



SECRETARIAT/08/2021

**Semi-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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TABLE OF CONTENTS

| | |
|---|----|
| 1. CHAPTER 1: POLICY HARMONISATION | 8 |
| 1.1. Electricity Regulatory Index | 8 |
| 1.2. EAC Gender Index..... | 10 |
| 1.2.1. EREA Gender balance | 11 |
| 1.2.2. Barriers to Gender Mainstreaming in East Africa | 11 |
| 2. CHAPTER 2: SUSTAINABLE CAPACITY BUILDING | 12 |
| 2.1. Collaborations in sustainable capacity building..... | 12 |
| 2.1.1. The Africa Development Bank..... | 12 |
| 2.1.2. The World Bank..... | 13 |
| 2.1.3. The University of Akita..... | 14 |
| 2.1.4. The University of Akita..... | 14 |
| 2.1.5. Creation of awareness..... | 14 |
| 2.2. Centre of excellence project..... | 15 |
| 2.3. Collaboration With Like-Minded Institutions | 16 |
| 2.3.1. Collaboration with ERRA..... | 16 |
| 3. CHAPTER 3: SECRETARIAT INTERNAL PROCESSES PROGRESS | 18 |
| 3.1. Midterm Review of the Strategic Plan | 18 |
| 3.2. EREA Code of Conduct and Ethics..... | 18 |
| 4. CHAPTER 4: MONITORING PROGRESS Implementation OF ACTION PLANS | 19 |
| 4.1. Coordination of Portfolio Committees activities..... | 19 |
| 5. CHAPTER 5: FINANCIAL OVERVIEW | 20 |
| 5.1. Funding progress..... | 20 |
| 5.2. Status of Membership Fee | 22 |
| 5.3. Revenue from training and workshops | 22 |
| 5.4. The Energy Regulator Quarterly Magazine..... | 23 |
| 5.5. Expenditure performance review | 24 |

| | | |
|-----------|---|-----------|
| 5.6. | Achievements..... | 24 |
| 5.7. | Financial Audit Activities..... | 25 |
| 5.8. | Re-Current Expenditure Capital reallocation..... | 25 |
| 6. | CHAPTER 6: INSTITUTIONAL REALIGNMENT..... | 26 |
| 6.1. | MOU between EREA and Ministries responsible for Energy | 26 |
| 6.2. | Anchoring EREA with EAC..... | 27 |
| 7. | CHAPTER 8: FREQUENCY OF MEETINGS..... | 27 |
| | Appendix 1: Capacity Building Report..... | 28 |
| | Appendix 2: TOR for Development of Capacity Building Strategy for Eastern Africa | 28 |
| | Appendix 3: MOU Between EREA and Energy Ministries responsible for Energy | 28 |
| | Appendix 4: Strategic Plan Review Report by RTI_USAID..... | 28 |
| | Appendix 5: EREA Code of Conduct and Ethics..... | 28 |
| | Appendix 6: Draft Audit FY 2020/2021 Report | 28 |
| | APPENDIX 7 – Progress Implementation of EREA Action Plan for Financial Year 2021/2022 | 29 |

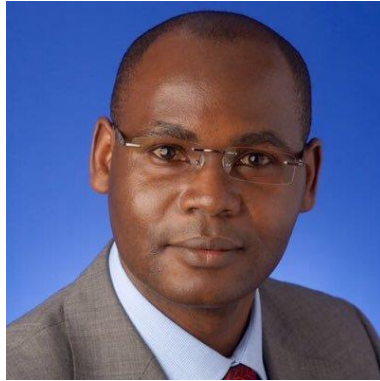
List of Tables

| | |
|---|----|
| Table 1: NRI Gender representation | 11 |
| Table 2: EREA collaborations with other institutions..... | 17 |
| Table 3: Meetings of the Portfolio committees | 20 |
| Table 4: EREA Funding status FY 2021/22 | 21 |
| Table 5: Expenditure performance review for FY2021/22 | 24 |
| Table 6: Budget reallocation | 26 |

List of Figures

| | |
|--|----|
| Figure 1: ERI Performance of EAC Partner States..... | 9 |
| Figure 2: EAC Gender Index | 10 |
| Figure 3: Participants in the Dynamic utility Regulation, Policy and Strategy..... | 13 |
| Figure 4: Webinars on creation of awareness..... | 15 |
| Figure 5: Nominees to the various ERRA committees..... | 16 |
| Figure 6: EREA's participation in ERRA Committees..... | 17 |
| Figure 7: Status of Membership Fee in FY2021/22 | 22 |
| Figure 8: Revenue from training and workshops..... | 23 |

FOREWORD



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.





VISION

To be a leading association of energy regulators in the World

MISSION

To support harmonization of national energy regulatory frameworks through advice, information sharing and capacity building for improved quality of life in the East African region.

VALUES (ACCENT)

Accountability

Collaboration

Commitment

Excellence

Novelty

Transparency

1. CHAPTER 1: POLICY HARMONISATION

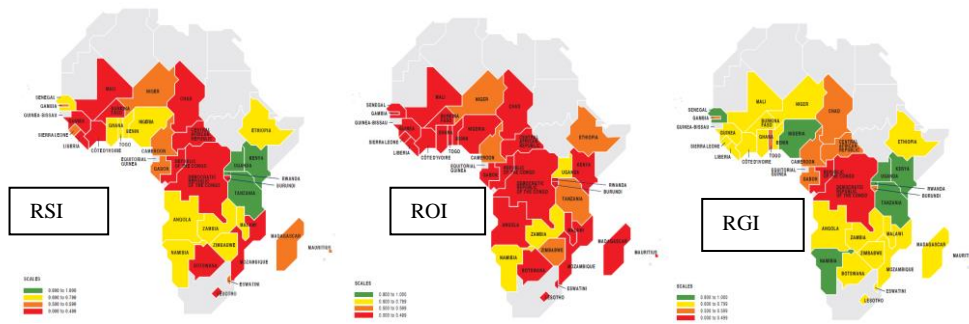
The East African region is at the forefront in domesticating regional instruments developed through our various Portfolio Committees (PCs). During the 13th Annual General Assembly (AGA), it was resolved that creating a special portfolio committee to address issues to do with Upstream Oil and Gas was critical. The Energy Regulators Association of East Africa (EREA) has dedicated national institutions that regulate the upstream petroleum sector while others are integrated within the primary regulatory institution. Such developments in the Association indicated the commitment of the partner stated and the regulators to harmonise the necessary frameworks and policies to ensure robust energy trade with increased investment.

