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**COMMON MARKET FOR EASTERN  
AND SOUTHERN AFRICA**

Fifth Annual General Meeting (AGM) of the Regional Association of Energy Regulators  
for Eastern and Southern Africa (RAERESA)

Mika Hotel, Lusaka, Zambia

30 September – 1 October, 2014

**FINALREPORT**

## INTRODUCTION

1. The Fifth Annual General Meeting (AGM) of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) was held at Mika Hotel, in Lusaka Zambia on 30 September – 1 October 2014. The main objectives of the Meeting were to review the annual report of activities as well as the effectiveness of RAERESA in order to facilitate the implementation of RAERESA's work programme.

### Attendance

2. The Meeting was attended by the following:
  - a. **Full Members of RAERESA:** Electric Utility and Consumer Protection Regulatory Agency of the Arab Republic of Egypt, Energy Regulatory Authority of the Federal Democratic Republic of Ethiopia, Energy Regulatory Commission of the Republic of Kenya, Electricity Regulation Office of the Republic of Madagascar, Energy Regulatory Authority of the Republic of Malawi, Utilities Regulatory Authority of the Republic of Rwanda and Electricity Regulatory Authority of the Republic of Sudan;
  - b. **Associate Members of RAERESA:** Ministry of Production, Environment, Energy, Industry and Handicrafts of the Union of Comoros and Ministry of Water Resources and Electricity of the Democratic Republic of Congo;
  - c. **Observers:** Energy Commission of the Republic of Seychelles and Energy Regulatory Authority of the Republic of Zimbabwe;
  - d. the Eastern African Power Pool (EAPP); and
  - e. SkyPower of the United States of America.
3. The list of participants is attached as Annex VIII to this report.

### A. OPENING – AGENDA ITEM 1

4. Ambassador Nagla El-Hussainy, the Acting Secretary of the COMESA officially opened the Meeting. The Acting Secretary General welcomed all the delegates to the Fifth Annual General Meeting (AGM). She invited them to enjoy the renowned hospitality of the people of Zambia where tranquility, peace and the warmth of the country and its people provided an ideal environment in which to take forward the process of regional economic co-operation and integration.

5. Amb. El-Hussainy indicated that the COMESA had registered successes and made achievements in integrating markets among its members. She further indicated that COMESA had built a number of institutions to facilitate production and movement of goods within the region. In this regard, she indicated that COMESA institutions such as the PTA Bank, African Trade Insurance Agency, Regional Investment Agency and the Clearing House, in their respective functions should work to facilitate access to trade and development finance, insurance for certain transactions, market the region as a destination for Foreign Direct Investment and improving the regional payments system. She then stressed that the duty now should be to consolidate the successes and achievements that COMESA had made and to move ahead to higher levels of integration.

6. Amb. El-Hussainy observed that lack of inadequate energy infrastructure in many of COMESA countries would remain one of the major constraints to economic growth and development. She also pointed out that the COMESA region was lagging behind in the area of

energy. In this regard, she indicated that the total installed capacity for electric power in the 19 COMESA countries is about 55,800 Megawatts compared with USA which was over 1,000,000 megawatts and to a total of 124,000 megawatts for France.

7. Amb. El-Hussainy indicated that the role of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) is an instrument in facilitating the harmonization of energy rules and promote good governance in order to brand energy sector in the COMESA region as an investors' friendly sector and also to improve the services of the existing energy infrastructure through enhanced efficiency

8. Kenya which is the current Chair of the Plenary of RAERESA chaired the meeting. In his opening remarks Dr. Frederick Nyang from Energy Regulatory Commission of Republic of Kenya welcomed the Members, Associate members of RAERESA, observers and invited guests to the Fifth Annual General Meeting (AGM). He thanked the Government and people of Zambia for the hospitality accorded to the delegates since their arrival in the beautiful city of Lusaka and for the excellent facilities that had been put at the disposal of the delegates

9. Dr. Nyang observed that 2012 was declared the international year of sustainable energy for all (SE4ALL) by the UN General Assembly in recognition of the importance of access to energy for sustainable economic development and the achievement of the MDGs. In this context, he indicated that the UN Secretary-General had launched a global initiative to achieve three interlinked objectives by 2030: ensure universal access to modern energy services, double the rate of improvement in energy efficiency and double the share of renewable energy in the global energy mix.

