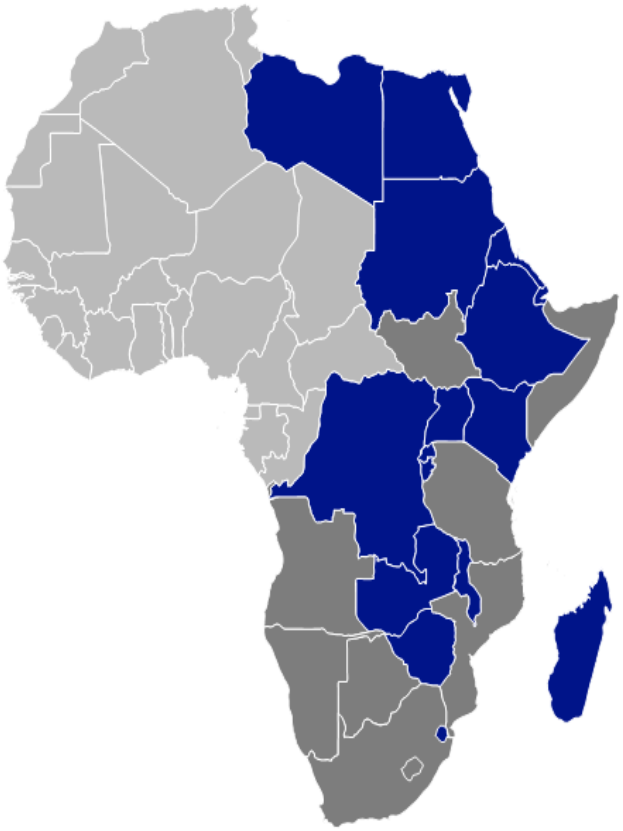
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Final Business Plan

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Abbreviations

ACER	Agency for the Cooperation of Energy Regulators
AEED	African Energy Expert Database
AEEP	Africa-EU Energy Partnership
AFD	French Development Agency
AfDB	African Development Bank
AFREC	African Energy Commission
AFSEC	African Electro-technical Standardisation Commission
AFUR	African Forum for Utility Regulators
AGM	Annual General Meeting
AU	African Union
CAIDI	Customer Average Interruption Duration Indicator
CCC	COMESA Competition Commission
CCJ	COMESA Court of Justice
CEER	Council of European Energy Regulators
CLASP	Collaborative Labelling and Appliance Standards Programme
CoM	Council of Ministers
COMESA	Common Market for Eastern and Southern Africa
CS	COMESA Secretariat
CU	COMESA Customs Union
CWG	Customers Working Group
DG ENER	Directorate General for Energy
DP	Development Partner
DSM	Demand Side Management
DSO	Distribution System Operator
EA	Eastern Africa
EAC	East African Community
EACREEE	East African Centre for Renewable Energy and Energy Efficiency
EAPP	East African Power Pool
EC	European Communities
ECB	Electricity Control Board
ECOWAS	Economic Community of West African States
ECRB	Energy Community Regulatory Board
ECREEE	ECOWAS Centre for Renewable Energy and Energy Efficiency
EDF	European Development Fund
EE	Energy Efficiency
EEA	European Economic Area
EES&L	Energy Efficiency Standards and Labelling
EFTA	European Free Trade Association
EG	Expert Group
ENTSO	European Network of Transmission System Operators
ENTSO-E	European Network of Transmission System Operators for Electricity
ENTSO-G	European Network of Transmission System Operators for Gas
ERA	Electricity Regulatory Authority
ERC	Energy Regulatory Commission
EREA	Energy Regulators Association of East Africa
ERERA	ECOWAS Regional Electricity Regulatory Authority
ERGEG	European Regulators Group for Electricity and Gas
ERRA	Energy Regulators Regional Association
ESI	Electricity Supply Industry

EU	European Union
EUD	Delegation of the EU to the Republic of Zambia and COMESA
EWURA	Energy and Water Utilities Regulatory Authority
EXCO	Executive Council
FDI	Foreign Direct Investment
FG	Framework Guideline
FIT	Feed-In-Tariffs
FTA	COMESA Free Trade Area
GCC	Global Climate Change
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HoSG	Heads of States and Governments
HPP	Hydro Power Plant
HR	Human Resources
ICER	International Confederation of Energy Regulators
ICT	Information Communication Technology
IEM	Internal Energy Market
IFC	International Finance Corporation
IGMoU	Inter-Governmental Memorandum of Understanding
IO	Indian Ocean
IPP	Independent Power Producer
IRB	Independent Regulatory Board
ICT	Information and Communication Technology
ISO	International Standardisation Organisation
IT	Information Technology
KE	Key Expert
KPI	Key Performance Indicator
L&RF	Legal and Regulatory Framework
M&E	Monitoring and Evaluation
MC	Ministerial Council
MDGs	Millennium Development Goals
MEDREG	Mediterranean Regulators
MoI	Ministers in charge of infrastructure
MoU	Memorandum of Understanding
MVA	Mega Volt Ampere
MW	Megawatt
NARUC	National Association of Regulatory Utility Commissioners
NC	Network Code
NEPAD	New Partnership for Africa’s Development
NKE	Non-Key Expert
NME	National Ministries of Energy
NRA	National Regulatory Authority
OOCUR	Organisation of Caribbean Utility Regulators
PCI	Project of Common Interest
PESTEL	Political, Economic, Social, Technological, Ecological and Legal
PHLG	Permanent High Level Group
PMU	Project Management Unit
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PSP	Private Sector Participation
PTA	Preferential Trade Area for Eastern and Southern Africa
R&D	Research and Development
RAERESA	Regional Association of Energy Regulators for Eastern and Southern Africa

RCREEE	Regional Centre for Renewable Energy and Energy Efficiency
RE	Renewable Energy
REC	Regional Economic Community
REFIT	Renewable Energy Feed In Tariff
REMIT	Regulation on Energy Market Integrity and Transparency
RERA	Regional Electricity Regulators Association of Southern Africa
RIP	Regional Indicative Programme
RS	RAERESA Staff
RURA	Rwanda Utilities Regulatory Authority
SA	Southern Africa
SACREEE	South African Centre for Renewable Energy and Energy Efficiency
SADC	Southern African Development Community
SAIDI	System Average Interruption Duration Indicator
SAIFI	System Average Interruption Frequency Indicator
SAPP	Southern African Power Pool
SE4ALL	Sustainable Energy for All
SMART	Specific, Measureable, Attainable, Realistic and Timely
ST	Study Tour
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
TAF	Technical Assistance Facility
TF	Task Force
ToR	Terms of Reference
TPP	Thermal Power Plant
TSO	Transmission System Operator
TYNDP	Ten Year National Development Plans
USAID	United States Agency for International Development
VIU	Vertically Integrated Undertaking
WAGPA	West African Gas Pipeline Authority
WAPP	West African Power Pool
WB	World Bank
WG	Working Group
WS	Work Streams
XBT	Cross-Border Trading

Executive summary

This Business Plan of RAERESA covering the 5-year period 2017-2021 forms the first implementation phase of its Strategic Plan for the 10-year period 2017-2026. It takes into account global, regional and national developments in the regulated energy sector in general, and in the electricity networks/systems/markets, oil and gas, renewable energy and energy efficiency in particular. Moreover, it contains detailed initiatives to be implemented together with their expected outcomes. These will propel RAERESA to achieve the strategic goals and objectives of the Strategic Plan 2017-2026 as outlined in the Table below.

Table E-1 Strategic Goals and Objectives of RAERESA

No.	Strategic Goal	Strategic Objective
1	Capacity building, information exchange, energy statistics and database	Developed capacities of members at national and regional levels and shared information, statistics and database to enhance regulatory practices
2	Harmonised legal and regulatory frameworks	Enhanced integration of energy systems and energy trade, as well as enabled energy investments in COMESA and beyond
3	Enhanced renewable energy	Increased share of renewable energy in the energy mix
4	Enhanced environment and energy efficiency	Promoted energy efficient technologies and practices
5	Efficient and effective Secretariat and RAERESA	Promoted attainment of RAERESA's Vision, Mission and Objectives in an efficient and economic manner

The Business Plan adopts the above objectives that support each strategic goal and, through implementation initiatives and expected outcomes, details concrete actions and tasks that will enable RAERESA to meet the strategic goals. It is designed to serve as a guide for RAERESA in the conduct of its objectives and functions in the first 5-year period of the Strategic Plan. It will be delivered by a team of qualified and dedicated management and staff/experts whose performance and conduct will be underpinned by integrity, efficiency, effectiveness, independence and accountability, transparency, fairness and continuous improvement.

The Business Plan has been developed in a three-stage process. The initial draft Version 1 (V1) was composed upon completion of the Inception Phase of the assignment (August-September 2016). The second draft Version 2 (V2) is a result of the consultative validation meeting with the Executive Committee of RAERESA, held in the Development Phase of the assignment (October-November 2016). This third and final Version 3 (V3) has been developed on the basis of the outcome of the Finalisation Phase of the assignment (mid-January 2017) when the finalisation and validation workshop with the Executive Committee and the Plenary with all RAERESA members was held. Throughout the process, the members of the Executive Committee of RAERESA provided their viewpoints on the appropriateness of presented options which have guided the focus of the Business Plan in the first five years of the strategy period.

The outline of the structure of the Business Plan is as follows. The introductory chapter describes RAERESA and the members its business serves, recalling main themes from the Strategic Plan. The second chapter depicts the 5-year Business Plan of RAERESA, which is built around the Business Plan Matrix. Budget assumptions, human and financial resource requirements, and the budget summary for the 5-year period of the Business Plan are provided in the third chapter. The fourth chapter stipulates the objectives of monitoring and evaluation, the monitoring and evaluation framework, and the critical success factors. Appendices contain further details of: A) the Business Plan Matrix, B) the organisation structure (organogram), C) the funding model/contribution model, and D) the collaboration plan for RAERESA emanating from the stakeholders' analysis in the Strategic Plan.

The Business Plan serves as an action plan for RAERESA for the first five years of the strategy period. In that context, the Business Plan spells out required finances and activity leaders in annual (per year)

timeframes for each of the strategic goals and objectives as well as the implementation initiatives and expected outcomes. Bearing in mind the implications of implementation activities that are detailed in the Business Plan (and the One-Year Work Programme for 2017) and in relation to the current trends and potential opportunities of revenue collection, it is anticipated that the implementation of this Business Plan will require an average sum of approximately US$ 2-2.5 million annually.

Recommendations

1. RAERESA needs to know exactly who its members and stakeholders are, what do they need from RAERESA, and what are the implications of not meeting those needs. This helps RAERESA to clearly understand what it needs to do and achieve;

2. RAERESA needs to establish the strategic goals and objectives, as well as implementation initiatives and expected outcomes, having in view the members' ones as a base. This helps RAERESA to approach its members and stakeholders, which includes development partners, for technical and financial support of its activities;

3. RAERESA needs to monitor the implementation of the Business Plan continually to correct deviations at the right time and derive the maximum benefit out of its resources. This helps RAERESA to note the challenges in its operations and identify critical success factors for the successful implementation of the Business Plan;

4. RAERESA needs various resources to effectively implement the Business Plan, hence it is imperative that the Business Plan is linked to necessary infrastructure, human resources including organisational structure, and financial resources. This helps RAERESA to envisage particularly operations of its Secretariat which supports all its organs;

5. RAERESA needs to tackle HR allocation in the Secretariat and placement within its organisational structure. This helps RAERESA to execute targets set. RAERESA also needs to set up a hierarchy. This helps RAERESA to escalate and solve operational issues in time without wasting resources; and

6. RAERESA needs to draw up financial projections of revenues and expenses, fixing expense budgets within allocated resources for various implementation initiatives. This helps RAERESA to spend only what it raises as funds from members and grants from development partners.

