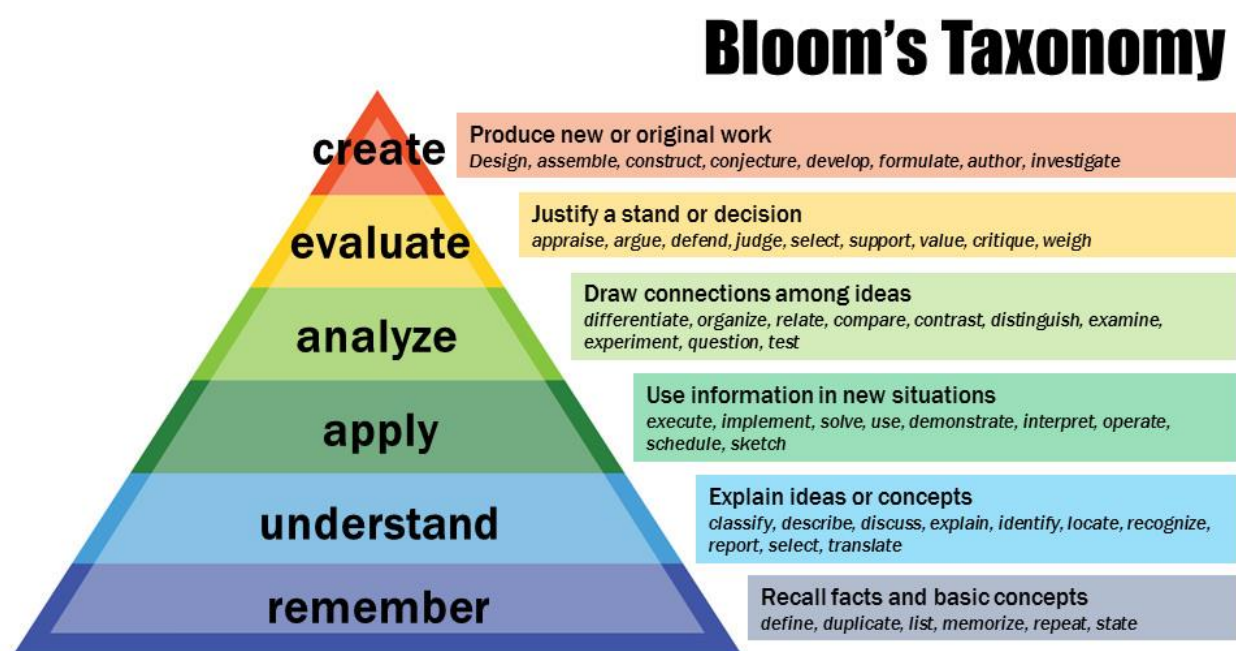
1. CHAPTER 1: Sustainable Capacity Building

Among the key objectives of Energy Regulators Association of East Africa (EREA), capacity building has been emphasised. Through the Secretariat, the effort towards building both "hard" and "soft " areas is vital to implementing and fostering a skilled workforce in our National Regulatory Institutions(NRIs). Our approach includes an integrated formula where collaborations with other institutions are core, and the members' peer review is essential.

1.1. Sustainability in human capacity development

Capacity building ensures the honing of skills, instincts, abilities, and processes. It is, therefore, a change process that EREA is putting in place in individuals to deliver quality policies, programs, and decisions effectively. Inherently, we easily align it to Bloom's Taxonomy of Learning.¹

Figure 1: Bloom's Taxonomy



As EREA, the Capacity building goes beyond training; it is deemed a dynamic and interactive learning environment that involves various tools and methods specialised courses, policy seminars, expert group meetings, tailor-made

¹ Armstrong, P. (2010). 'Bloom's Taxonomy. Vanderbilt University Centre for Teaching'. www.cft.vanderbilt.edu/guides-sub-pages/blooms-taxonomy/ accessed 17 May 2021

training, peer-to-peer learning, and knowledge and workshops. All these constitute our sustainable capacity-building strategy whose objectives can be summarised as:

- Acquisition of knowledge, skills, and knowledge;
- Development and strengthening competencies;
- Improvement of individual and NRI's performance;
- NRIs improvement of governance systems; the Electricity Regulatory Governance(RG), Regulatory Substance(RS), and the Regulatory Outcome(RO).

1.2. Capacity building programs 2020/21

Following Bloom's Taxonomy of Learning, EREA, in the current year, initiated various training programs and webinars sessions to create a platform for acquiring the necessary knowledge for our National Institutions and the public.

Sustainable capacity building aims to enhance support for effective and targeted capacity-building in various NRIs to improve performance adequately and efficiently. The process that EREA has taken on this issue includes mobilisation of financial resources and collaborating with other institutions on mutual agreements to transfer sound technologies to the staff of the NRIs.

EREA aims to accelerate human and infrastructural capacity building initiatives to assist the EAC region access global research and development programs. In so doing, the region's human resource and institutional capabilities will be enhanced. Figure 1 highlights the pieces of training and the number of attendees for the current financial year. A total number of 68 benefited from the training this year.



Figure 2: Training programs for FY2020/21

Notable progress has been achieved since July 2020 among the NRIs following the pieces of training that have been carried out. Additionally, the Secretariat prepared a Training need questionnaire and database for experts across the East African Community(EAC) who could facilitate the training. This database is still being populated as the information from NRIs is being received. See Appendix 1.

1.3. Creating awareness through webinars

As part of capacity building and awareness, EREA organised targeted webinars to educate and inform the region and the globe. These webinars attracted a significant number of participants from the EAC countries, in the continent, and globally. Figure 2 shows the five-webinar series carried out in the current year. The webinars touched on issues related to the following:

- the importance of creating a favorable energy investment environment, sustainable capacity building programs, robust energy infrastructure, harmonisation of energy policies capable of attracting investment in the region, and sustainable investment in the energy sector to maximize the economic welfare of the citizens. The facilitators were

drawn from the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA), PricewaterhouseCoopers (PWC), African Union, and the African Development Bank(AfDB).

- b) The opportunities for women in the energy sector value chain as well as explore women empowerment. It underscored that the Gender lens approach to energy development is vital, especially for emerging nations, to realize economic benefits and deepen energy access. The facilitators were drawn from the International Renewable Energy Agency (IRENA), African Development Bank(AfDB), EREA General Assembly(GA) Advisory, and the Africa Energy and Minerals Management Initiative (AEMI).
- c) the energy sector under the COVID-19 pandemic and provided novel approaches to sustainability and resilience in the EAC energy sector. The

Figure 3: EREA Webinar series



facilitators of the online webinar were drawn from national regulatory institutions of the East African Community.

- d) The general impact of global oil prices on Africa, the opportunities and benefits accruing from these sectors, and its promotion of regional integration. The facilitators were drawn from the Petroleum Authority of Uganda (PAU), The University of Dundee, and the Ministry of Energy of the United Republic of Tanzania.