The Energy Regulators Association of East Africa has developed various instruments and frameworks. These frameworks are drafted by experts in the national regulatory institutions (NRI) and approved by the Executive Council. Upon approval, they are domesticated. Our study indicates that most of the institutions have successfully embraced the process of domesticating these instruments.

1.1. Electricity Regulatory Index

EREA is working closely with the African Development Bank (AfDB) to measure the level of development of electricity regulatory frameworks across the East African region. Shortly, it may be possible to develop similar measures for the petroleum sector. However, as the secretariat, we have embarked on the strategies to develop our region Petroleum Regulatory Index (PRI) as a pioneering effort in Africa. The East African region is leading in the level of development of electricity frameworks in Africa. Following a survey by the AfDB, the comparisons, based on international best practices, indicate that our region is best placed to attract local investment, increase energy trade and satisfy consumer needs. The Electricity Regulatory Index (ERI) survey is based on three key indices; Regulatory Substance Index (RSI), Regulatory Outcome Index (ROI) and Regulatory Governance Index (RGI).

Figure 1: ERI Performance of EAC Partner States

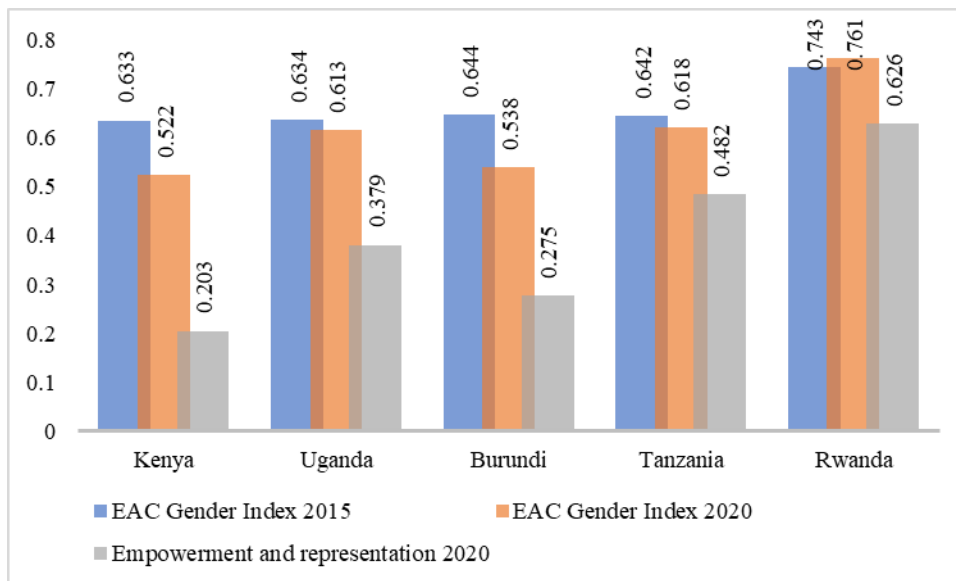


EREA secretariat is developing a robust framework to monitor and support the key recommendations from the ERI 2020 report so that there is enhanced performance of regulators and increased confidence in the regulatory frameworks. Key recommendations include 1. independence from the regulated sector; the regulatory acts should be amended to prescribe cooling off-periods 2. Independence from government; regulators to maintain cordial arm's length with the government to limit opportunities for executive interference 3. Financial Independence; regulators should be funded independently of direct government budgetary funds 4. Develop Economic regulation; regulators to implement a transitional path to attain cost-reflective tariffs 5. Quality of Service; regulators to develop comprehensive Quality of Service regulations covering all aspects of reliability such as System Average Interruption Duration Index (SAIFI), System Average Interruption Frequency Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI). 6. Sustainable Capacity Building; regulatory staff should be kept abreast of the changes in the dynamic energy sector through programs such as peer to peer reviews. The various Portfolio committees are currently reviewing these recommendations and many more with the help of the Secretariat.

1.2. EAC Gender Index

The East African Community Gender Index is an excerpt from the Africa Gender Index (AGI) that was developed jointly by the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (ECA). It marks the status of the Sustainable Development Goals (SDGs) Agenda 2030 and the African Union Agenda 2063. The AGI measures the disparities between women and men across three dimensions: economic, social and representation and empowerment.

Figure 2: EAC Gender Index



The score is between 0 and 1, where a value of 1 indicates perfect equality between the two genders while a score of 0 is perfect inequality. A score of more than 1 indicates that females are doing better relative to males. A comparative study between 2015 and 2020 indicates that all partner states except Rwanda experienced a drop in the Gender Index. The average drop for the East African Community (EAC) region is about 8%. All partner states' index is above 0.5, but all are under 0.5 on the empowerment and representation except Rwanda.

1.2.1. EREA Gender balance

A trend similar to the Gender index is repeated in the EREA gender representation at various Organs. EREA is composed of seven members, and at the board level, males dominate at both the Board level and the Chief Executive Officer (CEO)/ Director General (DG).

Table 1: NRI Gender representation

| EREA Gender representation | | | |
|----------------------------|--|-------------------|------------|
| Country | Institution | Board Chairperson | CEO/ DG/ED |
| Kenya | Energy and Petroleum Regulatory Authority (EPRA) | M | M |
| Uganda | Electricity Regulatory Authority of Uganda (ERA) | F | F |
| | Petroleum Authority of Uganda (PAU) | F | M |
| Tanzania | Energy and Water Utilities Regulatory Authority (EWURA) | M | M |
| | Zanzibar Utilities Regulatory Authority (ZURA) | F | F |
| Burundi | Authority for Regulation of Water and Energy Sectors (AREEN) | M | M |
| Rwanda | Rwanda Utilities Regulatory Authority (RURA) | M | M |

1.2.2. Barriers to Gender Mainstreaming in East Africa

Several pieces of research carried out across the globe converge on related barriers to gender equality in Europe and Africa. There is an effective barrier preventing women from working in the energy industry or other sectors on equal terms with men in our region. Enumerate a number of these barriers as follows:

- a) Lack of awareness of the prevalence of gender inequality.
- b) Conscious and unconscious gender bias at all levels of the industry.
- c) Unequal investment on the part of equity investors.
- d) The low representation of women on board and CEO levels in the energy sector
- e) Unequal pay between women and men.
- f) Failure to support parents and carers, and non-reconciliation of work/life balance in the energy sector.

- g) Unequal access to employment opportunities between women and men in the energy sector.

2. CHAPTER 2: SUSTAINABLE CAPACITY BUILDING

EREA's second overarching objective is to achieve sustainable capacity building. The objective is in line with the recommendations from the African Development Bank's recommendation. Our regulatory staff should be adequately capacitated in core disciplines such as energy economics, finance, advanced modelling, optimisation, planning, among others. The Secretariat has developed programs through its Energy Regulation Centre of Excellence (ERCE) to provide specialised training regularly.