1 Introduction

1.1 Background and purpose of the Business Plan

This Business Plan of RAERESA for the 5-year period 2017-2021 forms the first implementation phase of its Strategic Plan for the 10-year period 2017-2026. It takes into account global, continental, regional and national developments in the regulated energy sector in general, and in the electricity, oil and gas, renewable energy and energy efficiency in particular. Moreover, it contains detailed initiatives to be implemented together with their expected outcomes, which will propel RAERESA to achieve the strategic goals and objectives of the Strategic Plan. The Business Plan adopts the objectives that support each strategic goal and, through implementation initiatives and expected outcomes, details concrete actions and tasks. It is designed to serve as a guide for RAERESA in the conduct of its objectives and functions in the first five years of the strategy period. It will be delivered by a team of qualified and dedicated management and staff/experts whose performance and conduct will be underpinned by integrity, efficiency, effectiveness, independence and accountability, transparency, fairness and continuous improvement.

1.2 Description of RAERESA

RAERESA was established by its Constitution pursuant to Articles 106 to 109 of the Treaty establishing COMESA. The RAERESA Constitution makes the legal framework governing RAERESA. It spells out its objectives and functions, and also depicts its organisational arrangements.

The objectives of RAERESA include:
1. Capacity building and information sharing (to include energy statistics and database);
2. Facilitation of ESI policy, legislation and regulations;
3. Regional energy regulatory cooperation; and
4. Inter-regional cooperation.

The functions of RAERESA include to:
1. Monitor and evaluate energy regulatory practices among members to determine regional training needs;
2. Develop, conduct or manage information and capacity building programmes;
3. Promote and support the development of independent energy regulators in the COMESA Member States where same are not presently established;
4. Source funding to achieve capacity building and research needs;
5. Facilitate coordination in the development of the following key areas:
6. regional regulatory policies, legislation and regulations, and
7. energy market structures in the region;
8. Promote research and prepare position papers on key aspects of regional regulation, including but not limited to examination of policies, strategies and legislation in the energy supply industry of the COMESA Region in comparison with international trends and best practices;
9. Require members to provide information as may be reasonably required to facilitate the coordination of energy trade and systems operations, in conjunction with the power pools and national control centres;
10. Facilitate the management of an information database relating to the regional energy regulatory functions and regional energy trade, taking into account the confidentiality of commercially sensitive information;
11. Investigate and deliberate on issues referred to it by members or emanating from any other source, relating to matters which impact negatively on the development of integrated energy supply systems in the COMESA Region;
12. Promote where necessary the establishment of norms and standards for the energy supply industry across the COMESA Region, including (but not limited to) environmental and safety regulations; and
13. Establish working relationships with other agencies that promote regional development and coordination of energy related matters.

The structure of RAERESA consists of:
1. the Plenary, which is the highest decision making body;
2. the Executive Committee;
3. the Portfolio Committees (on Electricity, Oil and Gas, Renewable Energy, and Environment and Energy Efficiency); and
4. the Secretariat (which is to be headed by the Executive Secretary responsible for day-to-day affairs).

These organs of RAERESA, with the exception of the Secretariat, are functional and working towards the objectives established in the Constitution. However, since RAERESA establishment, it has not had a fully operational Secretariat of its own and has been hosted by the COMESA Secretariat (on an interim basis), with only one person supporting all programme related activities and assisting the technical and professional work of the Plenary, the Executive Committee and the Portfolio Committees. This have clearly limited the effectiveness of its interventions. This Business Plan assumes that RAERESA will have established a fully functional Secretariat with a budget, human resources and internal administrative and operational policies and procedures.

RAERESA was officially launched on 16 March 2009 and came officially into existence with the signing of its Constitution by seven national energy regulators from COMESA Member States, namely: Ethiopia, Egypt, Kenya, Madagascar, Malawi, Rwanda and Sudan. Currently, RAERESA has 10 Full Members, 6 Associate Members and 3 Observers, as it follows:

1. Full Members of RAERESA (10)
    a. Electric Utility and Consumer Protection Regulatory Agency of the Arab Republic of Egypt (http://www.egyptera.org/en/),
    b. Energy Regulatory Authority of the Federal Democratic Republic of Ethiopia (http://www.ethioenergyauthority.gov.et/),
    c. Energy Regulatory Commission of the Republic of Kenya (http://www.erc.go.ke/),
    d. Electricity Regulation Office of the Republic of Madagascar (http://www.ore.mg/),
    e. Malawi Energy Regulatory Authority of the Republic of Malawi (http://www.meramalawi.mw/),
    f. Rwanda Utilities Regulatory Authority of the Republic of Rwanda (http://www.rura.rw/),
    g. Seychelles Energy Commission of the Republic of Seychelles (http://www.sec.sc/),
    h. Electricity Regulatory Authority of the Republic of Sudan (http://www.era.gov.sd/web/en/),
    i. Electricity Regulatory Authority of the Republic of Uganda (http://era.or.ug/), and
    j. Zimbabwe Energy Regulatory Authority of the Republic of Zimbabwe (http://www.zera.co.zw/).
2. Associate Members of RAERESA (6)
    a. Ministry of Production, Environment, Energy, Industry and Handicrafts of the Union of Comoros (http://www.gouvernement.km/),
    b. Ministry of Energy in charge of Natural Resources of the Republic of Djibouti (http://www.mern-gouv.com/),
    c. Ministry of Energy and Public Utilities of the Republic of Mauritius (http://publicutilities.govmu.org/English/Pages/default.aspx),
    d. Ministry of Electricity and Renewable Energy of Libya (http://www.merel.gov.ly/),
    e. Ministry of Water Resources and Electricity of the Democratic Republic of Congo (http://www.cate.cd/), and
    f. Ministry of Energy and Mines of the State of Eritrea (http://www.moem.gov.er/).
3. Observers of RAERESA (3)
    a. L'Agence de Contrôle et de Régulation du Secteur de l'Eau Potable et de l'Electricité of the Republic of Burundi (http://energie-mines.gov.bi/),
    b. Swaziland Energy Regulatory Authority of the Kingdom of Swaziland (http://www.sera.org.sz/), and
    c. Energy Regulation Board of Zambia (http://www.erb.org.zm/).

Membership to RAERESA is voluntary. A national energy regulatory body becomes a member once the Plenary meeting approves their application for membership. A national energy regulatory body may cease to be a member by giving the Executive Secretary 1-year notice of its intention to have its membership cancelled.

The primary source of funding for RAERESA is from membership contribution made up of annual contributions and special contributions by members. Each member is required to pay an annual membership subscription which is utilised in the operations of RAERESA. On approval by the Plenary, grant funding and donations may be sought and accepted by the institution.

1.3 Overview of the regulated energy sector and related activities of RAERESA

Infrastructure development is one of the four core development integration agenda of COMESA. The main focus of COMESA's energy strategy is joint development and pooling of energy resources with the objective

to optimise intra-COMESA production and trade in commercial energy products. In this respect, emphasis is put on joint exploration, exploitation and conversion of the energy resources at the regional, COMESA level.

RAERESA will play a regional regulatory role in COMESA's drive to energy strategy objectives during the 5-year period of the Business Plan. This will be mainly through establishing a stable, predictable and effective regional regulatory framework, functioning across borders in the COMESA Region, that will support energy trade and investment, minimise the perceived risks in the energy sector, improve technical and commercial performance of energy undertakings, and provide incentives for exploitation of all least-cost generation resources.

In that respect, intra- and inter-regional power pool policy coordination will be important to ensure that electricity generation and transmission interconnection projects are synchronously planned in the COMESA Region to ensure intra- and inter-connectivity of the national power systems and a common Grid Code is developed to facilitate the integrated development and operations of the national power systems. In that view, EAPP, as a specialised institution of COMESA, represents a regional policy initiative on optimal exploitation of energy resources in the COMESA Region.

There has been a drive for larger electricity markets (organised around power pools) to bring secure, competitively priced electricity supply to all customers. This has been underpinned by development of conducive national L&RF in each of the COMESA Member States, however in separate, fragmented and un-coordinated manner (i.e. without any significant either harmonisation or unification of several main common provisions). RAERESA's members, i.e. the national energy regulators, take particular places in the national L&RF since they particularly deal with national electricity regulation.

They are established by laws to regulate and control the technical and financial activities and contractual relations relating to the electricity undertakings performing electricity activities in consultation and coordination with the concerned authorities, taking into account national energy strategies aimed at national policies in the electricity field. There, their aim is to increase access to electricity, protect interests of electricity consumers, carry out regulation of electricity transmission and distribution, and promote competition in electricity generation and supply/trade. As part of their role, the national energy regulators participate in joint regulation of the regional wholesale electricity markets.

Moreover, since national efforts are often directed towards increasing renewable energy share in energy consumption, they are tasked with regulatory aspects of renewable energy with a view to enhance sustainability of energy mix. Furthermore, since national energy strategies aim at conserving energy and economising its use through introducing technological innovations which consume less energy, they are also tasked with regulatory aspects of energy efficiency with a view to decrease energy intensity.

So far, RAERESA's activities have been performed by the Portfolio Committees which covered the areas of: 1) Electricity; 2) Oil and Gas; 3) Renewable Energy; and 4) Environment and Energy Efficiency. RAERESA's activities have promoted a collaboration between the members to share experiences and to identify good energy regulatory practices in those activity areas, including the adoption of guidelines. The priorities have been to implement the Work Programme as per the activity areas of the Portfolio Committees and to expand activities and services responding to new challenges faced by the member national energy regulators.

In the future, RAERESA will need to align its structure to follow the strategy, meaning that the organisational structure will be aligned with the strategic goals and objectives. New organisational structure with restructured Portfolio Committees (Capacity Building, Information Exchange, Energy Statistics and Database; Harmonisation of Legal and Regulatory Frameworks; Renewable Energy; and Environment and Energy Efficiency) will be service based rather than industry based, to reflect the mandate and strategic goals of RAERESA. The present arrangement has divided the Portfolio Committees into silos, which inadequately addresses issues that cut across them.

Having service based Portfolio Committees will allow RAERESA to focus on the issues that have been the basis of its Work Programmes and the strategic goals and objectives. The Portfolio Committee on Capacity Building, Information Exchange, Energy Statistics and Database will focus on data and analyses besides capacity building. The Portfolio Committee on Harmonisation of Legal and Regulatory Frameworks will therefore look at those issues for all the energy matters, including electricity, oil and gas. Renewable Energy and Energy Efficiency will continue to have each a standalone Committee, given the priority given to them by

RAERESA, its development partners and its members in its potential contribution to the development of COMESA's energy sector.