1.4. Centre of excellence project

EREA's strategic plan envisages the development of a Centre of Excellence, and both the 12th General Assembly (GA) and 19th Executive Council (EXCO), through their resolutions, directed the Secretariat to develop this concept note. See **Appendix 2**.

The Centre of Excellence (CoE) will facilitate sustainable capacity building for the Eastern Africa Region and Africa at large. The Secretariat has developed the concept note and crafted a draft convention setting up an East Africa Centre of Excellence on Energy Regulation. See **appendix 3**.

The development of this institution requires commitment in terms of human resources and financial resources. The Secretariat continues to negotiate with the Ministry of Foreign affairs through a brief (see **Appendix 4**) for possible land allocation for the future establishment of this centre.

It is understood that whereas establishing a Centre of Excellence is a brilliant idea for Africa, the process and stages involved may take close to four to five years.

Therefore, it is incumbent upon the region and Africa to collaborate with willing development partners to initiate a short-term sustainable capacity-building strategy. Therefore, a strategic funding proposal was made to the Arabs Grants Foundation for possible funding for the extension of the current Secretariat space and jump-start the capacity building programs even before completing the main CoE structure. The proposal was approved and awarded.

In the same vein, the Secretariat submitted a proposal to the African Development Bank for technical assistance to undertake a feasibility study on establishing the centre of excellence. The request is under consideration.



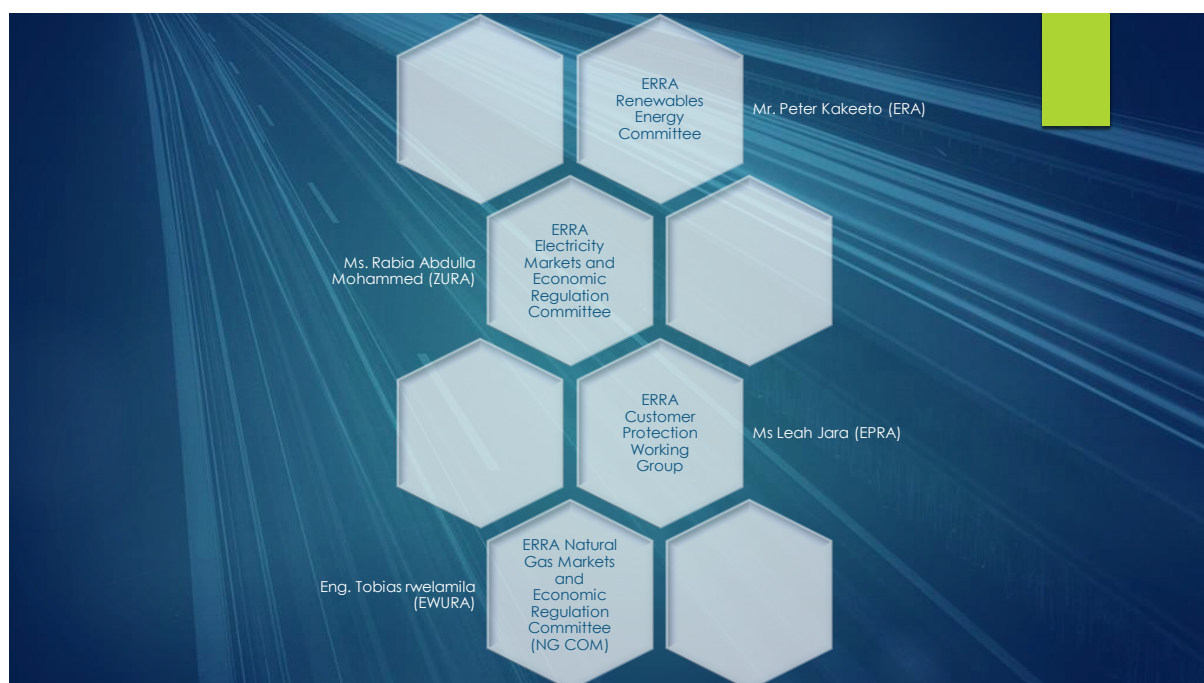
2. CHAPTER 2: The Collaboration With Like-Minded Institutions

Collaboration is key to establishing long-lasting formidable relationships, sharing and access knowledge, and scouting for opportunities. EREA has managed to mobilise a global network critical in supporting the EAC Energy union agenda through these collaborations. We believe that the beginning of the ability to influence, enhance thought-leadership and make change must start with such collaborations.

2.1. Membership with ERRA

In the past five months, the Secretariat has collaborated with various institutions through participation in meetings that impact the energy sector, capacity building, and thought leadership. EREA successfully became an associate member of the Energy Regulators Regional Association (ERRA) on 17th September 2020(see **appendix 5**). Upon admission, EREA secured membership into critical committees of ERRA. See **figure 4** for the names of the nominees to the various committees.

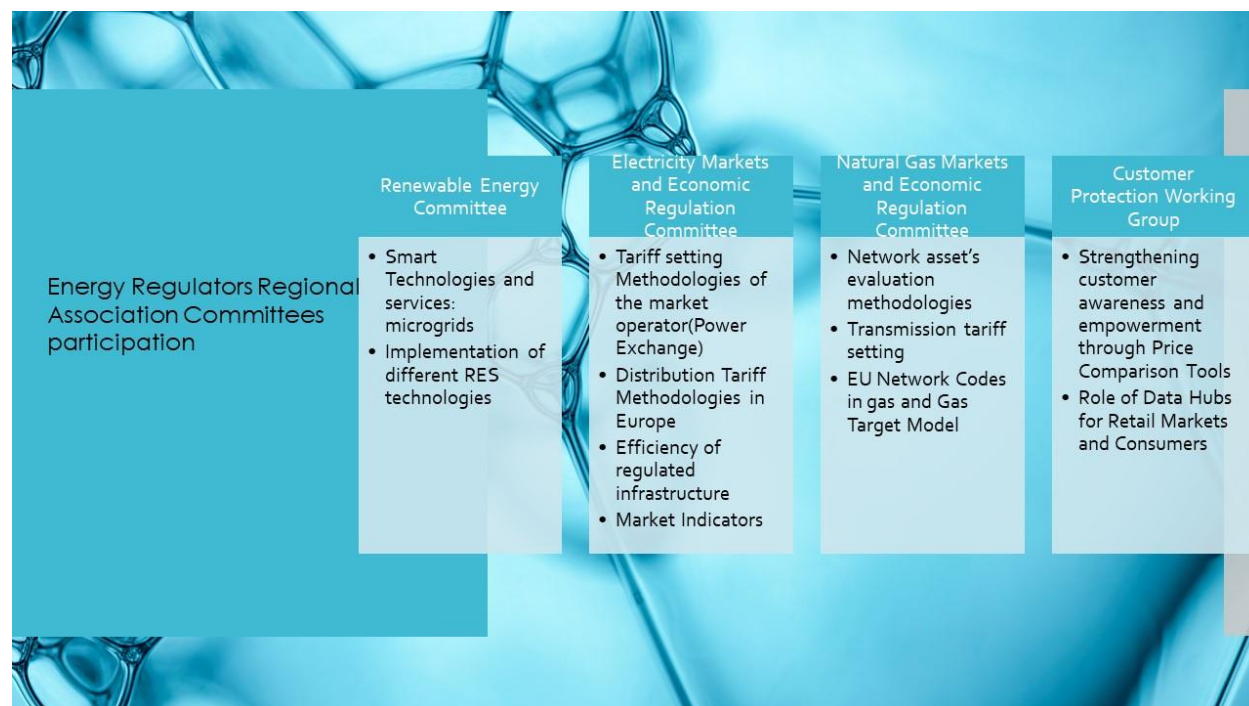
Figure 4: Nominees to the various ERRA committees