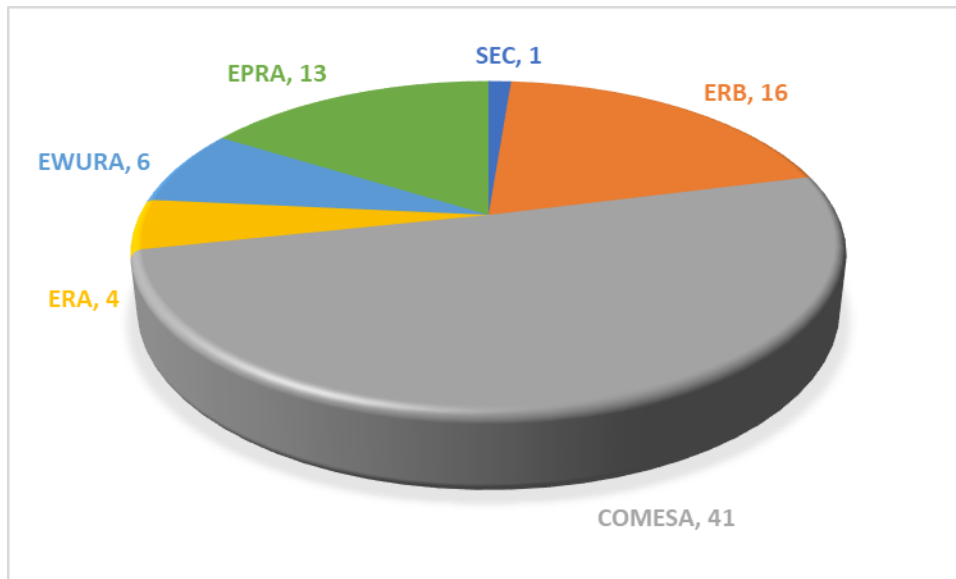
2.1. Collaborations in sustainable capacity building

We are running these programs through collaborations with other institutions such as the AfDB, the World Bank and the University of Akita-Japan. Building the capacity of the team increases retention capacity and achieve high performance in the sector.

2.1.1. The Africa Development Bank

Our first training was held between 1st and 3rd September 2021 with the help of the AfDB, Electricity Regulatory Authority of Uganda and other external experts. The course entailed detailed discussion on dynamic regulation, how to ensure regulation anticipates and, as appropriate, adapts to market evolutions, how to regulate an industry/network with potentially continuing reduced energy volumes and more intermittent sources, how to move from static regulation to more dynamic regulation and how to regulate infrastructure for different purposes.

Figure 3: Participants in the Dynamic utility Regulation, Policy and Strategy



The course, dynamic utility regulation and policy, was attended by over 90 candidates from over 25 countries across the continent. The report is attached in **Appendix 1**. Additionally, EREA has collaborated with the Florence School of Regulation through the sponsorship by Common Markets for Eastern and Southern Africa (COMESA) under the European Union (EU) capacity building component. As a result, the Regulation of Energy Utilities course has attracted candidates from various partner states.

| 2.1.2. The World Bank

Consultancy Service to Develop a Joint Regional Human Resource Capacity Building Strategy for The Implementation of the Electricity Market in the Eastern Africa Region.

The Energy Regulators Association of East Africa (EREA), Independent Regulatory Board (IRB) of the Eastern Africa Power Pool (EAPP) and the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) have identified the need to develop highly skilled staff to provide services in the highly specialised field. In addition, such initiatives promote robust Eastern Africa and Southern Africa energy unions. Consequently, the three institutions have identified a novel approach to expedite the process of collaborating to build

both "hard" and "soft " skills for the workforce in the regions National Regulatory Institutions (NRIs), the IRB, RAERESA and other stakeholders.

Through a collaboration with the World Bank, we have developed and submitted a TOR seeking to recruit a consultant to support developing a strategy for capacity building for the staff from these partners States. See **Appendix 2** for the Draft Terms of Reference (TOR).

| 2.1.3. The University of Akita

The Secretariat has agreed with the University of Akita, Japan, to carry out specialised training for our staff from various partner States. This program will be conducted under the International Centre for Research and Education on Mineral and Energy Resources (ICREMER). The program's focus will be on upstream petroleum exploration and drilling, energy law and other aspects of oil production.

| 2.1.4. The Florence School of Regulation

Recently, our staff from the regulators collaborated with COMESA to take a course offered by the Florence School of Regulation. The Regulation of Energy Utilities course promotes effective energy regulation and explores frameworks for a robust regulation design in the energy market.

| 2.1.5. Creation of awareness

EREA endeavours to collaborate with other institutions to showcase and create awareness of our various activities. We carried this effort by engaging our stakeholders in webinars and consultations. For example, in the reporting period, EREA participated in the webinar on the impact of regulation on driving renewable growth across Africa and another one on plans and strategies to meet Ethiopia and Uganda's clean energy targets.

Figure 4: Webinars on the creation of awareness



These webinars were jointly organised by Energy Regional Regulators Association (ERRA) and RENPOWER LIVE, respectively.

2.2. Centre of excellence project

The Secretariat has engaged various development partners on the quest to establish an Energy Regulation Centre of Excellence (ERCE). This follows a resolution from the 12th General Assembly (GA) and 19th Executive Council (EXCO) that a Centre of excellence should support the sustainable capacity building agenda. Accordingly, the Secretariat has made significant steps to request the United Government of Tanzania to allocate EREA a piece of land to establish this institution. Following a discussion with the relevant authorities, it was agreed that an MOU should be drafted and signed by all partner States indicating their support of such initiative.

The MOU was circulated to each Partner State for comments before a final document could be recirculated for signature. Kenya, South Sudan and Rwanda have already submitted their comments, while Tanzania, Rwanda and Uganda are in the process of submitting the comments. The MOU is appended in **appendix 3**.