In that context, RAERESA will perform its regulatory activities relating to the regulated energy sector in the way which supports:

1. Undertaking major investments in the electricity/oil and gas generation/production facilities and transmission and distribution networks, which enhances universal access to energy and underpin economic development;
2. Establishing a competitive wholesale electricity market, which supports energy trade and investment in general, and energy market entry, price transparency and competition in particular;
3. Liberalising the electricity retail markets, delivering price deregulation and competition with new market participants, which offers value and choice for consumers;
4. Delivering a share of electricity consumption from renewable energy, which helps to deliver sustainable energy mix, decarbonise the electricity system and meet international obligations;
5. Enhancing energy efficiency in the whole energy chain, which decreases energy intensity of the economy and related carbon emission; and
6. Keeping a strong consumer focus on energy prices, which are partly driven by global fuel prices, in particular for those COMESA Member States which are price-takers on international fuel markets for those fuels that are the primary ones in the electricity market.

REREASA will develop regional policies, standards and regulatory guidelines for domestication at the national level. Its Secretariat will facilitate the AGMs of RAERESA, meetings of the Executive Committee and the Portfolio Committees, organise workshops and study tours, meetings and visits as well as review proper domestication at the national level of the COMESA policies, regulations and facilitation instruments and support the members with technical assistance and consultancy services in implementing them. It will also facilitate funding for technical assistance and capacity building to EAPP as a specialised institution of COMESA in the electricity field.

1.4 Needs of RAERESA's members

RAERESA's members are the national energy regulators which are established as autonomous entities or bodies by the laws which define their mandates and functions. Today, they encompass not only the electricity sector as before, but the energy sector as a whole, including the renewable energy and energy efficiency. They are responsible for the regulation of the operations in the energy sector, including licensing and monitoring of licensees' efficiency and performance, ensuring safety and quality standards, setting the tariffs, and receiving or investigating complaints from consumers and licensees, however under supervision/coordination of the ministry in charge of energy. Their core functions are in regulation (technical, legal and economic), licensing, and permitting generation for own consumption. Budgeting for their activities comes from licence fees (and allocated government's funds), since they are authorised to collect fees for the issuance and renewal of licences and certificates of competency and for other services it renders.

To fulfil those responsibilities, they are vested with the powers to carry out investigations including inspections at service delivery sites and impose administrative sanctions in case of violation of laws and regulations. They hear, investigate and, when necessary, mediate or arbitrate disputes relating to regulated services. Moreover, they disseminate information about matters relevant to their mandates and functions. Furthermore, they promote effective competition and economic efficiency, as well as protect interests of consumers and financial viability of efficient suppliers. Finally, they promote the availability of regulated energy services to all consumers, including low income, rural and disadvantaged consumers.

They are obliged to take into account the need to protect and preserve the environment, and are therefore tasked with renewable energy and energy efficiency too. They formulate short-, medium- and long-term renewable energy and energy efficiency strategies and programmes at national and sectoral levels and, on the basis of periodic reports to be submitted to them, evaluate their implementation. Moreover, they promote renewable energy and energy efficiency at national and sectoral levels. Furthermore, they are authorised to collect revenues of renewable energy and energy efficiency funds and approve the selection of a trust agent and grants of loans from such funds.

Their work focuses on:

1. Licensing, where they are empowered to issue, suspend, and revoke business licences within their scope and monitor performance and enforce compliance of licensees (besides in the electricity sector for the generation, transmission, import or export, and distribution and sale of electricity, licences are also necessary to undertake energy audit, energy efficiency and conservation contracting or consultancy services);
2. Certifying, where they are empowered to issue, suspend, and revoke a certificate of professional competency to any person as an electrical contractor to engage in electrical works;
3. Safety/quality/performance, where they are authorised to regulate, determine and enforce the safety/quality/performance standards of generation, transmission, distribution and sale of electricity; and
4. Tariffs, where they are responsible for setting the tariffs (rates and charges for energy sales and services) and regulating and supervising access by private operators to the electricity grid, which includes the approval of PPAs (they saying is a non-final for the on- and final for the off-grid related tariffs).

They issue and supervise implementation of a number of regulatory-type documents, making the regulatory framework effective in the:
1. Electricity area (grid code, customers' service code, technical inspection code, quality service standard code, building electrical installation code, technical standard code, etc.);
2. Renewable energy area (network connection conditions, system operation rules, FIT, PPA, etc.); and
3. Energy efficiency and conservation area (mandatory energy audit/energy audit code, minimum energy efficiency standard/energy efficiency standards code, energy efficiency labelling code, voluntary agreement, etc.).

Generally, they approve IPPs' PPAs and network service agreements.

Their typical stakeholders are the following:
1. Government – requires them to regulate effectively the ESI, promote investment in the energy sector, ensure compliance to performance standards by licensees, ensure affordable electricity supply, and ensure quality and reliable electricity supply;

   They are expected to maintain a robust and effective regulatory framework, carry out regulatory impact assessments on a regular basis, enhance licensing framework and establish investment incentives, enhance monitoring of licensees' performance, promote least cost generation development, and establish regulatory framework that promotes delivery of quality and reliable electricity supply;

2. Energy consumers – require them to provide affordable electricity, quality, safe and reliable electricity supply, timely resolution of complaints, better service from energy undertakings, protection of consumer interests, increased public awareness, and information on energy services and products;

   They are expected to enhance verification of investments, prioritise monitoring compliance to laws, regulations and licence conditions, ensure that licensees focus on improving quality of service, and promote visibility through development of effective mechanisms for engagement with ESI players and the general public;

3. Energy undertakings – require them to provide harmonised regulatory regime with project implementation modalities of government projects, user-friendly regulatory compliance policies and procedures, supportive electricity investment policy incentive regime, increased operational efficiency, timely provision of licenses, information, timely resolution of complaints, arbitration/mediation of disputes, and cost reflective prices and margins;

   They are expected to establish greater coordination with relevant government agencies, rationalise regulatory systems, policies and procedures and put in place mechanisms for sharing information and engagement, develop and implement a strong investment incentive advocacy program, develop effective mechanisms for engagement with ESI players and

consultations with clients/utilities, and acquire a regulatory information management system and improve internal efficiency;

4. RAERESA – requires them to share information, statistics and database on the energy sector developments and best regulatory practices in cross-border/regional power pool trading;

   They are expected to exchange information, statistics and data, and participate in benchmarking in order to promote international best practice, establish, operationalise and coordinate regulatory framework for cross-border/regional power pool trading, establish mechanism for joint regulatory actions with a view to enhance cost-effectiveness and efficiency especially at the regional level.

In summary, the regulatory framework of the national energy regulators is yet to provide a reasonable level of support to their stakeholders, in particular existing players and interested investors, as well as consumers. The national energy regulators have just started to play a key role in contributing to the efforts to bring about the rapid socio-economic development of their countries. Such development will be beneficial at the COMESA-level too, where RAERESA will take into account the needs of its members having in view their mandates and responsibilities, as well as expectations of their main stakeholders.

1.5 Outline of the structure of the Business Plan

This introductory chapter firstly touches upon background and purpose of the Business Plan. Secondly, it describes RAERESA by providing information on what it does, what differentiates its business from comparable organisations, and the members its business serves. Thirdly, it provides an overview of the energy sector that RAERESA's activities will be a part of. Fourthly, it examines needs of the members as main beneficiaries for RAERESA's service. Fifthly, it provides the outline of the structure of the Business Plan.

The second chapter brings out the 5-year Business Plan of RAERESA, which is built around the Business Plan Matrix detailing needed finances and activity leaders for each of the strategic goals and objectives and the implementation initiatives, including all of its related activities together with their respective expected outcomes as well as annual (per year) timeframes.

The third chapter is dedicated to resource requirements. Firstly, human resource requirements are given in line with the organisation structure. Secondly, financial resource requirements are given presenting the total budget subject to a set of budget assumptions to underpin it. Thirdly, the funding arrangements are noted to identify sources of income for RAERESA.

The fourth chapter deals with monitoring and evaluation. Firstly, objectives of monitoring and evaluation are given. Secondly, monitoring and evaluation framework is noted. Thirdly, critical success factors are identified.

Finally, the Appendices contain details of: A) the Business Plan Matrix, B) the organisation structure (organogram), C) the funding model/contribution model, and D) the collaboration plan for RAERESA emanating from the stakeholders' analysis in the Strategic Plan.

2 The 5-year Business Plan of RAERESA

2.1 Strategic goals and objectives

In the first five years of the strategy period, RAERESA will pursue the strategic goals, objectives and implementation initiatives consistent with the Strategic Plan, as shown in the Tables below.

Table 2-1 Strategic Goal/Objective 1 for the Capacity Building, Information Exchange, Energy Statistics and Database

No.	Strategic Goal	Strategic Objective
1	Capacity building, information exchange, energy statistics and database	Developed capacities of members at national and regional levels and shared information, statistics and database to enhance regulatory practices

Table 2-2 Strategic Goal/Objective 2 for the Harmonised Legal and Regulatory Frameworks

No.	Strategic Goal	Strategic Objective
2	Harmonised legal and regulatory frameworks	Enhanced integration of energy systems and energy trade, as well as enabled energy investments in COMESA and beyond

Table 2-3 Strategic Goal/Objective 3 for the Enhanced Renewable Energy

No.	Strategic Goal	Strategic Objective
3	Enhanced renewable energy	Increased share of renewable energy in the energy mix

Table 2-4 Strategic Goal/Objective 4 for the Enhanced Environment and Energy Efficiency

No.	Strategic Goal	Strategic Objective
4	Enhanced environment and energy efficiency	Promoted energy efficient technologies and practices

Table 2-5 Strategic Goal/Objective 5 for the Efficient and Effective Secretariat and RAERESA

No.	Strategic Goal	Strategic Objective
5	Efficient and effective Secretariat and RAERESA	Promoted attainment of RAERESA's Vision, Mission and Objectives in an efficient and economic manner

2.2 Business Plan Matrix

Arising from the Strategic Plan, and having in view the Business Model Canvass which is presented in the Table below, RAERESA has identified detailed activities of the Business Plan that will be implemented during the first five years of the strategy period. These activities are outlined in the Business Plan Matrix, which is presented in Appendix A.

Table 2-6 Business Model Canvass of RAERESA

<table>
<tr>
<td rowspan="2"><u>Key Partners</u>
• COMESA Secretariat
• Development Partners
• Regional Regulatory Associations
• RE&EE Centres
• COMESA Competition Commission
• COMESA Court of Justice</td>
<td><u>Key Activities</u>
• Capacity building
• Information, statistics and data sharing
• Legal and regulatory harmonisation
• Regional regulatory cooperation</td>
<td rowspan="2"><u>Value Proposition</u>
• Legal and regulatory frameworks
• COMESA Energy Market Information
• Regional electricity market
• Enhanced regulatory capacity</td>
<td><u>Beneficiary Relationships</u>
• RAERESA Secretariat
• Portfolio Committees
• Executive Committee
• Annual General Meeting
• Training Workshops</td>
<td rowspan="2"><u>Beneficiary Segments</u>
• National Regulatory Authorities
• National Ministries of Energy
• Power Pools
• National Vertically Integrated Undertakings
• Independent Power Producers
• COMESA Public</td>
</tr>
<tr>
<td><u>Key Resources</u>
• Management and staff of the RAERESA Secretariat
• Portfolio Committees
• Executive Committee
• Plenary
• RAERESA Website
• Consultants</td>
<td><u>Channels</u>
• RAERESA Website
• Social media
• Workshops, conferences</td>
</tr>
<tr>
<td colspan="3"><u>Cost Structure</u>
• Operational costs (salaries, rent, utilities, stationery, website development and maintenance, etc.)
• Capital costs (ICT equipment, office furniture, vehicles, etc.)</td>
<td colspan="3"><u>Income Streams</u>
• Membership contributions
• Special contributions
• Development partners’ grants and donations
• Other income (COMESA Secretariat)</td>
</tr>
</table>

3 Resource requirements, including governance structure

3.1 Human resources

Successful implementation of the Business Plan requires human resources, including an appropriate organisational structure (Appendix B).