The cooperation between ERRA and EREA has yielded significant capacity-building opportunities. These opportunities arise from participation in various

technical committees whereby the members can gain substantial experience from other experienced regulators and sharpen skills in carrying out the similar assignment for our region. Through active participation, EREA's four representatives nominated have contributed to developing various reports indicated in figure 4.

Figure 5: EREA's participation in ERRA Committees



In addition, the Secretariat has engaged with various key stakeholders in the region and globally to support various initiatives and initiate valuable collaborations. Table 2 lists some of the activities carried out over the year which has yielded substantial visibility.

Table 1: EREA collaborations with other institutions

DATE	Collaborations	Organisation
6th August 2020	meeting for Lot 02-Report Review-Monitoring of the implementation of the Minimum Energy Performance Standards (MEPS) and Energy Labelling-	AU
4th September 2020	stakeholder workshop to consider the draft final report - consultancy services to prioritise and package three specific priority energy projects from the EAC power system master plan to be held online 4th September 2020.	EAC

4th,8th September 2020	inception meeting for consultancy services to implement harmonised regulatory/technical frameworks and synthesised renewable energy and energy efficiency strategies in the EASTERN AFRICA, SOUTHERN AFRICA, AND INDIAN OCEAN (EA-SA-IO) region under the ESREM project	RAERESA
15th September 2020	Sixth Meeting (Virtual) of the Programme Technical Steering Committee (PTSC) of the Project on Enhancement of a Sustainable Regional Energy Market in Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region	RAERESA
17th September 2020	ERRA General Assembly:	ERRA
29th September 2020	Support to the design of the African Single Electricity Market - Policy Paper and Roadmap: Validation of WD1 and WD2 and the first introduction of the Policy Paper and Roadmap	
15th October 2020	Petroleum Authority of Uganda's e-conference on Regulatory Excellence in the oil and gas sector.	PAU
8th October 2020	Support to the development of a Continental Master plan for Power System (transmission – generation)	AU
28th October 2020	<i>Stakeholders' Roundtable on the Integrated Continental Power Systems Master Plan</i>	AFDB
28th October 2020	Continental Power Systems Masterplan Stakeholder's Roundtable - Presentations made	AFDB
29th October 2020	<i>Workshop for African Union Studies "Bioenergy, Clean Cooking & Gender Mainstreaming" on 29th October 2020 (13:00 – 17:30 EAT)</i>	AU
19th November 2020	Regional workshop on the development of minimum energy performance standards for the East African, South African and Indian Ocean region (MEPS)	RAERESA
26th November 2020	Meeting Validation of Policy Paper and Roadmap & Discussion on AfSEM Governance-Coordination and strategic planning	AU
28th October 2020	ERRA Chairmen's meeting	ERRA
26th November 2020 13.00 CET time	Validation of Policy Paper and Roadmap & Discussion on AfSEM Governance-Coordination and strategic planning	AU
3rd November 2020	Harmonisation of Electricity Market: AU – EU TAF Validation for final reporting LOTs 2,3,7	AU
5th November 2020	THE 2020 Digital Africa Energy Forum From African Development Bank/ Hosted Digital Dialogue: Benchmarking African Power Sector Regulatory Frameworks Against International Best Practice	AFDB
24th November 2020	2nd AUC-IEA Ministerial Forum for Africa	AU
1 December 2021	The first extraordinary session of the African Union Specialised Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism (STC-TTIET)	AU
18 January 2021	PIDA WEEK (i) African Single Electricity Market - Continental Transmission Masterplan	AU
19 January 2021	Session 19 the AFCFTA Infrastructure and Economic Transformation in Africa	AU
19 January 2021	High-level Roundtable. New decade, new realities, new priorities positioning PIDA and Infrastructure development in Africa's continued growth and economic recovery	AU
2 February 2021	Vision & strategic Approach for her candidate for second term 2021-2024	AU
2 March 2021	Capacity building on facilitating Electricity Develops Regional best practice	COMESA
9th February 2021	Partnership in Capacity Building and assisting the EAC to	INTERNATIONAL

	strengthen its regulatory frameworks	ENERGY CHARTER
20-23 rd April 2021	Policies & Regulations topic and Affordability of power	POWER WEEK AFRICA
28 th April 2021	(i) Discuss/review progress of ongoing DP supported activities to advance Regional Power System	EAPP
10 th May 2021	The Energy needs of Africa and Latin America. Energy Transition or Energy Progress	NEM
19 th May 2021	Chairmen online Meeting	ERRA
19 th May 2021	Meeting with EAC Secretary General	EAC
20 th May 2021	7th ESREM Programme Technical steering committee meeting concerning the project on Enhancement of a Sustainable Regional Energy Market in EA-SA-IO	ESREM
1-3 rd June 2021	Invitation to the third ordinary session of the Specialised Technical Committee on Transport, Transcontinental and interregional infrastructure and energy (STC-TTIE)	AU

3. CHAPTER 3: PROGRAM IMPLEMENTATION PROGRESS

3.1. EREA self-audit report

Since the formation of EREA on 28th May 2009 and the subsequent signing of the Constitution on 16th December 2020, various tools and frameworks have been developed to assist in the realisation of the principal objective of a robust East Africa Energy Union.

Through a collaboration between member institutions and EREA organs, and following the drafting of EREA's 2017/18-2021/22 Strategic Plan, a roadmap to implement the overarching mandate was established outlining how to achieve nine global Key Result Areas (KRA) and our vision.

Since the establishment of EREA in 2009, the association has developed at least 45 regulatory tools and frameworks to harmonise the energy regulatory frameworks of its members. The advanced tools are in respect of the regulation of electricity, petroleum, and natural gas subsectors.

Therefore, it is interesting to know how NRIs are applying the developed tools, thereby influencing their regulatory practices, and easing regulatory oversights in respective countries. The rationale is to get an indicative level of accountability, the commitment of NRIs while demonstrating the outcomes of EREA activities in influencing actions and practices of NRIs. (See **Appendix 6**)

So, the desk study will seek to answer the following two (2) questions:

- (a) Which are the tools and guidelines established by EREA in its mission to harmonise regulatory frameworks of NRIs?