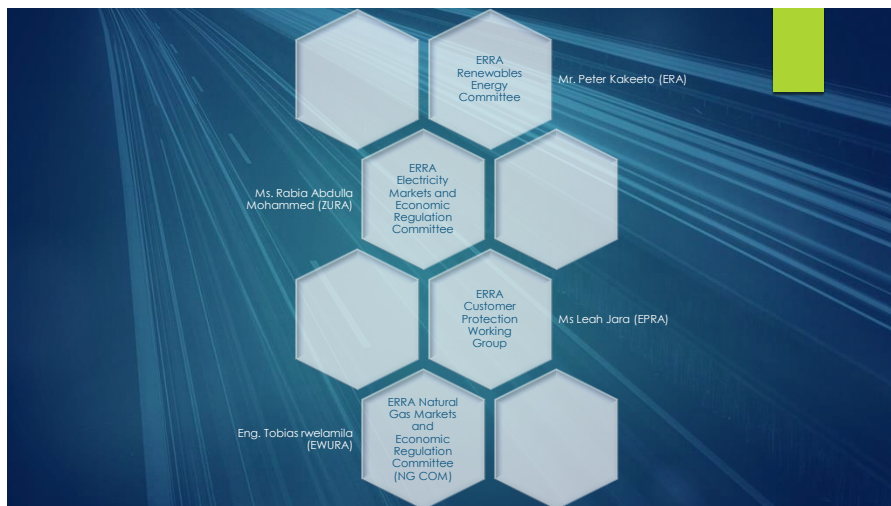
In the same vein, the Secretariat submitted a proposal to the African Development Bank requesting support to establish this Centre of Excellence. The request is under consideration. Additionally, the secretariat realises that establishing the CoE structure may take not less than three years. Therefore, the Secretariat has developed a short-term strategy to have the Centre established within the secretariat premises at a minimal cost.

2.3. Collaboration With Like-Minded Institutions

2.3.1. Collaboration with ERRA

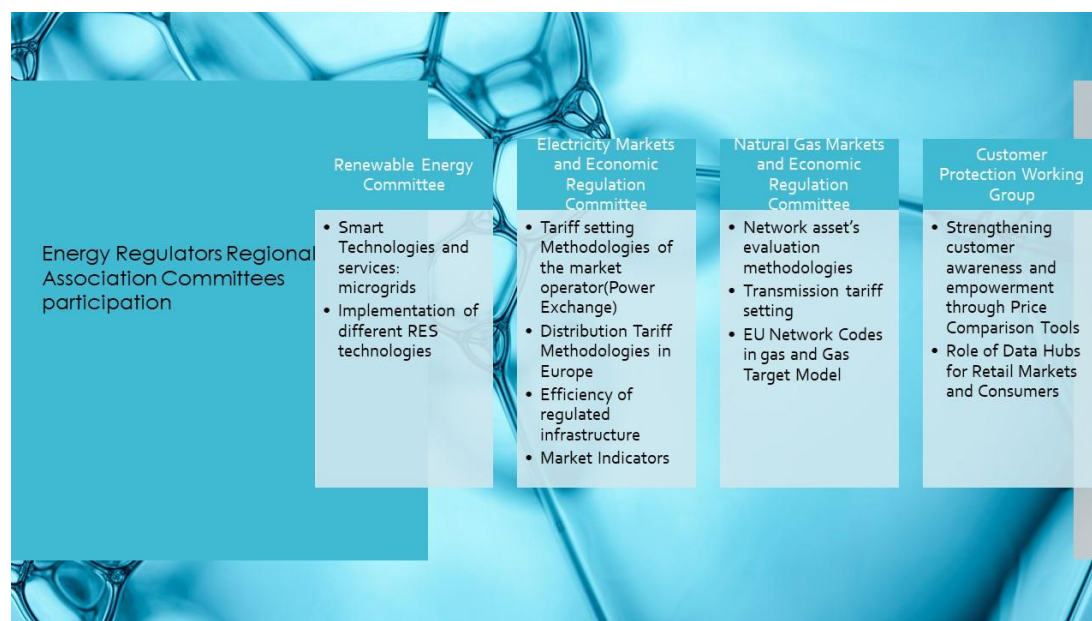
In the past five months, the Secretariat has collaborated with various institutions through participation in meetings that impact the energy sector, capacity building, and thought leadership. In addition, EREA collaborates in these institutions through participation in their meetings and research initiatives. These are the nominees to the various committees.

Figure 5: 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 similar assignments for our region. For example, through active participation, EREA's four representatives nominated have contributed to developing various reports indicated in **figure 6**.

Figure 6: EREA's participation in ERA Committees



Additionally, 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 have yielded substantial visibility.

Table 2: EREA collaborations with other institutions

| DATE | Collaborations | Organisations |
|--|--|---|
| 28 th – 30 th June 2021 | The 3 rd Ordinary session of the African Union specialised Technical Committee on Transport, Intercontinental and Energy (STC-TTIE) | AFRICAN UNION |
| 13 th and 15 th July 2021 | EU TAF and EUD Consultation – Validation of Deliverables Meeting | AFRICAN UNION |
| 1 st to 3 rd September 2021 | Training on Hybrid Utility Regulation, Policy and Strategy- | EREA, USEA, ENERGY EXEMPLA |
| 9 th September 2021 | Validation meeting of the CMP Final Inception Report | AUDA-NEPAD (African Union Development Agency) |
| 8 th – 9 th September 2021 | Consultative Workshop to review workstream C and D deliverables of the CPCS consultancy under the ESREM Project | ESREM |
| 21 st September 2021 | Energy Net – Country Spotlight Somalia Meeting ¹ Furthering and Established and enabling investment Environment for Somalia's Energy Sector | ENERGYNET AFRICA |
| 22 nd & 23 rd September 2021 | Prime speaker at RENPOWER EAST AFRICA INVESTORS 2021 focus on ETHIOPIA & UGANDA clean energy transition, power markets – an online forum | RENPOWER EAST AFRICA |

| | | |
|--|---|--|
| 28 th September 2021 | Validation of African Union Post – COVID 19 Recovery Strategy and Guidelines for the African Energy Sector | African Union |
| 06 th October 2021 | Panel Session 2 Planning Meetings: Kenya Regulatory Excellence in the oil and gas sector. | AFDB |
| 06 th October 2021 | Presentations on the challenges and opportunities to improve the regulatory environment for SDG7 | EU Global Technical Assistance Facility for Sustainable Energy |
| 26 th October – 1 st November 2021 | Speak on a panel at the 5 th Africa Energy Market Place (AEMP). The event under the theme- Identifying Opportunities across the Energy Value Chain: "Resolving Bottlenecks and unlocking Investments." | AFDB |
| 4 th Nov 2021 | COP26 side Event: High Level Meeting on African Energy Transition | AfDB |
| 15-17 November 2021 | Africa Energy Forum | Energy Net forum |

3. CHAPTER 3: SECRETARIAT INTERNAL PROCESSES PROGRESS

3.1. 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 responds to the various challenges arising from executing the current Plan and incorporating new approaches to realising an East Africa Energy Union. The Secretariat secured Technical Assistance from the RTI_USAID to support the review of the Strategic Plan. See **appendix 4** for the review report. The review report is a basis for updating the current Plan that is coming to an end.