10. Dr. Nyang pointed out that many of COMESA countries had established their energy regulators, while others were on their way to do so. He also pointed out that integrating synergies on energy regulatory issues, would necessitate the establishment of Energy Regulatory Associations at the regional and continental levels whose mandate could be broadly summarized as supporting the development of effective energy regulation through facilitating the harmonization of regulatory policies, exchange of information and sharing of experience amongst energy regulators, and capacity building in support of socioeconomic development.

## **B. ADOPTION OF AGENDA AND ORGANISATION OF WORK – AGENDA ITEM 2**

11. The Meeting considered and adopted the following agenda:

1. Opening of the Meeting
2. Adoption of the Agenda and Organization of the Work
3. Consideration of the Report of the Seventh Meeting of the Executive Committee of RAERESA
4. Consideration of the Report of the Fourth Meeting of the Portfolio Committee on Renewable Energy of RAERESA
5. Consideration of the Report of the Joint Meeting of the Portfolio Committee on Electricity and the Portfolio Committee on Oil and Gas of RAERESA

6. Consideration of the Report of the Third Meeting of the Portfolio Committee on Environment and Energy Efficiency of RAERESA
7. Progress Report on the Status of Implementation of RAERESA's Work Programme
8. Election of the Chairperson of the Plenary and the Chairpersons of the Portfolio Committees
9. Any Other Business
10. Adoption of the Report and Closure of the Meeting

### **Organisation of Work**

12. The Meeting adopted the following working hours:

#### **Tuesday, 30<sup>th</sup> September, 2014**

Morning - 08.30 – 12.30 hours  
Afternoon - 14.00 – 17.00 hours

#### **Wednesday, 1<sup>st</sup> October, 2014**

Morning - 08.00 – 12.00 hours report writing  
Afternoon - 12.00 – 13.00 adoption of the report

### **C. CONSIDERATION OF THE REPORT OF THE SEVENTH MEETING OF THE EXECUTIVE COMMITTEE MEETING OF RAERESA – AGENDA ITEM 3**

13. Dr. Hafez El Salmawy, Managing Director of the Egyptian Electricity Regulatory Agency, the current chair of Portfolio Committee on Electricity presented the Report of the 7<sup>th</sup> Meeting of the Executive Committee. The Fifth Annual General Meeting (AGM) considered the report and the discussions and recommendations are outlined below.

14. The Fifth Annual General Meeting (AGM) noted that the Executive Committee of RAERESA held a meeting on 29 September 2014. The Meeting further noted that the objectives of the meeting were to review the annual report of activities as well as the effectiveness of RAERESA in order to facilitate the implementation of RAERESA's work programme.

15. The meeting further noted that the Executive Committee discussed the Report of the Fourth Meeting of Portfolio Committee on Renewable Energy which was held in Lusaka (Chisamba), Zambia on 28 – 30 April 2014. The Meeting further noted that this report would be presented as a substantive agenda item for adoption.

16. The Meeting noted that the Executive Committee discussed the report of the Joint Meeting of the Portfolio Committee on Electricity and the Portfolio Committee on Oil and Gas which was held in Nairobi, Kenya on 8 - 9 September 2014 and made relevant comments. The

Meeting further noted that this report would be presented as a substantive agenda item for adoption.

17. The Meeting noted that the Executive Committee also discussed the report of the Third Meeting of the Portfolio Committee on Environment and Energy Efficiency which was held in Nairobi, Kenya on 10 - 11 September 2014 and made relevant comments. The Meeting further noted that this report would be presented as a substantive agenda item for consideration.

18. The Meeting noted that the Executive Committee also considered the progress report on the status of implementation of RAERESA's work programme and also discussed proposals on election of the Chairperson of the Plenary and the Chairpersons of the Portfolio Committees.

#### **D. CONSIDERATION OF THE REPORT OF THE FOURTH MEETING OF THE PORTFOLIO COMMITTEE ON RENEWABLE ENERGY OF RAERESA – AGENDA ITEM 4**

19. Mr. Getahun Moges, Director General of Energy Regulatory Authority of Ethiopia and the current Chairperson of the Portfolio Committee on Renewable Energy of RAERESA presented the report of the Fourth Meeting of the Portfolio Committee on Renewable Energy, which was held in Lusaka (Chisamba), Zambia on 28 – 30 April 2014) for consideration.

#### **Draft Final Guidelines on the Encouragement of Investment and Utilization of Renewable Energy Sources in the Comesa Region**

20. The meeting recalled the decision of the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013 on the development of guidelines for use at high level organs of Member States when considering investment issues related to renewable energy which included the guidelines listed below.