(b) Which NRIs are using the developed tools, and whether the developed tools have influenced/ease regulatory oversight in respective countries?

3.2. Coordination of Portfolio Committees activities

Effective monitoring of the harmonisation process in the region involves the support of the various portfolio committees' deliberations. Although the coronavirus pandemic had forestalled expected deliverables, the committees have met virtually on various occasions to discuss and implement the action plans.

Table 2: Meetings of the Portfolio committees

EREA' Portfolio committee meetings for the year 2021			
Date	Committee	Agenda	Venue
14 January 2021	Legal Portfolio Committee	Completion of Anchoring EREA an Agent of EAC	Online
18 January 2021	Economic Portfolio Committee	Action plan implementation	Online
20 January 2021	Economic Portfolio Committee	Action plan implementation	Online
25 January 2021	Technical Portfolio Committee	Action plan implementation	Online
25 March 2021	Legal Portfolio Committee	Action plan implementation	Online
6 May 2021	Economic Portfolio Committee	Action plan implementation	Online
10 May 2021	Technical Portfolio Committee	Action plan implementation	Online
12 May 2021	Technical Portfolio Committee	Action plan implementation	Online
7 June 2021	Legal Portfolio Committee	Action plan implementation	Online
8 th June 2021	Technical Portfolio Committee	Action plan implementation	Planned
9 th June 2021	Economic Portfolio Committee	Action plan implementation	Planned

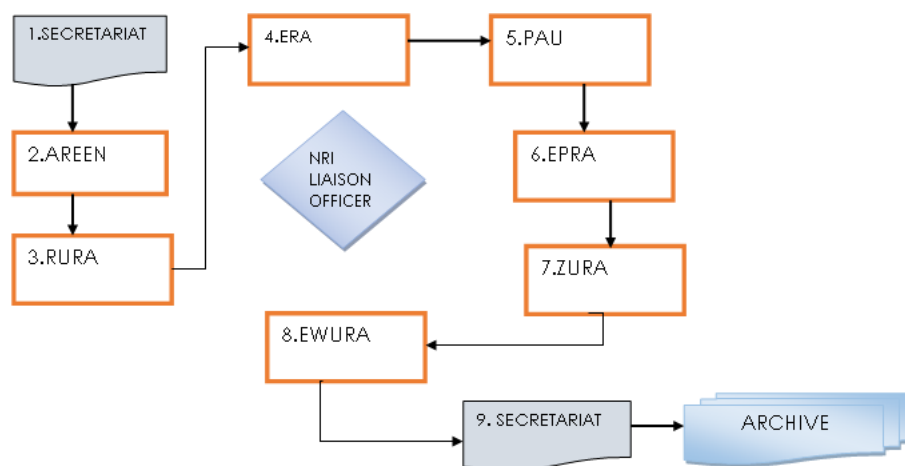
4. CHAPTER 4: Communication Policy, and review of Strategic Plan and Signing Protocol

4.1. Physical Signing Protocol

The breakdown and spread of the COVID-19 pandemic have caused economic and social shocks in the EAC region and the world. The perception of various organisations about work has changed, necessitating new normal in how and location work. This characteristic has enabled NRIs and other authorities to introduce flexible working conditions such as working from home and embracing virtual meetings. Therefore, the alteration has behooved EREA organs to develop a physical signing protocol that establishes responsibilities for the review, approval,

and signing of EREA Documents. The details of the Protocol are appended in **Appendix 7**. The 5th CFA, 5th SPHRC, 18th EXCO, 19th EXCO, and the 12th AGA resolution were subject to the signing protocol and have been duly executed.

Figure 6: EREA signing Protocol



4.2. Midterm Review of the Strategic Plan

The five-year strategic plan implementation (2017/18-2021/22) is in its 4th year. Through the directives arising from the 18th Executive Council (EXCO) held on 6th March 2020, it was agreed that a midterm review of this Strategic Plan should be carried out to assess its robustness with the prevailing situation and align it with the developments in the region.

Furthermore, the 19th EXCO meeting held on 25th June 2020 resolved to mandate the Secretariat to carry out this exercise to review the Plan pending engagement of a consultant. The Strategic Plan review is in response to the various challenges arising from executing the current Plan and incorporating new approaches to realising an East Africa Energy Union. See **appendix 8** for the review report.

4.3. Communication Policy and Strategy

The Communication Policy and Strategy will play a critical role in harnessing the necessary opportunities to relay the tenets of EAC Energy Union ideals, present an effective communication and spearhead

To improve the quality of communication and increase the visibility and support of the association's activities, it is imperative to develop the EREA's communication Strategy, which will drive the process to capture, collect, produce, manage, brand, and disseminate the information produced by the association.

The Secretariat has completed the review of the Communication Policy. See **appendix 9**

5. CHAPTER 5: Financial overview

5.1. Funding progress

Credible measurement of educational infrastructure development is the ability of EREA to collaborate with other development partners to raise funds for the development of a centre of excellence.

With such a goal in mind, EREA has approached several development partners to collaborate with the various components of mutual benefit to the region and the partners. **Figure 5** highlights the list of the proposals and the development partners. The funding proposals to the African Development Bank at advanced discussion while the proposal made to the Arab Grants Foundation has been awarded.

Figure 7: Funding proposal to development partners

Component		Cost Estimate (USD)	Development partner
Review EREA strategic Plan	<ul style="list-style-type: none"> Review the harmonisation frameworks process and the current monitoring systems. Examine how tools are being used and implemented, and communicated across the NRIs Examine the strategy for long term development Review the risk matrix and to ensure they are fully understood Review the sustainability mechanism of EREA 	200,000	AFD
Development of EREA Information Management System Database	<ul style="list-style-type: none"> General review of regional and international best practices for data hubs Recommend data portal options and architecture Design and undertake capacity building Develop implementation/dissemination plan 	200,000	DANIDA
Feasibility study for establishing East Africa School of regulation (Centre of Excellence)	<ul style="list-style-type: none"> To carry out a Capacity gap analysis in the energy sector Develop a Centre of excellence master plan 	300,000	AFDB
Technical assistance to formulate regional regulators to implement PPP frameworks in transmission networks	<ul style="list-style-type: none"> Feasibility study on the Guidelines and Policy intervention Development of Policies and Guidelines Capacity building 	500,000	AFDB
Infrastructure and human resource expansion	<ul style="list-style-type: none"> Hire CoE conference/training facility Expand staff (program coordinator and ICT officer/Marketing) Mobility 	500,000	AFDB/Arab Grants
Grand Total		1,700,000	

5.2. Status of Membership Fee

We are profoundly grateful and applaud our members for their show of commitment to the organisation through their prompt submission of the subscription fee.

Table 3: shows a Members subscription fee collection of US\$ 175,865.00 or 99.92% of the annual target of US\$ 176,000.00. During the financial year, the Petroleum Authority of Uganda had requested to be exempted from paying the total amount (\$26,000). We are encouraging members to continue with the commitment. Each NRI is reminded to directly deposited the fees into EREA's Bank Account at the KCB Bank Tanzania Limited, including fund transfer bank charges.