3.2. EREA Code of Conduct and Ethics

The Secretariat has developed a Code of Conduct and Ethics. The Code provides for various provisions on the direction, and underlying principles for our conduct as a secretariat, interactions of the various Organs and our key stakeholders are highlighted. In addition, the Code highlights critical

Association's policies, prohibitions and a guide to an ideal culture of ethical performance. Our Associations Core Values are our starting point and pillars of our conduct. With such a firm foundation, we shall safeguard the reputation of EREA and earn the trust of our key stakeholders.

The Code outlines our commitment to our responsibilities within the advancement community; advancement services professionals establish, affirm, and articulate the best standards of ethical practice, both as individuals and members of professional staff at our Secretariat. The Code is appended in Appendix 5. It highlights our special duty to exemplify the best qualities of our Association and to observe the highest standards of personal and professional conduct.

4. CHAPTER 4: MONITORING PROGRESS Implementation OF ACTION PLANS

4.1. 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. Likewise, although the COVID -19 pandemic disrupted the business, as usual, EREA has resiliently continued to meet its performance targets. Detailed status of the progress of the Action Plans is attached in **appendix 7**.

Table 3 highlights various meetings carried out by the Portfolio committees and the Secretariat Bureau to implement the Action Plans approved by the 13th Annual General Assembly. Despite the fatigue and commitment of the committees in their various institutions, the Secretariat has received overwhelming support in coordinating meetings through a virtual platform. However, we highly encourage physical meetings to enhance efficiency.

Table 3: Meetings of the Portfolio committees

| Date | Name of Institution | Agenda/ Topics | No. DAYS | FROM | TO | VENUE |
|--|--------------------------------|--|----------|-----------|-----------|-------------------------------------|
| (A) Secretariat Meeting | | | | | | |
| 1 | The Secretariat Bureau meeting | Preparation of 22nd EXCO meeting | 1 | 09-Nov-21 | 09-Nov-21 | Zoom online video conference |
| 2 | | | | | 11-Nov-21 | |
| (B) Portfolio Committees Meetings | | | | | | |
| 3 | TPC Meeting | EREA Strategic planning review | 2 | 17-Aug-21 | 20-Aug-21 | Zoom online video conference |
| 4 | LPC Meeting | DRAFT LETTER REQUESTING FOR ADMISSION AS AN INSTITUTION OF EAC | | 21-Sep-21 | 21-Sep-21 | |

5. CHAPTER 5: FINANCIAL OVERVIEW

5.1. Funding progress

In quarters one and two, the EREA secretariat approached several development partners such as the African Development Bank (AfDB), RTI_USAID, OPEC, World Bank (WB) and European Union (EU) for possible collaboration with EREA on some specific activities. So far, two projects have been approved, and one is under implementation.

The approved projects include the Technical Assistance request to establish a Database system for various countries in East Africa. Uganda and Tanzania's projects have been approved for execution in the current financial year, while the rest are scheduled in the next phase. Additionally, the technical Assistance to review our current Strategic Plan was approved, and the review is now complete. **Table 4** highlights the details and status of the fund mobilisation program.

Table 4: EREA Funding status FY 2021/22

| S/N | Component | Funding amount (US\$) | Institution | Status |
|-----|--|-----------------------|-------------|--|
| 1 | Request for Funding for Establishment of Database Management System-Uganda | 262,000.00 | AfDB | Approved |
| 2 | Request for Funding for Establishment of Database Management System-Tanzania | 271,000.00 | AfDB | Approved |
| 3 | Request for Funding for Establishment of Database Management System-Kenya | 271,000.00 | AfDB | To be considered in round three |
| 4 | Technical Assistance for Reviewing of EREA's Strategic Plan | 126,000.00 | RTI_USAID | Approved. However, they will only Review and not Develop a new one |
| 5 | Application For a Grant to Facilitate Institutional Strengthening and Human Development | 568,800.00 | OPEC | Under review |
| 6 | Institutional Strengthening and Capacity Building of The Energy Regulators Association of East Africa (EREA) | 3,868,427.00 | AfDB | At PCN stage |
| 7 | Consultancy Service to Develop a Joint Regional Human Resource Capacity Building and Electricity Regulation Harmonization Strategy for the Implementation of The Electricity Market in the Eastern Africa Region | | WB | Approved, but Disbursement Will Be Through EAPP-IRB |
| 8 | Eu Global Technical Assistance Facility (GTAF) For Sustainable Development for East African Community Energy Regulators; 2021-2027 Cycle | 5,966.2M | EU | Under Consideration |

5.2. Status of Membership Fee

During the reporting period as of 30th November 2021, the members had contributed \$ **\$103,885.00**, equivalent to 59.03% of the annual target of US\$ **182,000.00**. The contribution was made by EPRA-Kenya, RURA-Rwanda, EWURA-Tanzania and EREA-Uganda. The remaining members have confirmed that they are in the process of finalising transferring their subscriptions from their respective countries.

The delay has been occasioned by long lead times in budgetary allocations and internal clearance processes. Notably, RURA and ERA did not include the transfer charges while transmitting the entire subscription amount. The omission led to a shortfall of **\$115**.

Figure 7: Status of Membership Fee in FY2021/22

| S/n | EREA Member | Budget 2020/21 | Actual Received | Received Date | Percentage % |
|-----|--------------------|----------------|-----------------|---------------------|--------------|
| 1 | AREEN-Burundi | \$26,000.00 | - | | 0.00% |
| 2 | EPRA-Kenya | \$26,000.00 | \$26,000.00 | 05th August 2021 | 100.00% |
| 3 | RURA-Rwanda | \$26,000.00 | \$25,895.00 | 01st September 2021 | 99.60% |
| 4 | EWURA-Tanzania | \$26,000.00 | \$26,000.00 | 17th July 2021 | 100.00% |
| 5 | ZURA-Tanzania | \$26,000.00 | - | | 0.00% |
| 6 | ERA-Uganda | \$26,000.00 | \$25,990.00 | 31st August 2021 | 99.96% |
| 7 | PAU-Uganda | \$26,000.00 | - | | 0.00% |
| | Total Contribution | \$182,000.00 | \$103,885.00 | | 59.03% |

5.3. Revenue from training and workshops

Following capacity building initiatives, the Secretariat raised a gross revenue of US\$ 24,290.00. COMESA and other EAC national regulators sponsored the majority of the training. The feedback from the candidates indicates that EREA provided timely and special training that may have been expensive if offered somewhere else. Additionally, the discussion among the regulators experiencing a similar environment brought a new perspective and understanding of energy regulation.