##### **Feed-in-Tariffs (FiT) Guidelines**

21. FiT guidelines should focus on the following:

- a. Feed-in-Tariffs should be defined and its rationale should be clearly articulated;
- b. COMESA experience in feed-in-tariff as well as Western experience in feed-in-tariffs;
- c. Institutional arrangement in support of FiT;
- d. Drafting of Feed-In-Tariff guidelines is critical;
- e. Design options for renewable energy Feed-in-Tariffs;
- f. Consideration of hybrid systems (FiT & bidding process); and
- g. Feed-In-Tariff analysis in COMESA region.

##### **Public Private Partnership (PPP) Guidelines**

22. The PPP guidelines should cover the following:

- a. The rationale for PPPs in the COMESA region;
- b. Institutional Framework;
- c. Lessons learned from PPPs in COMESA region and beyond;
- d. How PPPs can be used to leverage funding for RE projects;
- e. Blending financing in order to reduce costs and risks;
- f. Some discussion on risk allocation amongst the parties;

- g. How PPPs could be sustained;
- h. There should be more emphasis on PPP Models applicable to the COMESA region;
- i. Discussion of PPP project development process drawing on COMESA and third world experiences; and
- j. An updated summary of PPP arrangements in the COMESA region.

### **Power Purchase Agreements (PPA) Guidelines**

23. The PPA guidelines should focus on:
- a. Overall Length of the agreement, including intermediate reviews;
  - b. The processes from inception to commissioning;
  - c. Sale and purchase arrangements;
  - d. Pricing issues (include annual price adjustment, price formula review period);
  - e. Operational curtailment;
  - f. Transmission issues;
  - g. The creditworthiness of the parties;
  - h. Risk structure (include all risks);
  - i. Risk insurance matters;
  - j. Milestones and consequences of defaulting;
  - k. Environmental attributes and carbon credits;
  - l. Consequences of termination after commissioning; and
  - m. What happens at the end of the agreement (BOOT, etc?)

### **Joint Development of Projects**

24. Guidelines on joint development of projects should focus on the following:
- a. Regional experience, especially Rwanda, Burundi and DRC as well as Zambia and Zimbabwe;
  - b. experiences in other regions (SADC) could be used in the absence of information from Great Lakes region; and
  - c. This must be done with the framework given in 7.1 – 7.6 of the draft document.

25. The Meeting noted that the Portfolio Committee on Renewable Energy held two meetings through which it thoroughly discussed the draft report on the encouragement of investment and utilization of renewable energy sources in the comesa region. The Meeting further noted that the report culminated in development of four guidelines, namely, feed-in-tariff (FiT), public private partnership (PPP), power purchase agreement (PAA) and joint development of projects.

26. The Meeting noted that the report was reviewed based on the decisions that were taken by the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013. The meeting also noted that the updated (revised) report was circulated to Member States in order to submit their comments. The meeting further noted that some Member States had been able to submit their comments before the report was considered by the Fourth Meeting of the Portfolio Committee on Renewable Energy of RAERESA.

### **Feed-in-Tariffs (FiT) Guidelines**

27. The Meeting noted that the Feed-in-Tariff Guidelines were reviewed based on the decisions which were taken by the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013. The Meeting further noted that the Fourth Meeting of the Portfolio Committee on Renewable Energy which was held in Lusaka (Chisamba), Zambia in April 2014 considered the guidelines and made relevant comments and observations which had all been incorporated in the final version of the guidelines. The Meeting then noted that the document was ready for adoption.

28. Some Members present at the Meeting shared their experiences on FiT. Moreover, Egypt offered to organize training on FiT for free to RAERESA countries.

29. The updated (revised) document on Feed-in-Tariff (FiT) Guidelines is attached as annex I to this report.

### ***Decision***

30. ***The meeting agreed that the revised Feed-in-Tariffs (FiT) Guidelines be adopted.***

### **Power Purchase Agreement (PPA) Guidelines**

31. The Meeting noted that the Power Purchase Agreement (PPA) Guidelines were reviewed based on the decisions which were taken by the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013. The Meeting further noted that the Fourth Meeting of the Portfolio Committee on Renewable Energy which was held in Lusaka (Chisamba), Zambia in April 2014 considered the guidelines and made relevant comments and observations which had all been incorporated in the final version of the guidelines. The Meeting then noted that the document was ready for adoption.