Table 3: Status of Membership Fee in FY2020/21

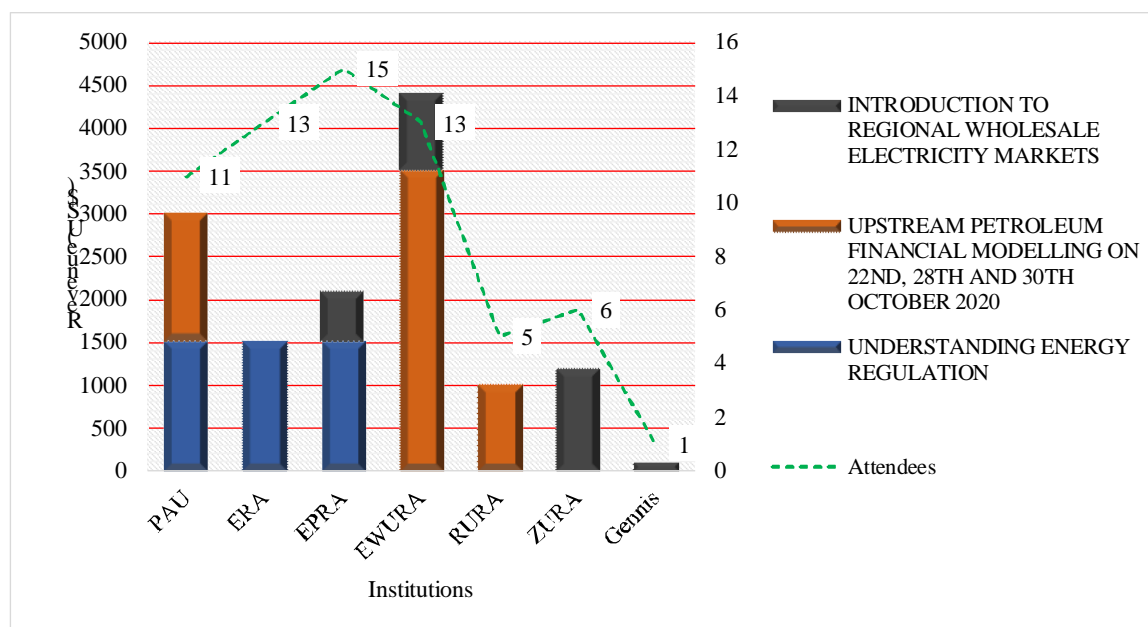
S/n	EREA Member	Budget 2020/21	Actual Received	Received Date	Percentage %
1	AREEN-Burundi	\$26,000.00	\$26,000.00	21-Sep-2020	100.00%
2	EPRA-Kenya	\$26,000.00	\$26,000.00	7-Aug-2020	100.00%
3	RURA-Rwanda	\$26,000.00	\$25,965.00	20-Feb-2020	99.87%
4	EWURA-Tanzania	\$26,000.00	\$26,000.00	18-Nov-2020	100.00%
5	ZURA-Tanzania	\$26,000.00	\$26,000.00	2-Mar-2021	100.00%

6	ERA-Uganda	\$26,000.00	\$26,000.00	23-Jul-2020	100.00%
7	PAU-Uganda	\$20,000.00	\$19,900.00	27-Aug-2020	99.50%
	Total Contribution	\$176,000.00	\$175,865.00		99.92%

5.3. Revenue from training and workshops

Following capacity-building initiatives, the Secretariat raised a gross income of US\$13,300.00. A total of five pieces of training were offered whereby two of which had been fully sponsored by the ESREM-COMESA project. We appreciate the commitment of the NRIs in supporting this initiative. Figure 8 highlights the details of the pieces of training in the current year.

Figure 8: Revenue from training and workshops



EREA managed to facilitate at least 67 members from various NRIs and one (1) external candidate. The secretariat is looking forward to attracting more participation from non-member institutions in our future programs.

5.4. Expenditure performance review

Table 4 summarises the approved expenditure versus the expenditure for the year 2020/2021 as of 31st May 2021. The utilization of 103% of the approved budget was attributed to an increase in staff cost, Audit expenses, and Conference and Workshop expenses. Table 4 summarises the approved

expenditure versus the expenditure for the year 2020/2021 as of 31st May 2021. The utilisation of 103% of the approved budget was attributed to;

- a) An increase in staff cost by 102% caused by payment of Employer Pension contribution (15% of Basic salary excluding ES pension) as admonishes by the Auditor. Non-compliance with the host country statutory regulations of which would have led to a penalty of 05% on total outstanding contributions. Retrospective adjustments of the Executive Salary of US\$ 181.70 each month to arrive at a net salary of US\$ 6,500.00 (for tax calculations) as authorized in the CFA meeting held 04th March 2020 in Arusha.
- b) An increase in Administration expenses by 106% caused by training facilitation cost of US\$ 4,025.00 to the University of Dundee (Introduction to regional wholesale electricity markets). The cost had been considered a risk should the training fail to attract enough candidates to cover the cost.
- c) An increase in Audit expenses by 112% was caused by the committed liability of an outstanding Audit fee amount of US\$ 1,500.00 paid to our previous Auditor (Reliable Consultants) for the Audit of the financial year 2018/2019.

Table 4: Expenditure performance

	BUDGET FOR FY2020/2021	ACTUAL EXPENDITURE 31ST MAY 2021	PERFORMANCE - %
Re-Current Expenditure			
4000-Staff Expenses	\$171,580.00	\$174,743.25	102%
4240-Administration Expenses	\$32,534.00	\$34,656.02	107%
4250-Audit of EREA Fund Expenses	\$9,420.00	\$10,530.00	112%
4106-Conferences and Workshop Expenses	\$1,950.00	\$1,654.00	85%
Total Capital Expenditure	\$1,970.20	\$1,799.03	91%
Total Expenditure	\$217,454.20	\$223,382.30	103%

5.5. Achievements

During the financial year 2020/21, the association completed other activities leading to the improvement of the operational performance of the Secretariat. The achievements are:

Figure 9: Key milestones achieved in the current quarters

Establishment of Quick Accounting Package system (Installation and configuration of server) in the EREA office Arusha	
Handover of EREA's documents from EWURA Zonal Office	
EREA registration for new TRA E-filing system of Tax Assessment and payment	
Preparation of EREA's 01st draft of Financial Statements for the year ended 30th June, 2020 (IPSAS's)	
EREA registration to National Social Security Fund (NSSF)	
Online BRELA registration and submission of EREA annual return form (128)	
EREA asset tagging/ Codes	

5.6. Audit Activities

The Secretariat spearheaded the EREA fund and Audit Report audit for the financial year ended 30th June 2019, which was completed on 28th June 2020 with an Unqualified Opinion from the Auditor M/s Reliable Consultants. The Chairperson of EXCO signed the report on 2nd September 2020.