According to the Constitution, RAERESA is governed by the Plenary, which is its highest decision making body, composed of all RAERESA members and a representative of the COMESA Secretariat. The Plenary appoints a chairperson for two years on a rotational basis, to chair its proceedings. The Executive Committee, which derives its mandate from the Plenary conducts the affairs of RAERESA and the Portfolio Committees. There are four Portfolio Committees, with chairpersons elected by the Plenary. The Chairperson of Plenary together with the Chairpersons of the Portfolio Committees constitute the Executive Committee of RAERESA. The Portfolio Committees execute the objectives and functions of RAERESA. The Secretariat of RAERESA is under the purview of the Executive Committee, which appoints its Head, the Executive Secretary and Staff. The Executive Secretary is the secretary to the Plenary, Executive Committee and the Portfolio Committees.

In the future, the Portfolio Committees will be aligned with RAERESA's strategic goals and objectives. Having service based Portfolio Committees will allow RAERESA to focus on the issues that have been the basis of its Work Programmes and the strategic goals and objectives. The Portfolio Committee on Capacity Building, Information Sharing, Energy Statistics & Database will focus on data and analyses, besides capacity building. The Portfolio Committee on Legal and Regulatory Harmonisation will look at those issues for all the energy matters, including electricity, oil and gas. Renewable Energy and Energy Efficiency will have each a standalone Committee, given the priority given to them by RAERESA, its development partners and its members in its potential contribution to the development of COMESA's energy sector.

According to the Constitution, the Secretariat of RAERESA runs the day-to-day affairs of the Association, ensuring that its programmes are efficiently and effectively implemented within allocated budgetary resources. Since its inception in 2009, RAERESA has not had an autonomous Secretariat and has been hosted by the COMESA Secretariat on an interim basis. For this Business Plan, RAERESA needs to put in place an autonomous Secretariat to carry out its functions mandated by the Constitution. Management and staff of the RAERESA Secretariat need to increase immediately in the first year. They are expected to support work of the Plenary, Executive Committee, and Portfolio Committees, but also to perform related finance and administration tasks (Finance and Accounting; HR and Administration; Logistics and Asset Management; and General Administration). Positions of the management and staff of the RAERESA Secretariat are proposed in the Table below, accompanied with job descriptions.

Table 3-1 Proposed Positions and Job Descriptions for the RAERESA Secretariat

Position	Job Description
Executive Secretary	Competencies • Strategic leadership and management of the RAERESA Secretariat • Planning and directing the Secretariat's performance and its external obligations • Membership advocacy • Public relations, members' and stakeholders' liaison • Qualification, required skills and experience • Hold a minimum of Master degree in economics, engineering or energy related discipline • Extensive knowledge of energy industry, including financial, policy, legal and regulatory frameworks • Have at least 10 years of proven leadership experience in the mentioned field

Programme Manager (Renewable Energy & Energy Efficiency)	Competencies • Developing and monitoring Strategic and Business Plans • Preparing/collating position papers, project proposals and reports • Providing support to the Portfolio Committees • Assisting in the preparation of annual budget for RAERESA • Analytical thinking and planning, organising and problem solving abilities • Ability to communicate effectively in order to communicate complex and technical information to technical and general audiences • Skills in facilitating meetings effectively and efficiently • Excellent interpersonal and communication skills and sensitivity to cultural, socio-economic and political differences • Qualification, required skills and experience • Hold a degree in economics, engineering or renewable energy/energy efficiency • Extensive knowledge of renewable energy/energy efficiency, including financial, policy, legal and regulatory frameworks • Have at least 5 years of proven experience in the mentioned field
Programme Manager (Policy Analysis and Harmonisation)	Competencies • Developing and monitoring Strategic and Business Plans • Preparing/collating position papers, project proposals and reports • Providing support to the Portfolio Committees • Assisting in the preparation of annual budgets for RAERESA • Policy analytical thinking and planning, organising and problem solving abilities • Ability to communicate effectively in order to communicate complex and technical information to technical and general audiences • Skills in facilitating meetings effectively and efficiently • Excellent interpersonal and communication skills and sensitivity to cultural, socio-economic and political differences • Qualification, required skills and experience • Hold a degree in economics, engineering or other related areas • Extensive knowledge of energy policy, including financial, legal and regulatory frameworks • Have at least 5 years of proven experience in the mentioned field
Administration and Finance Manager	Competencies • Preparing financial statements, budgets and management reports • Administering procurement of goods and services • Complying with GAAP and keep the Association updated on new trends in the accounting field • Ensuring that good corporate governance and administrative systems are observed • Qualification, required skills and experience • Hold a degree in Management, Human Resources, Financial Management or related discipline • Extensive knowledge of Administration and Financial Management, preferably in the energy sector • Have at least 5 years of proven experience in the mentioned field
Programme Officer (2)	Competencies • Assist the Programme Managers in carrying out their functions • Assist the Programme Managers in the development and monitoring of the Strategic and Business Plans • Assist the Programme Manager in supporting the Portfolio Committees • Assist in the development of content and organisation of all meetings • Qualification, required skills and experience • Hold a degree in economics, engineering or other related areas • Extensive knowledge of energy policy, including financial, legal and policy frameworks

	• Have at least 3 years of proven experience in the mentioned field
Office Assistant	Competencies • Office Upkeep • Mail & courier services • Manning the reception and answering telephone calls • Maintaining the diary of RAERESA • Qualification, required skills and experience • Hold a Diploma/Certificate in Secretarial Studies • Extensive experience in office assistance • Have at least 3 years of proven experience in the mentioned field

The specialisations can range from applied sciences to engineering, economics and law, management and public administration. Human resource planning is necessary to identify and balance the training and development needs of management and staff. Skills and resources need to be aligned with priorities noted in the Business Plan. Optimal level of staffing in numbers, skill and experience is key. Knowledge management, retention and transfer is a high priority. In addition, management and staff requirements need to be assessed on a continuing basis and capacity building initiatives permanently implemented.

The nature of the changing regulatory environment in the regulated energy sector will necessitate that RAERESA envisages a review of management and staff terms and conditions of employment and capacity, and the implementation of competitive remuneration and capacity development initiatives as well.

COMESA Secretariat has appointed a dedicated staff to act as a Chief Executive Officer (CEO) ad. interim. This emanated from the COMESA CoM decision in its meeting held in December 2009 that the COMESA Secretariat acts as an interim Secretariat of RAERESA until the members start to contribute and appoint a substantive CEO. The CEO ad. interim of RAERERSA will facilitate the establishment of a dedicated Secretariat.

3.2 Financial resources

The implementation of the Business Plan also requires financial resources. The total cost of achieving the set strategic goals and objectives as detailed in the Business Plan Matrix needs to be projected to a total sum over the first five years of the strategy period and an average annually, i.e. financial projections of revenues and expenses need to be drawn up for the first five years of the strategy period and its individual years. They need to be as realistic as possible in forecasting funds to be raised from members and grants to be received from development partners.

RAERESA members will be ready to contribute financially after one or two years from the adoption of the Strategic Plan (2017-2026) and the Business Plan (2017-2021), in accordance with an adequate contribution formula (RERA-based one is an acceptable one for initial discussions). The reason is being that they need to plan and budget their contribution to RAERESA on their next budget, which takes one to two years' time.

Until such later time, the immediate contribution by RAERESA members would be predominantly in kind in terms of meeting the cost of hosting the meetings and seconding the experts to work in the RAERESA's Secretariat as Programme Managers/Programme Officers to assist the Executive Secretary. The RAERESA Secretariat can start the implementation of the secondment programme already in the beginning of 2017.

The following assumptions are made in developing the financial projections:

1. Development partners will provide the majority of the funding for Work Programmes over the first five years of the strategy period, while membership contributions or regulatory levies will increase to support Work Programmes after year 5;
2. For the initial two years, RAERESA will have only three full time staff increasing to the full complement thereafter;
3. Each of the Portfolio Committees will hold three meetings annually, one of which will be during the AGM; and

4. RAERESA will work towards a balanced budget by matching expenditure with income.

The budget for 2017 and the projections for 2018-2021 are based on the cost of the implementation initiatives that are required for the accomplishment of the strategic goals and objectives. A summary is presented in the Table below.

Table 3-2 Budget for 2017 and Financial Projections for 2018-2021

	2017	**2018**	**2019**	**2020**	**2021**	
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
INCOME						**Total**
Membership Contributions	-	50,000	75,000	75,000	100,000	300,000
Development Assistance (11th EDF)	1,781,550	1,781,550	1,781,550	1,781.550	1,000.000	8,126.200
Other Development Assistance	342,465	271,673	226,119	184,609	83,326	1,108,192
COMESA Secretariat	200,000	50,000	30,000	30,000	30,000	340,000
Total Income	**2,324,015**	**2,153,223**	**2,112,669**	**2,071,159**	**1,213,326**	**9,874,392**
EXPENDITURE						**Total**
Strategic Initiatives	**1,974,015**	**1,783,223**	**1,646,169**	**1,604,134**	**745,750**	**7,753,291**
Strategic Initiatives (Goals 1-4)	1,241,874	1,100,233	993,859	951,824	500,000	
Strategic Initiatives (Goal 5, excl. Admin & HR exp)	325,581	276,430	245,750	245,750	245,750	
EDF LT Expert Costs	406,560	406,560	406,560	406,560	-	
Administration and HR Expenditure	**350,000**	**370,000**	**466,500**	**467,025**	**467,576**	
Executive Secretary/CEO	120,000	120,000	120,000	120,000	120,000	
Programme Manager	90,000	90,000	90,000	90,000	90,000	
Adm & Fin Manager	90,000	90,000	90,000	90,000	90,000	
Programme Officer		60,000	60,000	60,000	60,000	
Adm & Fin Officer			60,000	60,000	60,000	
Office Assistant			36,000	36,000	36,000	
Secretariat Operational Expenditure	50,000	10,000	10,500	11,025	11,576	
Total Expenditure	**2,324,015**	**2,153,223**	**2,112,669**	**2,071,159**	**1,213,326**	**9,874,392**

The fiscal year of RAERESA shall start as of XYZ and ends on XYZ of each year. A special account for the deposit of RAERESA's financial resources shall be opened. The balance of this account shall be carried forward from one year to the other. Efficient and accountable use of available financial resources is the responsibility of both the Executive Committee and the Executive Secretary of the RAERESA Secretariat, which also need to ensure that there is no loophole in revenue collection.