Figure 8: Revenue from training and workshops

| S/n | Name of Institution | Amount | Number of participants |
|-----------------------------|---|--------------------|------------------------|
| 1 | Colin Ralph Vel | \$290.00 | 1 |
| 2 | Energy Regulation Board (ERB) | \$4,800.00 | 16 |
| 3 | COMESA Sponsorship | \$12,300.00 | 41 |
| 4 | Electricity Regulatory Authority (ERA) | \$1,200.00 | 4 |
| 5 | Energy and Water Utilities Regulatory Authority (EWURA) | \$1,800.00 | 6 |
| 6 | Energy and Petroleum Regulatory Authority (EPRA) | \$3,900.00 | 13 |
| Total Revenue/Income | | \$24,290.00 | 81 |

The Secretariat has planned to hold Quarterly specialised pieces of training targeting the regulators and utilities in both the electricity and petroleum sector. This Plan is in tandem with the Strategy that the World Bank is developing.

5.4. The Energy Regulator Quarterly Magazine

EREA Secretariat has taken leadership in sharing information to the world about the East African Community Energy Union. The new magazine is being launched during the 22nd Executive Council meeting to be held in December 2021. This magazine- called "**The Energy Regulator**"- will highlight the energy markets with a regular focus on the policy developments in the region and opportunities available to the stakeholders.



The magazine is also a source of revenue for featured products from specific countries.

5.5. Expenditure performance review

Table 4 summarises the approved expenditure versus the year 2021/22 as of 30th November 2021. The utilisation of 41.68% of the approved budget was mainly attributed to general administration expenses and rent for six months.

Table 5: Expenditure performance review for FY2021/22

| BUDGET ITEM DESCRIPTION | BUDGET FOR FY2021/22 | Commitments 2021/2022 | ACTUAL EXPENDITURE 30th November 2021 | % Of Budget |
|----------------------------------|----------------------|-----------------------|---------------------------------------|---------------|
| 4000-Staff Expenses | 188,398.00 | | 62,915.28 | 33.39% |
| 4240-Administration Expenses | 25,737.00 | 5,867.00 | 21,971.65 | 85.37% |
| 4250-Audit of EREA Fund Expenses | 8,700.00 | | 6,637.00 | 76.29% |
| 4106-Conference and Workshop | 3,450.00 | | 2,955.00 | 85.65% |
| 6320-Capital Expenditure | 1,000.00 | | 244.00 | 24.40% |
| TOTAL BUDGET | 227,285.00 | 5,867.00 | 94,722.93 | 41.68% |

5.6. Achievements

Although the COVID-19 pandemic has impacted the year, efforts by various national regulatory institutions and the Secretariat have yielded substantial achievements in the half-year. The following achievements have been met:

- a) Gross Revenue from Training and Workshops amounting to **US\$24,290.00;**

- b) AfDB- **\$533,000** towards the development of Database management systems in Uganda and Tanzania
- c) RTI_USAID-equivalent of **\$100,000** towards Technical Assistance to review EREA's Strategic Plan
- d) Secured free training courses from COMESA and AfDB to our NRI's staff members
- e) Development of EREA's Code of Conduct and ethics
- f) Unqualified Audited Financial Statement FY 2020/21

However, there have been some challenges in securing funding from many other sources because of our registration status. We believe that upon realigning ourselves to be an institution of EAC or a Non-Governmental, there will be pronounced collaborations.

5.7. Financial Audit Activities

The Secretariat spearheaded the audit of the EREA fund and Draft Audit Report for the financial year ended 30th June 2021, which was completed on 17th November 2021 with an Unqualified Opinion from the Premier Plus Associates.

On 19th November 2021, the Secretariat received the final draft of Audited Financial Statements from the Auditor with an unqualified Opinion. The report has been submitted to the Committee of Finance and Administration (CFA) for comments before printing. See **appendix 6**.

5.8. Re-Current Expenditure Capital reallocation

- a) The Secretariat recommends a reallocation of US\$ 6,534 to Administration expenses (Office rent \$5,534.00 and printing and Stationeries \$1,000) and US\$ 1,000.00 to capital expenditure (Furniture and Fittings) from Auditing of EREA fund US\$ 2,000.00 and Skills and Development US\$5,534.00.
- b) The Secretariat raised a new source revenue from conducting Executive training cost on hybrid utility regulation, policy and Strategy on 01st - 03rd

September 2021 amount US\$ 24,290.00. The Secretariat, therefore, recommends that the new revenue cover the deficit of US\$-\$ 30,285.00.00 in our budget for the financial year 2021/2022.

- c) The Summary of the reallocated votes and the corresponding source of revenue is indicated in **table 5**.

Table 6: Budget reallocation

| Reallocated Items | Amount | Source | Amount |
|--|-------------------|---|-------------------|
| Re-Current Expenses (Administration) | | | |
| 4200 Office Rent and Service Charges | \$5,534.00 | Audit of EREA Fund at ending 30 June, proceeding current Financial Year | \$2,000.00 |
| 4230 Printing and Stationeries (Consumables) | \$1,000.00 | | |
| Capital Expenditure | | Skills and Development Levy (04% of Basic Salary) | \$5,534.00 |
| 6320 Furniture and Fittings | \$1,000.00 | | |
| Total Amount | \$7,534.00 | | \$7,534.00 |

6. CHAPTER 6: INSTITUTIONAL REALIGNMENT

6.1. MOU between EREA and Ministries responsible for Energy

The Secretariat engaged the Ministry of Foreign Affairs and Ministry of Energy in Tanzania to request EREA's diplomatic status acquisition. However, to obtain diplomatic status and the land for constructing the Energy Regulation Centre of Excellence (ERCE), a Memorandum of Understanding (MOU) must be signed by partner states indicating their willingness to cooperate with EREA. The MOU has been circulated to all the Partner States for comments before signing a final document. Upon signature, the Ministry of Energy in Tanzania shall present it before the Ministry of Foreign affairs on our behalf to request diplomatic status and the land for construction of the regional institution.

6.2. Anchoring EREA with EAC

EREA believes that in addition to the signing of the MOU between the ministries of Energy from each Partner State and EREA, anchoring ourselves with the EAC secretariat is vital. Profound benefits could accrue from such anchorage. They include EREA being able to collaborate with development partners who are critical for the growth of our institution and enhanced exercise of the Energy Policy harmonisation process.

Therefore, the Secretariat has requested the EAC Sectoral Council to recommend EREA become an EAC institution.