The 12th AGA held on 30th June 2020 directed 19th EXCO to appoint auditors to audit EREA funds for the financial year ended 30th June 2020. The Secretariat, in collaboration, commenced the procurement process.


Upon completing the Audit tender evaluation exercise on 19th August 2020 and awarding the tender, the Tender Board approved for the Secretariat to engage with M/s VA Business Assurance Services to audit EREA's financial statements for the next three financial year commencing with the financial year ended 30th June 2020.

On 10th October 2020, the Secretariat received from the Auditor the final draft of Audited Financial Statements with an unqualified Opinion. The report has been submitted to the Committee of Finance and Administration (CFA) for comments before printing. See **appendix 10**.

5.7. Financial Status as of 31st May 2021

Table 5 shows the cash flows statement for the past eleven (11) months up to 31st May 2021 whereby operating activities generated cash outflows of US\$ 21,888.00 and Investment activities generated cash outflows of US\$ 1,189.00. Consequently, reaching at a total net decrease of cash and cash equivalent of US\$ 23,077.00. The current bank balance as of 31st May 2021 is US\$ **34,549.00**.

Table 5: Interim Statement of Cash Flows for the period ended 31st May 2021

<div>  <div> ENERGY REGULATORS ASSOCIATION OF EAST AFRICA </div> </div> <div> 8th Floor, NSSF Mafao House, Old Moshi Road P.O. Box 1669, Arusha, Tanzania Email: info@energyregulators.org Website: http://www.energyregulators.org Tel: +255 27 2520 170/1 </div>			
INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MAY 2021			
DETAILS	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		USD	USD
Receipts and Payments			
Receipts from members	14.1	185,415.0	119,896
Payments to employees and suppliers	14.2	(207,303.1)	(160,113.2)
Net cash generated from operating activities		(21,888)	(40,217)
CASH FLOWS TO INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	8	(1,189)	(34,489)
Net increase in cash and cash equivalent		(23,077)	(74,706)
CASH AND CASH EQUIVALENTS AT 31ST MAY 2021			
Beginning for the year		57,626	132,332
Bank balance end of the period as at 31st May 2021	9	34,549	57,626

5.8. Budget Proposal for the financial year 2021/2022

The Secretariat has proposed a new Budget for the financial year 2021/22 following the past expenditure and a forecast of the expected changes to statutory payments. The total proposed budget for the Financial Year 2021/22 is US\$ 227,285.00, a 5% increase from the Financial Year 2020/21 budget.

Table 6 shows the Budget proposal which targets Revenue/Income amounting to US\$ 247,000.00 or 36% less than the revised budget of US\$ 313,000.00 in the last financial year 2020/2021. Targeted Revenue/Income comprise of the collection from member fees amounted to US\$ 182,000.00 (without annual increment and 2 new members)-80.1% of the total budget, training, and workshop of US\$

15,000.00 or 6.6% of the annual target and targeted Grants expectation of US\$ 50,000.00-22%. The funds from grants was not considered in the last financial year 2020/2021.

Further, the proposed total budget amounting to US\$ 227,285.00 is comprised of Administration expenses of US\$ 29,187.00 or 10% less than the last year revised budget of US\$ 32,483.70, Staff expenses of US\$ 188,398.00 or 10% more than last year revised budget of US\$ 171,579.60 and Capital expenditure of US\$ 1,000.00 or 75% less than last year revised budget of US\$ 3,970.00. Table 5 shows statutory payment votes marked in yellow color (code 4020, 4030 and 4040).