3.3 Funding arrangement

On the one side, RAERESA's members (NRAs) may get various revenue sources for the fulfilment of their missions. These include:

1. Funds allocated in the State budget;
2. Fees levied on application of and grant of licences, permits, contracts, concessions and allocations to each regulated energy undertaking;
3. Grants, donations and legacies that do not contradict with NRA's objectives;
4. Annual regulatory fee based on a percentage of the turnover from each regulated service;
5. All administrative fines imposed by the regulatory board;
6. Loans;
7. Fees for services rendered by NRA; and
8. Any other payment or property due to NRA in respect of any activity related to the regulated energy services.

On the other side, RAERESA needs to have its own budget. According to Article 8 of the RAERESA Constitution, the sources of funding for the Association are:

1. Contributions from members;
2. Special contributions from members; and
3. Other sources as may be approved by the Plenary, such as grant funding and donations.

RAERESA is working on a membership contributions formula to ensure that all members contribute on a sustainable basis to the operations and programmes of the Association (Appendix C). Special contributions are also expected from those that decide to contribute beyond their normal contributions. Development partners are also expected to continue funding some of the initiatives of RAERESA.

RAERESA as a specialised institution of COMESA will be the lead beneficiary of the 11th European Development Fund (EDF11) financed project called the *Enhancement of a sustainable regional energy market in the Eastern and Southern Africa and Indian Ocean region*. A programme has been identified under the EDF11's RIP for the EA-SA-IO region to specifically support the development of further regulatory frameworks to nurture regional energy markets that are efficient, sustainable, harmonised and able to attract investments and ensure universal access and improvement in RE and EE implementation. In that context, there are three results areas, shown below, under the EDF11's RIP for the EA-SA-IO region:

Result 1: A regionally harmonised energy regulatory framework adopted by regional and national regulatory institutions, with particular emphasis on cross-border issues to encourage investments in the region;

Result 2: Enhancement of regulatory capacity of the NRAs and strengthening capacity of the Regional Associations (RAERESA, EREA and RERA) and Power Pools (EAPP and SAPP) so that they can proactively influence developments in the energy sector; and

Result 3: Enhancement of the development of RE and EE strategy, policies and regulatory guidelines to attract investments in clean energy and build capacity in clean energy in the region as well as the domestication on a demand driven basis. Development and harmonisation of the strategy on RE and EE for the EA-SA-IO region.

RERA is expected to take the lead in managing activities under Result 1, i.e. harmonisation of regulatory frameworks. RAERESA is expected to take the lead in managing activities under Results 2 and 3, but will have the overall responsibility of managing the entire programme. Consequently, COMESA will employ on full time basis a Programme Manager, a Deputy Programme Manager (situated with RERA), and a Finance Manager/Administrative Assistant and a team of NKEs, on part time basis, to carry out all the activities and produce the results in the three areas above based on the budget as shown in the Table below.

Table 3-3 Budget for the EDF11's RIP for the EA-SA-IO Region

Categories	Total EUR
Technical Assistance (Long and short term)	4,500,000

Coordination, workshops, trainings and study visits	1,200,000
Communication & Visibility	200,000
Audit, monitoring and evaluation	600,000
Contingencies	500,000
Total	**7,000,000**

The support will mainly be provided by:
1. Long-term experts situated within RAERESA and RERA respectively;
2. A number of short-term NKEs to support the creation of harmonised regulations, capacity building in the form of conferences, workshops and study tours. NKEs should also be located with the Regulators Associations to secure capacity building of the long-term experts, preferably early in the project;
3. Short-term NKEs' support for RE and EE initiatives; and
4. Short-term NKEs' support for arrangement of coordination meetings, study tours etc.

The NKEs are suggested to be assigned as follows:
1. Direct support to the secretariat (PMU) – 10% = 300 workdays;
2. Support for Result 1 Area – 45% = 1350 workdays;
3. Support for Result 2 Area – 20% = 600 workdays; and
4. Support for Result 3 Area – 25% = 750 workdays.

It is proposed that the overall management should be under COMESA with RAERESA and RERA as team leader and deputy team leader respectively. The total budget for the interventions is EUR 7 million as indicated in the EDF11's RIP for the EA-SA-IO region of 25 July 2015.

The COMESA Secretariat through donor funding has been providing support for the programmes of RAERESA since its inception. It is expected that it will continue to provide similar support in the initial three years of RAERESA having in place a Secretariat. From the third year onwards, RAERESA will be supported by member contributions for its operations, while development partners will continue to provide support for the Work Programmes.

4 Monitoring and evaluation

4.1 Objectives of the monitoring and evaluation

A proper monitoring and evaluation of the implementation of the Business Plan is required to timely and effectively ensure that RAERESA is in a good track in the implementation. The monitoring and evaluation aims to achieve the following:

1. Track the realisation of expected outcomes from the strategic goals and objectives, as well as implementation initiatives over the first five years of the strategy period;
2. Ascertain whether resources budgeted for implementation of the initiatives are sufficient and are achieving the expected outcomes;
3. Assess whether the expected outcomes from the strategic goals and objectives, as well as implementation initiatives are being realised from the implementation process;
4. Establish whether there are any unexpected challenges that might have arisen and seek ways to address them;
5. Determine whether the strategic goals and objectives, as well as implementation initiatives and expected outcomes are adequate to address predetermined and emergent problems; and
6. Ascertain whether the institutional capacity in terms of facilities, logistics, human resources and financial resources are adequate to enable realisation of the Business Plan.

4.2 Monitoring and evaluation framework

The Business Plan will be monitored using the matrix of strategic goals and objectives, implementation initiatives and expected outcomes as a basis. In this connection, each Portfolio Committee will be expected to develop own annual Work Programme to facilitate the overall implementation. The common Work Programme of RAERESA will be composed of the four Portfolio Committees' Work Programmes. The Portfolio Committees and the management and staff of the RAERESA Secretariat will be held accountable before the Executive Committee of RAERESA for the attainment. The Executive Committee will discuss and endorse the Work Programme of RAERESA before it is forwarded to the Plenary for approval.

This means that the Executive Committee of RAERESA (if no new Portfolio Committees are accepted) will assume the role of a steering committee, supported by the RAERESA Secretariat, to monitor and evaluate the implementation of the Strategic Plan. The Executive Committee will determine its internal rules for monitoring and evaluation. The implementation of the Business Plan is the responsibility of the Executive Secretary of the RAERESA Secretariat. Reporting to the Executive Secretary by the Chairs of Portfolio Committees will be on a quarterly basis. The Executive Secretary will ensure liaising with finance and administration unit on provision and allocation of resources for the implementation of the Business Plan, including its publicity.

Evaluation of the Business Plan will be done, annually, with a mid-term evaluation and a final evaluation:

1. The annual evaluation of results will be made at the AGM of RAERESA on the basis of reports prepared and submitted by the Executive Secretary of the RAERESA Secretariat under the supervision of the Executive Committee in charge of the effectiveness. The annual evaluation will assess the relevance of the strategic goals and objectives, as well as implementation initiatives and expected outcomes, and the adequacy of resources for their accomplishment. It will also identify challenges encountered during the year, that could hinder the implementation. Recommendations for remedial action will be made to address challenges encountered;
2. The mid-term review will be carried out after three years by an independent consultant to obtain a neutral opinion on the implementation and come up with recommendations on the need for adjusting the strategic goals and objectives, as well as implementation initiatives and expected outcomes of RAERESA. It could also make recommendations on new resource requirements arising from adjusted goals, objectives, initiatives and outcomes; and
3. The final evaluation will also require an independent consultant to review the implementation of the Business Plan and come up with lessons learnt, which would be used as inputs into the next cycle, i.e. the second five years of the strategy period.

RAERESA will procure the services of a reputable internal auditing firm to audit its financial statements each year to ensure that the right financial management policies and practices are adhered to in the management of the Association's resources. Apart from the Financial Audit, RAERESA will carry out a technical audit of the Association by an energy consulting firm, to specifically review the relevance of the services it provides to its members and stakeholders. The audit will review the objectives and functions of RAERESA to ascertain whether its institutional and organisational arrangements are appropriate for the regional energy market context. The audit will result in recommendations on an appropriate institutional and organisational framework. The audit should be done every three years, the first one starting in 2019.

4.3 Critical success factors

The following success factors are critical for the implementation of the Business Plan:

1. Understanding and ownership of the strategic goals and objectives by all those who are involved in the implementation;
2. Strategic leadership from RAERESA as it is required for its members to make regulation a success;
3. Commitment from RAERESA's members as it is required for implementation of RAERESA's initiatives and achievement of outcomes;
4. Effective communication between RAERESA and its members as implementers of initiatives and outcomes;
5. The timely adoption or approval of RAERESA guidelines and their domestication by members with a view of performing regulatory activities;
6. Availability of office premises and other infrastructure for the RAERESA Secretariat, as COMESA is still hosting the Secretariat on an interim basis;
7. Availability of resources to RAERESA, including RAERESA Secretariat management and staff, as identified under each implementation initiative;
8. Financial viability of RAERESA, since it is currently reliant on COMESA to fund its activities and beyond 2016 there is need to formulate a sustainable funding mechanism that will ensure financial independence for the RAERESA Secretariat;
9. Effective control of RAERESA's expenditure through, among other, reduction and/or elimination of resource wastage and/or efforts duplication;
10. Adherence to internal standard operating procedures and work processes of RAERESA;
11. Proper consultation, cooperation and support of RAERESA to its members and stakeholders, including of development partners;
12. Effective translation of the Business Plan into implementable One-Year Work Programme and budget of RAERESA;
13. Regular review, performance oversight, measurement, evaluation and reporting relating to the Business Plan;
14. Adequate knowledge about RAERESA and formal recognition among members and stakeholders, including development partners;
15. Adequate visibility and influence of RAERESA on regional development agenda;
16. Sufficient contribution of RAERESA and alignment of its efforts in support of regional socio-economic development programmes; and
17. A regional energy information system or database that can be used as a resource by national energy regulators, governments, investors and other stakeholders.

