



# 7<sup>th</sup> ESAWAS CONFERENCE

GENERAL ON INNOVATION IN REGULATION  
LEWA - CE

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# Regulation

- Governance
- Economic & Technical Regulation
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# Legitimizing Regulation

- Transparency: Process, channels for consultations and challenge
- Accountability: Answerable to the public
- Targeting: Regulations framed for specific and minimize unintended consequences
- Proportionality: Avoid sledgehammer
- Consistency: Avoid being erratic, promote investor confidence



# Legal Framework

Regulation start with the law. Some measures for autonomy.

1. Funding: Derive funds from customers and licensees.  
[?Funds through government budgetary process]
2. Appointment of Board Members
  - Broadly describe the necessary qualifications
  - Security of tenure
3. Responsibility of Board Members
  - Appoint the Authority staff
  - Approval of work plans/budgets





# The Regulatory Process

Transparency is a key principle. Protects the Authority and enhances confidence

## Tariff Review Process

- Publish utility application
- Allow period objections/representations
- The process should be open and participatory



# State Owned Utilities

- State owned utility is directly linked to the government (challenge?, performance contract!)
- Technical efficiency and financial performance may not be given the highest priority
- Regulator has a difficult challenge:
  - How to induce tariffs needed to preserve/improve network integrity
  - Low level of performance in reliability, standards and even safety
  - Cannot ignore social impacts.





# Conclusion

- Regulation is essentially a transparent and participatory process.
- The interests from diverse stakeholders (Public, Customers, Service Providers, Investors, Cooperating partners, Government, Politicians, etc) on regulatory decisions are difficult to balance;
- Attention should be paid to legal frameworks, regulatory best practices and stakeholders' inputs;
- Regulators must be innovative enough to deal with all stakeholders; and
- Regulation must be evolving all the time starting from the practical situation on the ground (Transitional Regulation) to the desired destiny.





THANK YOU LADIES AND GENTLEMEN