

The main policy objectives that should be in each Energy policy include the following: improvement of effectiveness and efficiency of the modern energy supply industries; improvement of the security and reliability of energy supply systems; increased access to affordable and modern energy services as a contribution to poverty reduction; establishment of the availability, potential and demand of the various energy resources; stimulation of economic development; improvement of energy sector governance and administration; management of environmental, safety, and health impacts of energy production and utilization; and mitigation of the impact of high energy prices on vulnerable consumers.

The policy objectives on the supply side should include: increasing the contribution of renewable sources of energy in the energy balance; utilizing renewable sources of energy for income and employment generation; and developing the use of renewable sources of energy for both small and large-scale applications.

Among the major productive sectors that consume energy are industry and commerce. The policy objectives in these areas should contribute to the introduction of energy efficiency measures and take into account the acknowledged potential for improvements that can result in both financial and environmental benefits. The objective would be to make these sectors more competitive and also take into account issues of improving industrial growth.

Agriculture and the environmental protection also have to be catered for while ensuring energy security. There should be promotion of the use of cleaner fuels through enforcing environmental performance auditing and promoting the internalization of environmental cost; and promotion of efficient use of energy through developing financial incentives/penalties for energy efficiency. Different demand side management measurements should be put in place to encourage the adoption of more efficient energy end-use technologies through providing incentives and training; and to encourage the establishment and operation of energy saving services and devices.

Energy pricing is one of the key energy policies, and it is always expected that appropriate energy pricing should send the right signal to the investors in the industry. However, energy pricing, in the COMESA region differs from country to country; and also different market structures apply different pricing principles.

It is always advisable that the objectives of energy pricing should include: ensuring that the pricing of energy services is based on principles that allow the investor to fully recover costs, earn an appropriate return on investment and encourage technical and economic efficiency; and to pursue a policy of uniform energy pricing countrywide, whenever appropriate, as an affirmative action, in order to apply social and economic justice principles and to reduce imbalances among their different parts.

The measures to achieve the above objectives should include the following: to determine energy prices through market mechanisms, where the market structure permits and to establish mitigation measures for energy subsidies to vulnerable users. Energy prices should be regulated where it is necessary to regulate because of the nature of the energy services; to reflect the cost of electricity supply when determining tariffs; to determine fossil fuels prices through market mechanism; to determine biomass prices through market mechanism; to reflect full financial cost recovery of supplying the services of other renewable energy sources, while removing all import duties and taxes; and to establish a stabilizing fund to cushion against the impact of high oil prices and other eventualities.

A lot of gains will be accrued through energy efficiency and energy conservation thus ensuring that energy is produced, transmitted, distributed and consumed efficiently and energy savings are made without jeopardizing the desired benefits.

It is, therefore, essential to provide support and incentives for the productive sectors such as industry and commerce, agriculture and transport to reduce energy wastage.

Some enterprises in the productive sectors have made the required investments and saved on energy, others might require support and incentives to do the same. It is, therefore, imperative to expedite the expansion of energy infrastructure in the COMESA region to boost productivity and reduce the cost of doing business and enhance regional and international competitiveness of the region's exports.

In this regard, a number of energy generation and transmission projects have been identified for development and physical construction by COMESA countries. Among the projects that have been completed and are now operational, are Ethiopia-Djibouti and Ethiopia-Sudan power interconnection projects. The Uganda-Kenya and Uganda-Rwanda power interconnection projects are also under construction.

Power interconnection projects which are expected to be ready before 2018 include the following: Zambia-Tanzania-Kenya; Ethiopia-Kenya, 2016; Ethiopia-Sudan, 2016; Egypt-Sudan, 2016; Zimbabwe/Zambia/Botswana/Namibia (ZIZABONA); and Rusumo transmission system 2015. Moreover, the Nile Equatorial Lake Subsidiary Action programme (NELSAP) of the Nile Basin Initiative (NBI) is fast tracking the implementation of the following power interconnectors: Uganda/Kenya, Uganda/Rwanda, Rwanda/Burundi; and Upgrade of existing electricity system Burundi/DRC (Eastern part)/ Rwanda into 220 kV.

Other power generation projects which are under construction and are expected to be completed in the next 30 months are: Itezhi-Tezhi power project, Zambia (120 megawatts), Kariba North Bank extension project, Zambia (360 megawatts) which is due to be completed; and Gibe III (1870 megawatts), Chemoga and Yeda, Halele Worabesa in Ethiopia.

Ethiopia is also developing a number of power generation projects which include Grand Renaissance Dam project (5,250 megawatt), Mandaya (2000 megawatts), Karadobi (1600 megawatts), Border (1200 megawatts), Baro I and (500 megawatts) and Genji (200 megawatts).

Uganda is also developing the Karuma Project (700 megawatts), Murchinson Falls (750 megawatts) and Ayago (550 megawatts). While Burundi, Rwanda and Tanzania are jointly engaging in Rusumo falls (63 megawatts).

Kenya is enhancing exploitation of its renewable energy projects such as geothermal and wind. In particular, 300 megawatts project is being developed for 365 wind turbines in the Lake Turkana region.

More resources should be mobilised to implement these energy projects which have already been identified and prioritized and they should be presented to potential investors. It is also critical to invest in transmission and distribution, in order fully utilize the existing capacity. The private sector can also be provided with investment incentives in renewable energy sources such as wind, solar, geothermal, and bio-energy, through Public-Private-Partnership (PPP), among others.

In this regard, and in order to enhance development of physical economic infrastructure, COMESA established the Infrastructure Fund to leverage funding for regional infrastructure projects. The Tripartite Trust Fund was also established to facilitate the development of physical infrastructure project preparation thus handling the upstream component in the project development cycle.

The Tripartite Trust Fund is in charge of implementing the North-South Corridor Programme approach to reduce costs of cross-border trade in the region and beyond by contributing towards the capital requirements of the identified infrastructure priority projects. So far, a High Level Conference was held in Lusaka, Zambia in April 2009 in which a total of US \$1.2 billion was pledged for the North South Corridor Aid for Trade programme.