7. CHAPTER 8: FREQUENCY OF MEETINGS

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

| MEETING DATE | ANNUAL MEETING, LOCATION (JUNE 2022) |
|-----------------------|---|
| <i>20th June 2021</i> | All PCs Meeting/SB, Arusha-Tanzania |
| <i>21st June 2021</i> | 9th CFA - EXCO Meeting, Arusha-Tanzania |
| <i>22nd June 2021</i> | 9th SPHRC - EXCO Meeting, Arusha-Tanzania |
| <i>23rd June 2021</i> | 23rd EXCO Meeting – Arusha-Tanzania |
| <i>24th June 2021</i> | 14th AGA Meeting – Arusha-Tanzania |

Appendix 1: Capacity Building Report



Training program on
Dynamic Utility Regul

Appendix 2: TOR for Development of Capacity Building Strategy for Eastern Africa



TOR FOR CAPACITY
BUILDING 6-30-2021

Appendix 3: MOU Between EREA and Energy Ministries responsible for Energy



EREA and Ministries
of Energy MoU Final.c

Appendix 4: Strategic Plan Review Report by RTI_USAID



EREA Medium Term
Strategic Plan Inceptic

Appendix 5: EREA Code of Conduct and Ethics



CODE OF ETHICS
AND CONDUCT FOR

Appendix 6: Draft Audit FY 2020/2021 Report




Adobe Acrobat
Document

APPENDIX 7 – Progress Implementation of EREA Action Plan for Financial Year 2021/2022

(A) SECRETARIAT OFFICE

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|--|---|---|--------------------------------------|----------|-------------|--|
| KRA 2 Capacity building in the Secretariat and NRIs | Prepare a report of Post Capacity building Training attended by 4 NRI experts under the ESREM project | Draft back to office Report (NRIs and Secretariat); | Capacity Building reports | Q1-Q4 | Secretariat | Complete |
| KRA 3 Research and Information sharing | Share information | Package and share information and evaluate the impact | Update the website and share reports | Q1-Q4 | Secretariat | Ongoing |
| KRA 5 Collaboration/cooperation with relevant associations/bodies, including EAC | Develop concept paper for EREA /EAC cooperation for reviews | Prepare concept notes | Concept report or MOUs | Q1-Q4 | Secretariat | 1. MOU between EREA and ministries responsible for |

| | | | | | | |
|--|---|--|-------------------------------------|-------|-------------|--|
| | | | | | | <p>Energy prepared and circulated</p> <p>2. Concept paper requesting anchorage with EAC prepared and submitted</p> |
| KRA 6: Human and financial resources mobilisation and financial management | 1. Undertake human and financial resources requirement assessment | Develop a long-term financing framework/need | Long-term financing framework/needs | Q1-Q3 | Secretariat | <p>Complete</p>  <p>ERECA Project financing by compon</p> |
| | 2. Identify potential sources for human and | Establish available potential sources for | Potential sources for financial | Q1 | | Complete |

| | financial resources | financial resources. | resources established | | | |
|--|--|---|---|-------|--|----------|
| | 3. Prepare, execute and monitor a resource mobilisation plan | Develop funding proposals targeting new potential funds and partnerships | Funding proposals developed and submitted | Q1-Q4 | | ongoing |
| KRA 7 Improve structure, internal processes and procedures | Review current processes and procedures | 1) Develop a policy on gender-mainstreaming | | Q4 | | Ongoing |
| | | 2) develop and implement a specific leadership and ethics code of conduct in line with the Leadership | | Q2 | | Complete |

| | | | | | | |
|--------------------------------|--|--|---------------------|--------|-------------|----------------------------|
| | | <p>p and Integrity Act</p> <p>3) Carry out a baseline customer satisfaction survey in the fourth quarter</p> | | Q4 | | Ongoing |
| KRA 9. Strategy implementation | a) Monitor and Report SP Implementation | a) Prepare SP Performance review Report for FY2020/21 | Performance reports | Q1-Q4 | Secretariat | Complete |
| | b) Prepare Reports of Progress Implementation of | b) Prepare progress reports of resolutions made | Progress reports | Q2, Q4 | Secretariat | Progress reports completed |

| | | | | | | |
|--------------------------------|---|---|--|----------|-------------|---|
| | Directives by EREA Organs (EXCO, AGA) | by EREA organs | | | | |
| | c) Review the Strategic Plan | c) Review the Strategic Plan and develop a new Strategic Plan | a) SP Review report b) New Strategic Plan | Q2 Q4 | | Complete Funding process ongoing |
| KRA 9: Strategy implementation | (a) Coordinate with PCs Chairpersons on the Implementation of Planned Activities in Q1-Q4 | To coordinate PC activities | Implementation reports | Q1-Q4 | Secretariat | Complete |
| | (d) Coordinate Participation of EREA in activities of other bodies | To coordinate Participation of EREA in meetings | Activity reports | Q1-Q4 | Secretariat | Complete |

| | | | | | | |
|--|--|--|-------------------|-------|-------------|----------|
| | (COMESA/ESREM , EAC, African Union) | of other bodies | | | | |
| | Prepare Quarterly Progress Implementation of EREA Activities | To prepare Quarterly Reports; share on the website | Quarterly reports | Q1-Q4 | Secretariat | Complete |
| | Prepare Quarterly Progress Implementation of EREA Activities | To prepare Quarterly Reports; share on the website | Quarterly reports | Q1-Q4 | Secretariat | Complete |

(B) ECONOMIC PORTFOLIO COMMITTEE

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|--|---|--|--|----------|-------------|--------|
| KRA 1: Review NRI regulatory framework (regulations, standards, procedures, and processes) and provide recommendations | 1. Collect and review respective NRI regulatory frameworks. | Identify, review and harmonise two (2) focus areas (tariff setting and commercial matters) | Focus Areas Identified (tariff setting and commercial matters) | Q1-Q3 | EPC | |
| | 2. Benchmark with selected | Identify, review and harmonise two (2) | Areas Identified | Q1-Q3 | EPC | |

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|--|---|---|---|----------|-------------|--------|
| | comparator associations | areas to be benchmarked | (conferences, capacity building, participation in the power pool) | | | |
| | | Identify two (2) comparator associations | Comparator Associations Identified (ERRA) | Q1 | EPC | |
| KRA 2: Capacity building in the Secretariat and NRIs | 1. Undertake capacity building needs assessment | Assess the knowledge of NRIs/Secretariat staff and establish the gaps and desired conditions (recommendations). | Study Report | Q3 | EPC | |
| | | Identify where and how such knowledge gaps can be filled and desired costs and options to be met (initiatives). | Study Report | Q4 | EPC | |
| | | Make recommendations on how capacity building programmes could be implemented (Plan). | Capacity Gaps Report | Q4 | EPC | |
| KRA 3: Research and information sharing | 1. Identify areas for research | Identify topical areas of research | Areas Identified | Q1 | EPC | |
| | | Prepare research synopsis | Synopsis Prepared | Q2 | EPC | |