Table 6: Budget Proposal for the financial year 2021/2022

	BUDGET CATEGORY	Budget 2020/2021	Revised Budget	Proposed Budget	Changes	% Change
BUDGET CODE	ITEM DESCRIPTION	2020/2021 US\$	2020/2021 US\$	2021/2022 US\$	2020/21 US\$	Percentage
1000-00000-000-00000000-00	Fund Closing Balance/KCB Bank Balances					
1000-00000-000-00000000-00	Existing Subscription Fee	\$140,000.00	\$140,000.00	\$182,000.00	\$6,000.00	3%
1000-00000-000-00000000-00	Increase in Subscription Fee	\$36,000.00	\$36,000.00	\$0.00	\$36,000.00	
1000-00000-000-00000000-00	A & A - Training and Workshops	\$122,300.00	\$122,300.00	\$15,000.00	\$107,300.00	12%
1000-00000-000-00000000-00	A & A - Observers (Utilities)	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00	
1011-00000-000-00000000-00	Grants	\$0.00	\$0.00	\$50,000.00	-\$50,000.00	
Total		\$313,300.00	\$313,300.00	\$247,000.00	\$114,300.00	36%
BUDGET CODE	ITEM DESCRIPTION	Budget 2020/2021 US\$	Revised Budget 2020/2021 US\$	Proposed 2021/2022 US\$	Changes 2020/21 US\$	Change %
(A) Total Re-Current Expenditure		\$27,534.00	\$32,483.70	\$29,187.00	-\$3,296.70	-10%
Administration Expenses						
4155-00000-000-00000000-00	Membership Fees and Subscription (ERRA)	\$0.00	\$0.00	\$3,000.00	\$3,000.00	100%
4240-00000-000-00000000-00	Office General Expenses (Admin)	\$200.00	\$1,858.47	\$2,000.00	\$141.53	71%
4211-00000-000-00000000-00	Telephone, Fax and Internet (Zoom and Webinar)	\$1,000.00	\$2,000.00	\$3,160.00	\$1,160.00	116%
4212-00000-000-00000000-00	Staff Airtime	\$0.00	\$0.00	\$100.00	\$100.00	0%
4215-00000-000-00000000-00	Stamps, Postage and Courier Services	\$400.00	\$400.00	\$400.00	\$0.00	0%
4173-00000-000-00000000-00	Car Hire Expenses	\$300.00	\$1,100.00	\$600.00	-\$500.00	-167%
4150-00000-000-00000000-00	Consultancy Expenses - (Review of SP, Asset Tagging)	\$200.00	\$200.00	\$200.00	\$0.00	0%
4260-00000-000-00000000-00	Bank Charges on EREA Account	\$300.00	\$600.00	\$600.00	\$0.00	0%
4230-00000-000-00000000-00	Printing and Stationeries (Consumables)	\$1,070.40	\$1,808.87	\$1,070.00	-\$738.87	-69%
4270-00000-000-00000000-00	Depreciation Expenses- Computer Hardware + Office Equip.	\$274.30	\$274.00	\$1,454.00	\$1,180.00	430%
4271-00000-000-00000000-00	Depreciation Expenses- Furniture and Fittings	\$74.50	\$74.50	\$258.00	\$183.50	246%
4174-00000-000-00000000-00	Maintenance of Computer Hardware	\$105.00	\$105.00	\$200.00	\$95.00	90%
4175-00000-000-00000000-00	Maintenance of Computer Software - Maintain EREA's Accounting Package	\$15,000.00	\$10,503.06	\$2,500.00	-\$8,003.06	-53%
4176-00000-000-00000000-00	Maintenance of Other Equipment	\$502.80	\$502.80	\$200.00	-\$302.80	-60%
4058-00000-000-00000000-00	Newspapers, Magazines, Books and Ref. Materials	\$162.00	\$162.00	\$200.00	\$38.00	23%
4200-00000-000-00000000-00	Office Rent and Service Charges	\$6,395.00	\$6,395.00	\$6,395.00	\$0.00	0%
4101-00000-000-00000000-00	Electricity Charges	\$1,200.00	\$1,200.00	\$1,200.00	\$0.00	0%
4145-00000-000-00000000-00	Advertisement Expenses	\$0.00	\$0.00	\$0.00	\$0.00	100%
4104-00000-000-00000000-00	Water Utility Services	\$0.00	\$0.00	\$100.00	\$100.00	100%
4256-00000-000-00000000-00	EREA Tender Board Expenses	\$0.00	\$0.00	\$0.00	\$0.00	100%
4051-00000-000-00000000-00	Cleaning Expenses	\$150.00	\$150.00	\$300.00	\$150.00	100%
4241-00000-000-00000000-00	Entertainment Expenses	\$200.00	\$200.00	\$300.00	\$100.00	\$0.50
Audit Expenses		\$9,420.00	\$9,420.00	\$8,700.00	-\$720.00	-8%
4250-00000-000-00000000-00	Audit of EREA Fund at ending 30 June, preceeding current Financial Year	\$9,420.00	\$9,420.00	\$8,700.00	-\$720.00	-8%
Conferences and Workshop Expenses						
4185-00000-000-00000000-00	Board Expenses (AGA, EXCO, PCs & TWGs Conference Package)	\$0.00	\$0.00	\$0.00	\$0.00	100%
4052-00000-000-00000000-00	Travel/Transport Expenses(tickets, subst. Allow)	\$0.00	\$2,000.00	\$2,000.00	\$0.00	100%
4160-00000-000-00000000-00	Facilitation of EREA's Day Conferences	\$0.00	\$0.00	\$0.00	\$0.00	100%
4106-00000-000-00000000-00	EREA Workshop and Conference expenses - outside host Country	\$0.00	\$2,950.00	\$2,950.00	\$0.00	100%
4162-00000-000-00000000-00	Participation of EREA in Meetings organised by other Regional Bodies	\$0.00	\$0.00	\$0.00	\$0.00	100%
Total Staff Expenses	Gross Salary	\$171,579.60	\$171,579.60	\$188,398.00	\$16,818.40	10%
4000-00000-000-00000000-00	Total Basic Salary and Wages (Annual Salary)	\$139,779.60	\$139,779.60	\$141,960.00	\$2,180.40	2%
4061-00000-000-00000000-00	Housing Allowance	\$16,200.00	\$16,200.00	\$16,200.00	\$0.00	0%
4062-00000-000-00000000-00	Utility Allowance	\$5,400.00	\$5,400.00	\$5,400.00	\$0.00	0%
4052-00000-000-00000000-00	Transport Allowance	\$10,200.00	\$10,200.00	\$10,200.00	\$0.00	0%
4020-00000-000-00000000-00	Employer Pension contribution(15% of Basic salary except ES)	\$0.00	\$0.00	\$4,620.00	\$4,620.00	100%
4030-00000-000-00000000-00	Skills and Development Levy (04% of Basic Salary)	\$0.00	\$0.00	\$5,534.00	\$5,534.00	100%
4040-00000-000-00000000-00	Workers Compensation Fund (1% of Basic salary)	\$0.00	\$0.00	\$1,384.00	\$1,384.00	100%
4053-00000-000-00000000-00	Annual Leave Passage	\$0.00	\$0.00	\$0.00	\$0.00	100%
4121-00000-000-00000000-00	Legal Fees -Executive Secretary Resident & Working Permits	\$0.00	\$0.00	\$1,600.00	\$1,600.00	100%
4115-00000-000-00000000-00	Professional Development Skills (NBAA-CPD Hours)	\$0.00	\$0.00	\$1,500.00	\$1,500.00	100%
(B) Total Capital Expenditure		\$3,970.20	\$3,970.20	\$1,000.00	-\$2,970.20	-75%
6320-00000-000-00000000-00	Furniture and Fittings	\$3,398.50	\$3,398.50	\$1,000.00	-\$2,398.50	-71%
6420-00000-000-00000000-00	Office Equipment	\$571.70	\$571.70	\$0.00	-\$571.70	-100%
6512-00000-000-00000000-00	Computer Hardware	\$0.00	\$0.00	\$0.00	\$0.00	100%
Total Expenditure (A+B)		\$212,503.80	\$217,453.50	\$227,285.00	\$9,831.50	5%

5.9. Review of the Procurement and finance manual

Upon benchmarking with other regional organisation and advice from the Auditor, the Secretariat has reviewed the procurement and financial manual to align with the national laws and other requirements. See **appendix 11**

5.10. HR manual

The directive to benchmark the HR manual and recommend changes through a report to the 21st EXCO is complete. Among the fundamental changes include the preparation of daily allowance schedules, among other aspects. **See Appendix 12**

6. CHAPTER 6: Ideas on Institutional realignment

6.1. Request for Immunity and diplomatic status for EREA

The Secretariat has engaged the Ministry of Foreign Affairs and Ministry of energy in Tanzania, intending to consider EREA's acquisition of diplomatic status. A brief on the establishment of EREA in Arusha and a request for diplomatic status by the government of Tanzania was submitted to the government for consideration– appendix 4 for the brief. In the same vein, a Draft convention for the establishment of a centre of excellence was developed circulated to the LPC. It covered:

6.2. Anchoring with EAC

EREA has made significant strides in initiating a partnership with East African Community. The specif areas of collaboration include:

- Request for observatory status at EAC pending formal anchorage
- Draft MOU with EAC on collaboration in areas such as PMU and Sector council meetings
- Possible partnership with EAC to co-fund for CoE and training Institute.
- Request for anchorage as one of the institutions of EAC

7. CHAPTER 7 : Admission of New Members

The Energy Regulators Association of East Africa has experienced significant growth in both membership and visibility globally. In the current year, we received two members who are ready to join as full members of the association. The addition of Zanzibar Petroleum (Upstream)Regulatory Authority (ZPRA) and Petroleum Upstream Regulatory Authority (PURA), brings the total membership of EREA to nine(9). Similarly, we have received interest of one member, Rwanda Mines, Petroleum and Gas Board (RMB) joining as an observer.