Appendices

Appendix A – Business Plan Matrix

Table A-1 Matrix of RAERESA's Strategic Goal 1 – Goal, Objective, Implementation Initiatives, Expected Outcomes, Timeframe, Responsibility and Budget for the Capacity Building, Information Exchange, Energy Statistics and Database

Strategic Goal 1: Capacity building, information exchange, energy statistics and database Strategic Objective: Developed capacities of members at national and regional levels and shared information, statistics and data to enhance regulatory practices					
Implementation Initiatives		Expected Outcomes	Timeframe	Responsibility	Budget (US$)
1	Study Tour (ST) to NordPool, Norway and TSO in Denmark (Energinet) for SAPP, EAPP, IRB, RAERESA, RERA, EREA and team leader (8 participants)	Insight into a power pool with few constraints and the largest in Europe Insight into an unbundled TSO being independent of VIUs	2017 & 2020	RAERESA, RERA	46,224 (2x23,112)
2	Study Tour (ST) to Council of European Energy Regulators, Belgium and EU Agency for Cooperation of Energy Regulators, Slovenia for RAERESA, IRB, RERA, EREA (4 participants)	Insight into functioning of European regulators association and into functioning of an EU agency with executive regulatory powers to compare currents positions and future development options	2017 & 2020	RAERESA, RERA	23,112 (2x11,556)
3	Workshop for high level energy policy formulators in ministries, SADC, EAC and COMESA (35 participants)	Insight into the need for tripartite standards for energy laws and regulations to facilitate investments in electricity production, transmission and distribution	2017	RAERESA, ministries in charge of energy	80,748
4	Workshop on the operation and regulatory oversight of the regional electricity market for national and regional energy regulators (35 participants)	Insight into the functioning of the regional electricity market to facilitate harmonisation of national regulatory frameworks and stimulate investments in generation, transmission and distribution	2017 & 2019	RAERESA, national energy regulators	161,495 (2x80,748)
5	Energy Utility Benchmarking Course, phase 1 (compliance and	More efficient utility operations	2018	RAERESA, national energy regulators	141,978

	performance-based regulation; training should also require a 'train the trainers' element to the course to promote sustainability) (70 participants)				
6	Energy Utility Benchmarking Course, phase 2 (workshop on tariff setting and definition of concepts) (70 participants)	Harmonised regulatory frameworks and methodologies used	2019	RAERESA, national energy regulators, ministries in charge of energy	141,978
7	Workshop on the operation and regulatory oversight of the regional electricity market (100 participants)	Introducing real competition into the electricity market to facilitate efficiency of utilities and attract investors into the sector	2017	RAERESA, RERA	194,462
8	Workshop on the incentives for RES promotions. REFIT, FIT premiums, other incentives and IPP promotion (100 participants)	Increased development of RES Releasing pressure on central power plants and electricity networks	2019	RAERESA, RERA, EACREEE, SACREEE	194,462
9	Workshop to accelerate progress on energy efficiency policies and regulations, as well as to launch work on benchmarking, milestones, monitoring and evaluation (70 participants)	Reducing electricity demand and release pressure on capacities Focus: concrete EE initiatives such as labelling, building codes and DSM in general	2018	RERA, RAERESA	141,978
10	Workshop on the means for reducing losses in conversion, transmission, distribution and consumption of electricity, and for increasing availability of power plants (70 participants)	More efficient operations for power plants, transmission and distribution thereby avoiding/delay some expensive new investments Reducing the need for tariff increases	2020	RAERESA, RERA	141,978
11	Energy statistics sub-committee meetings (15 participants)	Collecting information from energy sector and information about energy production and consumption Providing the methods and tools to	2018, 2019, 2020 & 2021	RAERESA, national energy regulators, national statistics offices	92,812 (4x23,203)

		develop and maintain complete and accurate energy datasets and national energy balances			
12	Peer reviews (4 participants)	Subjecting national regulatory methods and practices to the scrutiny of other fellow regulators who are experts in the same fields Identified each other's errors quickly and easily, speeded up the time that it takes for mistakes to be identified and corrected	2018, 2019, 2020 & 2021	RAERESA, national energy regulators	27,392 (4x6,848)

Table A-2 Matrix of RAERESA's Strategic Goal 2 – Goal, Objective, Implementation Initiatives, Expected Outcomes, Timeframe, Responsibility and Budget for the Harmonised Legal and Regulatory Frameworks

Strategic Goal 2: Harmonised legal and regulatory frameworks Strategic Objective: Enhanced integration of energy systems and energy trade, as well as enabled energy investments in COMESA and beyond					
Implementation Initiatives		Expected Outcomes	Timeframe	Responsibility	Budget (US$)
1	Review of national legal frameworks that set up fully autonomous energy regulators in the COMESA Member States to establish best practices in national regulatory objectives and functions	Best practice guidelines on national regulatory objectives and functions submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2018	Ministries in charge of energy, national energy regulators, RAERESA	107,498
2	Review of EAPP (and SAPP eventually) legal documentation to establish best practices in regional regulatory objectives and functions	Best practice guidelines on regional regulatory objectives and functions submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017	RAERESA, IRB (and RERA eventually)	37,011
3	Review of permitting and licensing processes to establish best practices in national regulatory objectives and functions	Best practice guidelines on permitting and licensing procedures submitted for adoption or approval by COMESA	2019	RAERESA, national energy regulators	80,748

4	Review of power system planning and operation activities (e.g. Grid Codes, Market Rules, transmission access rules, operation security rules and other standards) to establish best practices in operation of national and regional electricity markets and systems	Best practice guidelines on operation of national and regional electricity markets and systems *vis-à-vis* power system planning and operation activities submitted for adoption or approval by COMESA (and at tripartite level eventually)	2018	REARESA, EAPP (and RERA, SAPP eventually)	80,748
5	Review of tariff methodologies and structures including transmission pricing and cost-reflectivity to establish best practices in tariff setting and approvals and transmission pricing	Best practice guidelines on tariff methodologies and structures including transmission pricing and cost-reflectivity submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017 & 2020	REARESA, EAPP (and RERA, EAPP and SAPP eventually)	161,495 (2x80,748)
6	Review of regional electricity market structures to establish best practices conducive to competitive markets and investment attraction in interconnectors	Best practice guidelines on regional electricity market operation submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017	REARESA, EAPP (and RERA and SAPP eventually)	37,011
7	Review of national and regional regulatory compliance and performance monitoring activities to establish best practices in monitoring of undertakings	Best practice guidelines on regulatory compliance and performance monitoring submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017	REARESA, national energy regulators (and RERA eventually)	37,011
8	Review of national and regional regulatory information access and reporting standards to establish best practices in information dissemination and interchange with stakeholders	Best practice guidelines on regulatory information access and reporting submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2020	REARESA, national energy regulators (and RERA eventually)	37,011
9	Based on the above activities, develop best practice	Best practice guidelines on establishing fully	2020	REARESA, ministries in charge of energy, national	80,748

	guidelines on establishing fully autonomous energy regulators	autonomous energy regulators submitted for adoption or approval by COMESA (and EAC and SADC eventually)		energy regulators (and RERA eventually)	
10	Assist the COMESA Member States (and SADC eventually) on demand, to implement fully autonomous energy regulators	All COMESA Member States (and SADC eventually) to establish fully autonomous energy regulators through legal instruments	2017, 2018, 2019 & 2020	REARESA, national energy regulators (and RERA eventually)	256,800 (4x64,200)
11	Assist the COMESA Member States (and SADC eventually) on demand, to domesticate regional regulatory rules and guidelines	All COMESA Member States (and SADC eventually) to domesticate a number of regulatory rules and guidelines	2017, 2018, 2019 & 2020	REARESA, national energy regulators (and RERA eventually)	192,600 (4x48,150)
12	Review of national legal frameworks in the oil sector in the COMESA Member States to establish a model petroleum legal framework	A model petroleum legal framework on petroleum exploration and production and downstream petroleum, among other for aboveground petroleum storage facilities, minimum operations stock, bulk joint procurement of petroleum products, petroleum product standards and petroleum pricing, submitted for adoption or approval by COMESA	2018	Ministries in charge of energy, national energy regulators, RAERESA	80,748
13	Review of national legal frameworks in the LPG sector to develop guidelines for LPG regulations, standards and taxation, as well as programmes for public awareness on the benefit of LPG usage	Guidelines for LPG regulations, standards and taxation, as well as programmes for public awareness on the benefit of LPG usage submitted for adoption or approval by COMESA	2017	Ministries in charge of energy, national energy regulators, RAERESA	80,748
14	Review of national legal frameworks in the gas sector in the COMESA Member States to establish a model gas legal framework	A model gas legal framework on gas exploration and production and downstream gas, among other for gas undertakings, gas standards and gas	2020	Ministries in charge of energy, national energy regulators, RAERESA	80,748

		pricing, submitted for adoption or approval by COMESA			

Table A-3 Matrix of RAERESA's Strategic Goal 3 – Goal, Objective, Implementation Initiatives, Expected Outcomes, Timeframe, Responsibility and Budget for the Enhanced Renewable Energy

Strategic Goal 3: Enhanced renewable energy Strategic Objective: Increased share of renewable energy in the energy mix					
Implementation Initiatives		Expected Outcomes	Timeframe	Responsibility	Budget (US$)
1	Development and domestication of renewable energy standards to establish best practices in increasing share of RE in the energy mix	Renewable energy standards developed and submitted for adoption or approval by COMESA (and EAC and SADC eventually) and domesticated by RAERESA members	2017 & 2019	RAERESA (and RERA, SACREEE, and EACREEE eventually)	255,655 (2x127,828)
2	Development and domestication of guidelines on competitive bidding to establish best practices in decreasing costs of including RE in the energy mix	Best practice guidelines on competitive bidding developed and submitted for adoption or approval by COMESA (and EAC and SADC eventually) and domesticated by RAERESA members	2018 & 2020	RAERESA (and RERA, SACREEE, and EACREEE eventually)	255,655 (2x127,828)
3	Development and domestication of guidelines on biofuels to establish best practices in increasing share of biofuels	Best practice guidelines on biofuels developed and submitted for adoption or approval by COMESA (and EAC and SADC eventually) and domesticated by RAERESA members	2019	RAERESA (and RERA, SACREEE, and EACREEE eventually)	112,848
4	Review of regulatory frameworks for off-grid electrification in the COMESA Member States (and SADC eventually) to establish best practices in off-grid electrification	Best practice guidelines on regulatory frameworks for off-grid electrification submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2020	RAERESA (and RERA eventually)	112,848

Table A-4 Matrix of RAERESA's Strategic Goal 4 – Goal, Objective, Implementation Initiatives, Expected Outcomes, Timeframe, Responsibility and Budget for the Enhanced Environment and Energy Efficiency

Strategic Goal 4: Enhanced environment and energy efficiency Strategic Objective: Promoted energy efficient technologies and practices					
Implementation Initiatives		Expected Outcomes	Timeframe	Responsibility	Budget (US$)
1	Review of national EE auditing schemes to develop best practices in EE audits in the COMESA Member States (and EAC and SADC eventually)	Best practice guidelines on EE audits submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017	RAERESA (and RERA, SACREEE, and EACREEE eventually)	112,847
2	Develop best practice model energy/thermal building codes in the COMESA Member States (and EAC and SADC eventually)	Best practice model energy/thermal building code submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2018	RAERESA (and RERA, SACREEE, and EACREEE eventually)	112,848
3	Facilitate the designation of energy performance standards testing laboratories in the COMESA Member States (and EAC and SADC eventually)	Energy performance standards testing laboratories designated in the COMESA Member States (and EAC and SADC eventually)	2018	RAERESA (and RERA, SACREEE, and EACREEE eventually)	51,360
4	Develop minimum energy performance standards as well as equipment labelling for widely traded energy consuming devices including lighting products in the COMESA Member States (and EAC and SADC eventually)	Best practice minimum energy performance standards as well as equipment labelling guidelines submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2017	RAERESA (and RERA, SACREEE, and EACREEE eventually)	112,848
5	Develop best practice methodology to assist with the reduction of transmission and distribution network technical losses in the COMESA Member States (and SADC eventually)	Best practice methodology on reduction of transmission and distribution network technical losses submitted for adoption or approval by COMESA (and SADC eventually) Losses reduced by at least 10%	2017	RAERESA, national energy regulators (and RERA eventually)	112,848
6	Review of methods used to determine	Best practice guidelines on energy	2019	RAERESA, national energy regulators	112,848

	energy conversion efficiencies of power plants and plant availability to develop best practices in power plants operation	conversion efficiencies of power plants and plant availability submitted for adoption or approval by COMESA (and SADC eventually)		(and RERA eventually)	
7	Develop a communications strategy to sensitize energy consumers about the importance of EE interventions and practices	Best practice guidelines on a communications strategy to sensitize energy consumers on EE interventions and practices submitted for adoption or approval by COMESA (and EAC and SADC eventually)	2018 & 2020	RAERESA (and RERA, SACREEE, and EACREEE eventually)	225,695 (2x112,848)