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|---|---|--|---|----------|-------------------|--------|
| | 2. Commission research | Develop TOR | TOR Developed | Q3 | EPC | |
| | | Review of the Reports of the Consultant | Reviewed Consultant's Reports | Q4 | EPC | |
| KRA 5: Collaboration/cooperation with relevant associations/bodies, including EAC | 1. Develop a framework for peer review | Develop concept papers for peer review | Concept Papers Prepared | Q1 | EPC | |
| | | Develop TOR for peer review | TOR Developed | Q2 | EPC | |
| | 3. Support, monitor and report the implementation of peer review findings | Review NRI reports | Reports Reviews | Q3 | EPC | |
| | | Continuous support to NRIs | Support Given | Q4 | EPC | |
| | | Develop recommendations for upcoming peer review | Proposals Prepared | Q4 | EPC | |
| KRA 6: Human and financial resources mobilisation and financial management | 1. Undertake human and financial resources requirement assessment | Develop a long-term financing framework/need | Long-term financing framework developed | Q1-Q3 | EPC & Secretariat | |
| | | | | | | |
| | | Prioritised the activities to be | Prioritised activities | Q4 | EPC & Secretariat | |

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|------------------|---|--|---|----------|-------------------|--------|
| | | carried out within available budget | | | | |
| | 2. Identify potential sources for human and financial resources | Establish available potential sources for financial resources. | Potential sources for financial resources established | Q1 | EPC & Secretariat | |
| | 3. Prepare, execute and monitor a resource mobilisation plan | Prepare a resources mobilisation strategy and Plan | A resources mobilisation strategy and Plan prepared | Q2 | EPC & Secretariat | |
| | | Develop funding proposals targeting new potential funds and partnerships | Funding proposals developed. | Q3 | EPC & Secretariat | |

(C) LEGAL PORTFOLIO COMMITTEE

| KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|---|----------------------|---|---------|----------|-------------|--------|
| KRA 1: Review NRI regulatory framework (regulations, standards, procedures, and | Policy harmonisation | 1) Compare regulatory framework on petroleum storage and transportation | Reports | Q1 & Q2 | LPC | |

| | | | | | | |
|---|----------|---|---------------------------------|---------|-----|--|
| processes) and provide recommendation | | | | | | |
| | | 2) Benchmark with selected comparator associations. | Benchmark report | Q1 & Q2 | LPC | |
| KRA 2: research and information sharing | Research | 1) Research on the mini-grid regulatory framework in the electricity sector industry of East Africa | Research Report | Q3 & Q4 | LPC | |
| | | 2) Research study on the geological potential, licensing, and the economic evaluation of upstream petroleum fiscal regimes in the East African Community. | | | | |
| | | To review the EREA constitution to include an upstream petroleum committee. | Amendments to EREA Constitution | Q1 | LPC | |
| | EREA | 1) Review of MOUs for | Report on | Q1-Q2 | LPC | |

| | | | | | | |
|--|----------------------|----------------------------------|--------------------------|-------|-----|--|
| | Secretariat support. | the programs of EREA | reviews | | | |
| | | 2) Review resolutions, agreement | of Implementation report | Q1-Q2 | LPC | |
| | | 3) Anchoring the EREA to the EAC | Implementation report | Q1-Q2 | LPC | |

(D) TECHNICAL PORTFOLIO COMMITTEE

| No . | KEY RESULTS AREA | STRATEGIES | ACTIVITIES | OUTPUT | TIMELINE | RESPONSIBLE | STATUS |
|------|---|-----------------------------------|---|---|-----------|------------------|--------|
| 1. | KRA-1: Review NRI Regulatory framework – regulations, standards, procedures , and | Review Progress reports from NRIs | 1. Electricity and Renewables Sub-TPC <ul style="list-style-type: none"> o Compile and share information on: Existing and draft regulations under development in electricity, energy efficiency and renewable Energy in the | 1. Comparator Report 2. EAC Upstream Regulatory Framework 3. Local Content Monitoring Framework | Q1 and Q2 | TPC/ Secretariat | |

| | | | | | | | |
|-----------|---|---------------------|---|--|-------------------|------------------|--|
| | processes. | | NRI home country | 4. Strategic Stock Implementation Framework | | | |
| | | | 2. Oil& Gas Sub-TPC <ul style="list-style-type: none"> i. Compile upstream regulatory framework being used by each NRI (Upstream); ii. Establish the monitoring framework for National content and Cost monitoring management for each of the NRIs. Provide recommendations (Upstream); and iii. Review of Strategic Stock Regulations in each NRI (Mid- and downstream). | <ul style="list-style-type: none"> i. Comparator Report ii. EAC Upstream Regulatory Framework iii. Strategic Stock Implementation Framework | | | |
| 2. | KRA-3: Research and information sharing | Commission research | 1. Electricity and Renewables Sub-TPC <ul style="list-style-type: none"> a) Evaluate the regulatory frameworks for isolated mini-grids in the NRIs; b) Compile and share information on (Electricity Subsector): <ul style="list-style-type: none"> a. Electricity generation, transmission, | <ul style="list-style-type: none"> 1. Electricity and Renewables Data 2. Comparator Report | Q1, Q2, Q3 and Q4 | TPC/ Secretariat | |

| | | | | | | | |
|--|--|--|---|--|--------------------------|--|--|
| | | | <p>and distribution status and projects in the pipeline; and</p> <p>b. Prepare a status report on the quality of services and identify best practices.</p> <p>▪</p> | | | | |
| | | | <p>2. Oil & Gas Sub-TPC</p> <p>a) Research on "A research study on geological potential, licensing, and the economic evaluation of upstream petroleum fiscal regimes in the East African Community" (Upstream);</p> <p>b) Undertake benchmarking on the research item and present recommendations to the EXCO (Upstream);</p> <p>c) Compile and share information on (Upstream):</p> <p>a. available data;</p> <p>b. reservoir management;</p> | <p>i. Oil and Gas Data</p> <p>ii. Comparator Report</p> <p>iii. EAC Upstream Regulatory Framework</p> <p>iv. Local Content Monitoring Framework</p> <p>v. Strategic Stock Implementation Framework</p> | <p>Q1, Q2, Q3 and Q4</p> | | |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | <ul style="list-style-type: none"> c. facilities management; d. measurement of Petroleum; and e. Petroleum utilisation. <ul style="list-style-type: none"> d) Identify one (1) research topic for upstream oil and gas (Mid- and down-stream); e) Research them; Undertake to benchmark; Present recommendations to EXCO (Mid- and down-stream); f) Compile and share information on (Mid- and down-stream): <ul style="list-style-type: none"> a. Petroleum price data; b. Infrastructure and capacity; and Petroleum consumption data | | | | |
|--|--|--|--|--|--|--|--|