32. The updated (revised) document on Power Purchase Agreement (PPA) Guidelines is attached as annex II to this report.

### ***Decision***

33. ***The meeting agreed that the Power Purchase Agreement (PPA) Guidelines be adopted.***

### **Public Private Partnership (PPP) Guidelines**

34. The Meeting noted that the Public Private Partnership (PPP) Guidelines were reviewed based on the decisions which were taken by the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013. The Meeting further noted that the Fourth Meeting of the Portfolio Committee on Renewable Energy which was held in Lusaka (Chisamba), Zambia in April 2014 considered the guidelines and made relevant comments and observations which had all been incorporated in the final version of the guidelines. The Meeting then noted that the document was ready for adoption.

35. The updated (revised) document on Public Private Partnership (PPP) Guidelines is attached as annex III to this report.

### ***Decision***

36. ***The meeting agreed that the Public Private Partnership (PPP) Guidelines be adopted.***

#### **Joint Development of Projects Guidelines**

37. The Meeting noted that the Joint Development of Projects Guidelines were reviewed based on the decisions which were taken by the Fourth Annual General Meeting (AGM) of RAERESA which was held in Livingstone, Zambia in November 2013. The Meeting further noted that the Fourth Meeting of the Portfolio Committee on Renewable Energy which was held in Lusaka (Chisamba), Zambia in April 2014 considered the guidelines and made relevant comments and observations which had all been incorporated in the final version of the guidelines. The Meeting then noted that the document was ready for adoption for use by Member States.

38. The updated (revised) document on Joint Development of Projects Guidelines is attached as annex IV to this report.

#### ***Decision***

39. ***The meeting agreed that the Joint Development of Projects Guidelines be adopted.***

40. ***The meeting further agreed on the following:***

- a. call upon member institutions and COMESA Member States to use the guidelines in developing their legal and regulatory frameworks and at the same time to contribute to the harmonization of such frameworks across COMESA countries;***
- b. call upon the Secretariat to facilitate training programme for Member States on the four guidelines to fully understand them and further internalize/domesticate them; and***
- c. call upon member institutions to participate in FiT training programme which Egypt offered to organize and avail relevant information from their respective countries with the view to sharing it with others. .***

#### **Draft Report on the Alignment of Regulatory Framework for Renewable Energy Technologies in the COMESA**

41. The Meeting noted the late completion of draft guidelines on: renewable energy technologies: regulatory framework on off-grid electrification and effective regulatory regimes as a requirement for renewable energy development. The Meeting further noted that the draft guidelines would be considered by the task force from Kenya, Malawi and Rwanda established by the Portfolio Committee and then they would be validated by the Portfolio Committee on Renewable Energy. The guidelines are expected to be considered by the Annual General Meeting to be held in 2015.

#### ***Decisions***

42. ***The meeting agreed as follows:***

- a. *the task force from Kenya, Malawi and Rwanda to discuss the two draft guidelines on regulatory framework on off-grid electrification and effective regulatory regimes as a requirement for renewable energy development;*
- b. *the task force should conclude the task by end of October 2014;*
- c. *Member States be given two weeks to submit their comments from the date of receiving the draft document; and*
- d. *a meeting of the Portfolio committee on Renewable Energy be convened to validate the two draft guidelines, which would depend on the availability of funds.*

### **The Recommended Renewable Energy Cooperation Framework for the COMESA Region**

43. The meeting noted that the Fourth Meeting of the Portfolio committee on Renewable Energy thoroughly discussed the recommended COMESA renewable energy cooperation framework for the COMESA region and made relevant comments and improvements. In this regard, the meeting agreed to include additional areas of focus, namely high level section on research and development (R&D) related to technology and human resource development; training aspect related to existing training institutions and training centres; technology and standardization aspect.

44. The meeting further agreed to consolidate the six renewable energy areas of focus related to policy coordination level under two headings, namely, policy coordination and national strategies for developing local capacity on renewable energy technologies.

45. The updated (revised) version on the Recommended Renewable Energy Cooperation Framework for the COMESA Region is attached as annex V to this report.