Table A-5 Matrix of RAERESA's Strategic Goal 5 – Goal, Objective, Implementation Initiatives, Expected Outcomes, Timeframe, Responsibility and Budget for the Efficient and Effective Secretariat and RAERESA

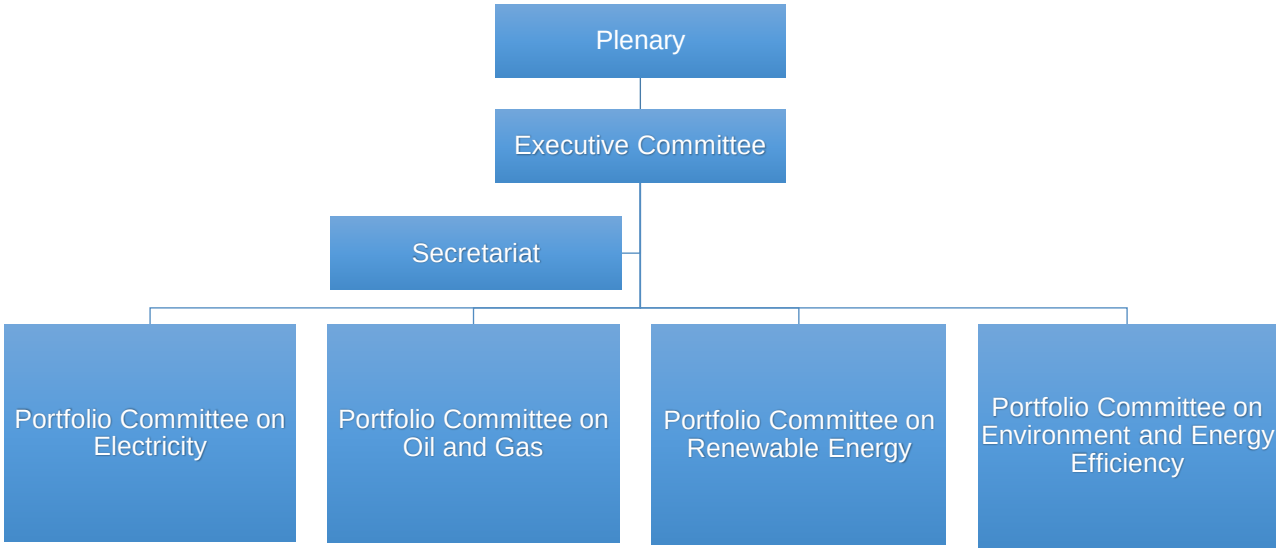
Strategic Goal 5: Efficient and effective Secretariat and RAERESA Strategic Objective: Promoted attainment of RAERESA's Vision, Mission and Objectives in an efficient and economic manner					
Implementation Initiatives		Expected Outcomes	Timeframe	Responsibility	Budget (US$)
1	Establishment and maintenance of the RAERESA Secretariat conducive working environment and sound organisation infrastructure Website	COMESA and RAERESA procured adequate office space, furniture and fittings, ICT infrastructure and tools, motor vehicles, etc. for the RAERESA Secretariat Operational website	2017, 2018, 2019, 2020 & 2021	COMESA, RAERESA	45,000 (20,000 + 10,000 + 5,000 + 5,000 + 5,000)
2	Secure short-term financial viability of RAERESA's activities and develop its long-term funding strategy	Secured financing RAERESA's activities in the short-term and developed long-term funding strategy Funding mechanism reviewed and implemented Transition to self-financing over 5 years	2018	RAERESA, RAERESA members, development partners	25,680
3	Appointment of full-time, dedicated professional management and staff of the RAERESA Secretariat	RAERESA appointed full-time professional management and staff of its Secretariat to support its work	2017, 2018, 2019, 2020 & 2021	RAERESA, RAERESA members, Executive Secretary of the RAERESA Secretariat	2,121,101 (350,000 + 370,000 + 466,500 + 467,025 + 467,576)
4	Development of administrative and	Good administrative and human resource	2017	RAERESA, RAERESA	25,680

	human resource policies and procedures for the RAERESA Secretariat and operational rules for the RAERESA Plenary, Executive Committee and Portfolio Committees	practices and well-functioning Plenary, Executive Committee and Portfolio Committees		Secretariat, Executive Secretary of the RAERESA Secretariat	
5	Coordination and cooperation with other African and international energy regulatory associations and information exchange	MoU agreed and signed Specified mutual collaboration and information exchange Identified areas of potential work duplication Proposed joint initiatives and/or shared benefits	2017 – 2021	RAERESA and other African and international energy regulatory associations	0
6	Coordination and cooperation with development partners	At least annual briefings provided on (a) results of initiatives completed in year and lessons learned and (b) proposed initiatives for following year Seek input from development partners that can guide RAERESA's further initiatives	2017 – 2021	RAERESA, RAERESA Secretariat, RAERESA members, development partners	0
7	Develop RAERESA's Communication Policy and Plan	RERESA has clear policies and practices for communicating with all its members and stakeholders, including development partners	2017	RAERESA, RAERESA Secretariat	39,195
8	RAERESA Meetings: Portfolio Committees Executive Committee AGM	Scheduled Meetings held: Portfolio Committees Meetings Held Executive Committee Meetings Held AGM Meetings Held	2017, 2018, 2019, 2020 & 2021)	RAERESA, RAERESA Secretariat	1,203,750 (5x240,750)

Appendix B – Organisation structure (organogram)

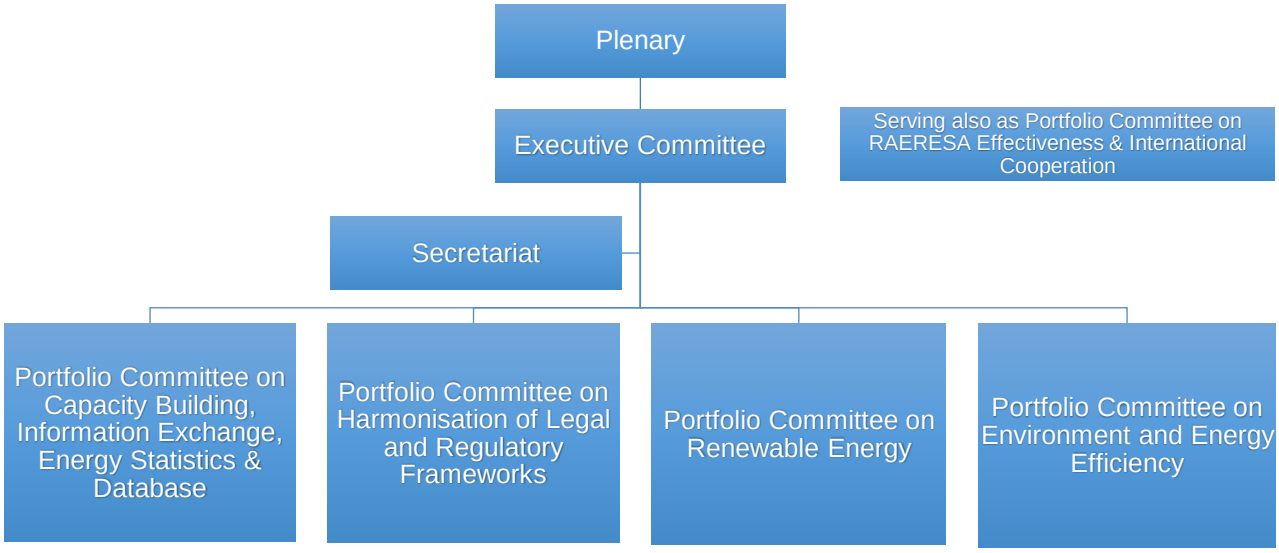
The existing governance structure of RAERESA is shown in the Figure below.

Figure B-1 Existing Governance Structure of RAERESA



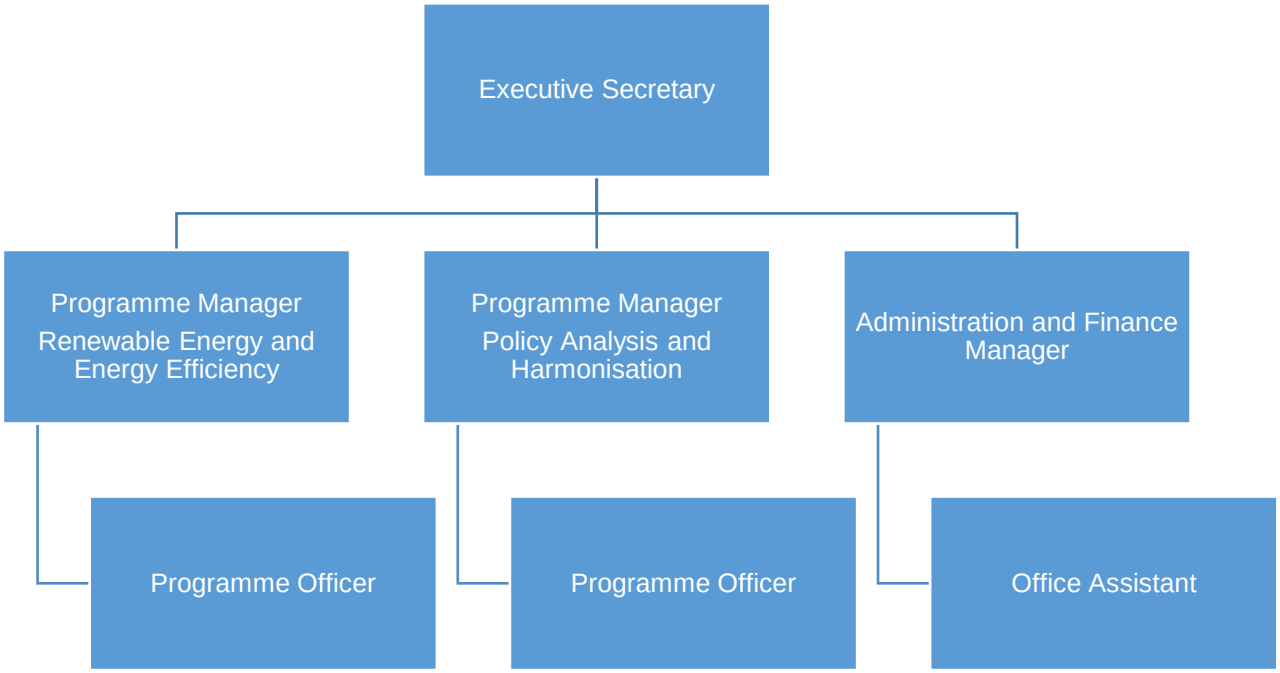
A new and approved structure is shown in the Figure below with restructured Portfolio Committees.