8. CHAPTER 8: Frequency of meetings and Leadership

The frequency of meetings for EREA's subsequently sessions is as shown in the figure below

MEETING DATE	SEMI-ANNUAL MEETING, DECEMBER 2021
13th December 2021	All PCs Meeting, Arusha-Tanzania
14th December 2021	SB Meeting-Arusha-Tanzania
15th December 2021	8th CFA - EXCO Meeting, Arusha-Tanzania
16th December 2021	8th SPHRC - EXCO Meeting, Arusha-Tanzania
17th December 2021	22nd EXCO Meeting – Arusha-Tanzania
MEETING DATE	ANNUAL MEETING, LOCATION(JUNE 2022)
20th June 2022	All PCs Meeting/SB, Arusha-Tanzania
21st June 2022	9th CFA - EXCO Meeting, Arusha-Tanzania
22nd June 2022	9th SPHRC - EXCO Meeting, Arusha-Tanzania
23rd June 2022	23rd EXCO Meeting – Arusha-Tanzania
24th June 2022	14th AGA Meeting – Arusha-Tanzania

The leadership rotation is as follows

EXECUTIVE COUNCIL	INSTITUTION
Chairperson	Zanzibar Utility Regulatory Authority(ZURA)
Deputy Chairperson	Electricity Regulatory Authority(ERA)-Uganda
GENERAL ASSEMBLY	INSTITUTION
Chairperson	Petroleum Authority of Uganda(PAU)
Deputy Chairperson	Energy Water Utilities Regulatory Authority(EWURA)

APPENDIX 1: TRAINING NEEDS ASSESSMENT AND FACILITATORS DATABASE



EREA TRAINING
NEEDS ASSESSMENT

APPENDIX 2: CONCEPT NOTE FOR THE DEVELOPMENT OF A COE



CONCEPT NOTE FOR
THE DEVELOPMENT C

APPENDIX 3: DRAFT CONVENTION SETTING UP AN EAST AFRICA CENTRE OF EXCELLENCE ON ENERGY REGULATION.



CONVENTION
SETTING UP AN EAST

APPENDIX 4: BRIEF ON THE ESTABLISHMENT OF EREA IN ARUSHA AND REQUEST FOR DIPLOMATIC STATUS BY THE GOVERNMENT OF TANZANIA



Submission of brief
to MOF Tanzania on E

APPENDIX 5: CERTIFICATE OF EREA MEMBERSHIP WITH ERRA



Adobe Acrobat
PDFXML Document

APPENDIX 6: TOOLS COLLECTION FOR SELF-AUDIT OF TOOLS AND FRAMEWORKS



Adobe Acrobat
PDFXML Document

APPENDIX 7: EREA SIGNING PROTOCOL



EREA SIGNING
PROTOCOL.doc

APPENDIX 8: STRATEGIC PLAN INCEPTION REPORT



EREA Medium Term
Strategic Plan Inceptic

APPENDIX 9: EREA COMMUNICATION POLICY



Communication
Strategy of EREA, Rev

APPENDIX 10: DRAFT AUDIT FY 2019/2020 REPORT



Adobe Acrobat
Document

APPENDIX 11: DRAFT AUDIT FY 2019/2020 REPORT




Draft - EREA
Procurement Manual

APPENDIX 9: HR MANUAL PROPOSALS



Report on Proposed
ammendments to the

APPENDIX 10: PROPOSAL FOR CENTRE OF EXCELLENCE

<div>  <div> <p>8th Floor, NSSF Mafao House, Old Moshi Road P.O. Box 1669, Arusha, Tanzania Email: info@energyregulators.org Website: http://www.energyregulators.org Tel: +255 27 2520 170/1</p> </div> </div>					
DETAILED BUDGET TABLE					
FACILITATE INSTITUTIONAL STRENGTHENING AND HUMAN DEVELOPMENT IN EREA					
COMPONENT	Beneficiary	Unit	Qty	Unit cost in USD	Total Cost in USD
					ARAB GRANTS
Component 1: Establishment of the conference facility					
Services					
Consultancy service for the development of Curriculum		Lump sum	1		10,000.00
Consultancy Service CoE and office partitioning		Lump sum	1		50,000.00
CoE Space					
Lease extension of Conference facility/Secretariat		Per/year	3	25,200.00	75,600.00
Goods					
ICT/Infrastructure/ equipment		Lump sum	1		93,000.00
Labour Costs					
Consultation for setting up modern ICT conference facility		Lump sum	1		5,000.00
Component 2: Project Management					
Services					
Annual Financial Audit of the project		Lump sum	1		10,000.00
Staff Emoluments:					
1. CoE Program/Training Manager(Legal, Electricity,Petroleum and Economic)	Support Services	Pers/Months	24	3,000.00	72,000.00
2. ICT/Marketing Coordinator	Support Services	Pers/Months	24	2,000.00	48,000.00
Car hire/Purchase		Lump sum			70,000.00
Operating Costs					
electricity & water, cleaning	PMU	Per/year	2	4,800.00	9,600.00
Printing and Stationery	PMU	Per/year	2	2,100.00	4,200.00
Internet connectivity	PMU	Per/year	2	3,600.00	7,200.00
Telephone, Email Fax	PMU	Per/year	2	800.00	1,600.00
Office IT Supplies	PMU	Per/year	2	900.00	1,800.00
Security	PMU	Per/Months	24	300.00	7,200.00
Subscriptions to relevant Journals	PMU	Per/year	2	1,000.00	2,000.00
Project launching event	PMU	Lump sum	1	2,000.00	2,000.00
Monitoring of the implementation of project activities	Secretariat	Per/year	1	1.00	1.00
Expenses related to various hiring of staff(interview,advertisement & tickets for selected candidates)	PMU	Lump sum	5	2,000.00	10,000.00
Total base project costs					479,201.00
Contingencies 1%					4,792.01
Total Project Costs					483,993.01

	Component		Cost Estimate (USD)	Development partner
1	Review EREA strategic Plan	<ul style="list-style-type: none"> Review the harmonisation frameworks process and the current monitoring systems. Examine how tools are being used and implemented and communicated across the NRIs Examine the strategy for long term development Review the risk matrix and ensure they are fully understood Review the sustainability mechanism of EREA 	200,000	AFDB
2	Development of EREA Information Management System Database	<ul style="list-style-type: none"> General review of regional and international best practices for data hubs Recommend data portal options and architecture Design and undertake capacity building Develop implementation/dissemination plan 	200,000	DANIDA
3	Feasibility study for establishing East Africa School of the regulation (Centre of Excellence)	<ul style="list-style-type: none"> To carry out a Capacity gap analysis in the energy sector Develop a Centre of excellence master plan 	300,000	AFDB
3	Technical assistance to formulate regional regulators to implement PPP frameworks in transmission networks	<ul style="list-style-type: none"> Feasibility study on the Guidelines and Policy intervention Development of Policies and Guidelines Capacity building 	500,000	AFDB
4	Infrastructure and human resource expansion	<ul style="list-style-type: none"> Hire CoE conference/training facility Expand staff (program coordinator and ICT officer/Marketing) Mobility 	500,000	AFDB/Arab Grants
	Grand Total		1,700,000	