Figure B-2 New and Approved Governance Structure of RAERESA



Positions of the management and staff of the RAERESA Secretariat are proposed in the Figure below.

Figure B-3 Organisational Structure of RAERESA Secretariat



Appendix C – Funding Model / Contribution Model

The COMESA Formula of Contributions

(From the *Paper on Contributions from Members of RAERESA*, 6th AGM of RAERESA, Cairo, Egypt, 18-19 November 2015)

The COMESA Formula of Contributions is based on the continuous approach using a 5-year moving average of the following latest economic statistics:
1. Gross Domestic Product - 30%;
2. Imports from Non COMESA Countries - 30%;
3. Intra COMESA Exports - 30%;
4. GNP per Capita - 5%; and
5. Population - 5%.

In order to ensure a fair and equitable assessment of all Member States, an upper ceiling of 12% and a floor limit of 1% have been incorporated in the formula.

The economic parameters used in the current formula are intended to reflect the following:
1. Economic strength and ability to pay of the Member States - GDP and GNP per capita;
2. Benefits accruing to the Member States - Intra COMESA Exports;
3. Market size represented by population;
4. Deterrent of "imports from non-COMESA countries"; and
5. Fairness and equity - represented by upper and lower ceilings.

In addition to the continuous approach, the current formula of contribution is based on the principle of proportional assessments. Under this principle, the contributions of the Member States are proportional to their ability to pay as measured by the economic indicators, Gross Domestic Products, Population and Per Capita Income.

Minimum and maximum ceilings are imposed so that no Member State is required to pay less than one percent or more than twelve per cent of the total budget. These ceilings ensure a fair and equitable treatment to all Member States and reinforce the essence of community and mutual beneficial participation.

Though this formula is used by the Secretariat, it is not advisable for RAERESA to use it now. It can use it when all the Regulators of COMESA have joined the Organisation.

It is being proposed that the Contributions of RAERESA be divided equally among all the members.

RERA Formula of Contributions

In 2007, RERA adopted a methodology for annual membership subscription fees based on the following broad principles:
1. Membership fees shall be sufficient to meet the operational costs of the Association. This does not preclude the members from making additional voluntary contributions and contributing towards the programme or project costs or other mutually agreed activities;
2. Apportioning of the budgetary contributions shall be as follows:
   a. a portion or percentage of the annual total budget shall be paid by the host member regulator as a “Domicilium Premium” signifying an obligation towards the hosting of the RERA Secretariat;
   b. all members including the host member regulator shall pay equal contributions to a variable portion or percentage of the remainder of the budget. This contribution shall be considered as a basic or floor subscription fee to be paid by all the members;
   c. a variable portion or percentage of the remainder of the budget shall be based on contributions according to the ratios of the total annual energy budgets of all the members. However, the

determination of the budgets for multi-sectoral regulators to be applied in the methodology shall be given special consideration, on a case-by-case basis; and

d. an upper ceiling for the budgetary contribution shall be determined to ensure that the contributions from all the members are affordable and equitable.

The Executive Committee shall recommend to the Plenary the order of magnitude of each variable portion or percentage of the budget (i.e., domicilium, floor subscription and energy budget) and the upper ceiling for the budgetary contribution by any single RERA member;

3. Members shall provide RERA with authentic sources of data (especially for the approved annual budgets);
4. A new Member joining RERA at any time after the determination of membership subscriptions during the year shall be made to pay the equivalent of the basic or floor subscription as a new member's assessed contribution; and
5. The implementation of a new membership subscription methodology or changes thereof shall be managed in such a manner that it does not induce shock or result in unaffordable and inequitable contributions.

As approved by the Plenary, at its AGM No. 12 held in the Ezulwini Valley, Swaziland on 27 November 2015, the basis for determining the 2016 membership subscription fees were as follows:

1. A total of N$5,500,973 (*USD 409,748.42*) would be from membership contributions;
2. A "Domicilium Premium" of 2.5% of the total annual budget for the host member regulator.

   It is standard practice for a host member or country to provide free office space for regional organisations with diplomatic credentials. An example of such a practice in the region is the SAPP, which is paid 5% of the total budget by the Zimbabwean Power Utility since the SAPP has procured its own office premises in Harare, Zimbabwe. Another example is the Southern Africa Telecommunications Association that is given free office space by the Government of the Republic of Mozambique. There is also a precedence of such practices of providing free office space in Namibia which hosts the SADC Parliamentary Forum at the Parliament premises and the SADC Tribunal occupying one of the old historic buildings in the central business district of Windhoek.

   In the event that the host member regulator provides free office for the RERA Secretariat, administrative arrangements shall be made to account for what would have been the equivalent of the "Domicilium Premium" payment to RERA.
3. The variable budgetary contributions would be based on the following:
   a. Basic/floor contribution variable 70%
   b. Energy budget variable 30%

   The basic/floor contribution (i.e., equal contribution by all members towards the budget) would cover costs related to staff costs, conference and seminar fees (i.e., conference packages) for having meetings at hotels and other venues, and the audit and accounting fees.

4. Upper ceiling for the budgetary contribution by any RERA Member shall not be more than 20%.

In accordance with the decision of the Plenary, at its AGM No. 12 held in the Ezulwini Valley, Swaziland on 27 November 2015, the approved RERA membership subscription fees for 2016 were as follows:

Table C-1 RERA Membership Subscription Fees Contributions for 2016

Member	Budget Contribution			Member Allocations	% Budget Contribution
	Basic / Floor Contribution	Budget Ratio Contribution	Domicilium premium		
CNELEC	375,441	56,442	-	431,883	7.85%
ECB	375,441	183,263	137,524	696,228	12.66%
ERB	375,441	122,634	-	498,075	9.05%

EWURA	375,441	107,032	-	482,473	8.77%
IRSE	375,441	66,991	-	442,432	8.04%
LEWA	375,441	88,108	-	463,549	8.43%
MERA	375,441	41,619	-	417,060	7.58%
NERSA	375,441	568,757	-	944,198	17.16%
SERA	375,441	23,100	-	398,542	7.24%
ZERA	375,441	351,089	-	726,531	13.21%
TOTAL	**3,754,414**	**1,609,034**	**137,524**	**5,500,973**	**100.0%**

Subject to submission of input data (energy budgets of the RAERESA members), RERA approach can be easily applied to RAERESA.

Appendix D – RAERESA Collaboration Plan

RAERESA operates in an environment that includes various institutions whose activities impact its operation and functions. This includes institutions both within the COMESA region itself and within its territorial space. The existence of such variety of regional institutions or stakeholders presents a risk to the implementation of the strategic plan. Hence, it is essential that an effective Collaboration Plan is implemented to ensure that the various national and regional regulatory bodies, power pools, utilities and other stakeholders cooperate with RAERESA. This Appendix provides a background into some of the institutions that may have considerable influence on the operations of RAERESA including potential areas of conflict. It is therefore essential to streamline the roles of the various stakeholders of RAERESA within the COMESA energy space. The Table below illustrating the stakeholder analysis demonstrates the various engagement options that are available for RAERESA for each of the key stakeholders.

Table D-1 Engagement Options Available for RAERESA

Stakeholder categories	Key Stakeholders	Key Issues	Collaboration Plan
Continental policy makers	African Union (AU) Commission	Responsible for policy and regulatory harmonisation of African energy markets Working on integrating energy regulatory frameworks of the various RECs including Eastern and Southern Africa	RAERESA needs to align its strategy to the ongoing AU assignment to harmonise continental energy regulatory framework RAERESA should have close cooperation with the AUC Energy Department to ensure that it is involved in continental harmonisation initiatives
	African Forum for Utility Regulators (AFUR)	Engages in capacity building and sharing of regulatory best practices among members in Africa	RAERESA needs to have a formal cooperation agreement with AFUR with an action plan on policy harmonisation and capacity building
Regional policy makers	COMESA Secretariat (CS)	Responsible for harmonisation of energy policies of the COMESA Member States CoM and HoSG approve regional policies Parent institution of RAERESA and EAPP	Has been hosting RAERSA and provides funding for its activities RAERESA needs to work closely with them and consult them early in the development of policy and legal frameworks that needs the approval of the CoM and HoSG
	COMESA Court of Justice (CCJ)	Responsible for judicial matters for the common market and adjudicates trade and investment disputes	RAERESA needs to work closely with them and consult them early on matters that might end up with them for adjudication They should sensitise them on energy regulatory matters
	COMESA Competition Commission (CCC)	It would have jurisdictions over anticompetitive cross-border energy trade, which will require close cooperation with RAERESA	RAERESA needs to have a formal cooperation agreement with them to ensure complementarities in their activities in the energy market

	SACREEE	Promotes the development of renewable energy and energy efficiency policies and markets in Southern Africa	RAERESA needs to work closely with them in the development of renewable energy and energy efficiency regulatory frameworks
	EACREEE	Promotes the development of renewable energy and energy efficiency policies and markets in Eastern Africa	RAERESA needs to work closely with them in the development of renewable energy and energy efficiency regulatory frameworks
Regional regulatory institutions	IRB	The independent regulatory board of EAPP	RAERESA needs to work closely with them to avoid overlaps
	EREA	Association of Energy Regulators of Eastern Africa	RAERESA needs to work closely with them to avoid overlaps
	RERA	Association of Electricity Regulators in Southern Africa	Given the tripartite arrangement between COMESA-EAC-SADC, their respective regulatory institutions will have to cooperate to harmonise their regulatory frameworks A formal cooperation agreement would be necessary.
Government policy makers	National Ministries of Energy (NME)	RAERESA depends on them to put in place relevant legal and regulatory frameworks to facilitate regional harmonisation	RAERESA needs to involve them in their legal and regulatory activities to educate and enlighten them about the need for proper national regulatory frameworks and how they affect the regional market
Intended beneficiaries	National Regulatory Authorities (NRA)	They domesticate regulatory harmonisation initiatives	RAERESA needs to continue to work closely with them in the development of the COMESA energy market
	EAPP	The purpose of EAPP is to encourage cross-border electricity exchanges through regional investment in energy generation, transmission and interconnection and through the establishment of an operative framework for regional energy exchanges	As EAPP develops into a fully functional power pool, its regulatory requirements will increase RAERESA needs to work closely with them and IRB and EREA to ensure that they have relevant regulatory frameworks
	SAPP	SAPP is composed of electricity utility companies of Member States and is a specialised institution of SADC The purpose of SAPP is to encourage cross-border electricity exchanges through regional investment in energy generation, transmission and interconnection and	SAPP is presently under the jurisdiction of RERA, which does not have enforcement powers, which are becoming necessary as SAPP is becoming more vibrant RAERESA needs to work closely with SAPP in its harmonisation activities, particularly when SAP interconnects with EAPP

		through the establishment of an operative framework for regional energy exchanges	
Development partners (DPs)	EU USAID AfDB World Bank etc.	Growing number of development partners active in expanding cross-border trade in electricity in Eastern and Southern Africa They provide funding and technical assistance	RAERESA needs to develop a funding and partnership strategy and plan to exploit their opportunities presented by development partners

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