### ***Decision***

46. ***The meeting agreed that the Recommended Renewable Energy Cooperation Framework for the COMESA Region be adopted.***

### **E. CONSIDERATION OF THE REPORT OF THE JOINT MEETING OF THE PORTFOLIO COMMITTEE ON ELECTRICITY AND THE PORTFOLIO COMMITTEE ON OIL AND GAS OF RAERESA – AGENDA ITEM 5**

47. Dr. Hafiz El-Salmawy, Executive Director, the Egyptian Electricity Regulatory Agency, the current Chair of the Portfolio Committee on Electricity and Eng Alfred D. Byjgero, Deputy Director General, the Rwanda Utilities Regulatory Agency, the current Chair of the Portfolio Committee on Oil and Gas, presented to the Meeting the report of the Joint Meeting of the Portfolio Committee on Electricity and the Portfolio Committee on Oil and Gas of RAERESA which was held in Nairobi, Kenya on 8 – 9 September 2014 for consideration.

### **Draft Report on Electricity Regulatory Status in the Comesa Region**

48. The Meeting noted that the draft report on electricity regulatory status was drafted in accordance with pillar two of the RAERESA work programme (2013-2015).

49. The main objectives of the report are to:

- a. explore the current regulatory status of the electricity sectors in participating countries; and
- b. explore the status of the national electricity markets in Member countries..

50. The report contains four chapters as follows:
- a. Chapter 1 outlines introductory remarks and the scope of the report;
  - b. chapter 2 summarizes the findings of the fact sheet;
  - c. chapter 3 focuses on benchmarking for the regulatory progress in member countries; and
  - d. Chapter 4 highlights the main conclusions of the study.
51. The report also contains two appendices on member countries system data and on the master copy of the fact sheet.
52. The meeting was informed that only nine countries, namely Comoros, DRC, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, and Sudan responded to the questionnaire and provided information on their electricity regulatory status.
53. Major conclusions of the report include the following:
- a. most of the questionnaire respondent Member Countries of COMESA have set up independent regulatory authorities to comply with the objective of establishing an independent regulator, and also consistent regulatory decisions; however, still most of the regulators meet some reluctance that limit the effectiveness of sector regulation;
  - b. most of the countries that have been surveyed are still facing the challenge, in one way or another, in developing their regulation and building competitive markets, however, the industry unbundling is still on the table for all countries except Madagascar;
  - c. competition is still facing obstacles in most of the respondent countries and that market access is also still an issue in countries that do not have strong legal and regulatory frameworks;
  - d. most of the questionnaire respondent Member Countries of COMESA have not fully defined their market arrangements; and
  - e. all countries are in different stages to set their codes and technical specifications and agreements and that cross border trade is far from mature for the entire respondent group.
54. The meeting was informed that the purpose of this exercise was benchmarking and it was confined to monitoring the electricity regulatory status, through the fact sheet. In this regard, the meeting agreed that this exercise should be updated every three years to be used as an observatory for the development in the status of the regulators in the member countries.
55. The meeting was further informed that this fact sheet was based on previously adopted format, which was used by the Association of Mediterranean Energy Regulators (MedReg).
56. The Meeting agreed that this status report should be shared with all stakeholders and should be widely disseminated. The Meeting urged, countries which had not responded to the data collection format to respond as soon as possible as well as for those whom had responded to update the information as it might be needed
57. The agreed draft report on electricity regulatory status in the COMESA region is attached as Annex VI to this report.

### ***Decisions***

58. ***The Meeting agreed as follows:***

- a. the report on electricity regulatory status in the COMESA region be adopted;***
- b. capacity building to enhance the integration of energy systems and energy trade in the COMESA region and beyond through adopting best practice guidelines in regulator performance and compliance monitoring; and***
- c. that countries which had not completed the data collection format could be given the opportunity to respond to it and update the information by the end of 2014.***

### **The Report on the Status of Accessibility and Affordability of Gas and Oil in the COMESA**

59. The Meeting noted that the draft report on the status of accessibility and affordability of gas and oil in the COMESA region was drafted in accordance with pillar three of the joint RAERESA work programme (2013-2015), for their consideration.

60. The main objective of the report was to facilitate the development of recommendations on issues affecting the economic efficiency of energy interconnections and energy trade among RAERESA country members. The specific objective of this survey, through questionnaires, was to get updated information on the status of accessibility and affordability of oil and gas among the member countries of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA).

61. The meeting was informed that only nine countries (Comoros, Democratic Republic of Congo (DRC), Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Sudan and Seychelles) had provided information on the status of accessibility and affordability of oil and gas via filling in questionnaires. These were submitted to Rwanda and to the COMESA Secretariat.

62. The report provides country wise general information as well as legal and regulatory framework. It also provides information on availability of oil and gas as well as oil and gas infrastructure in terms of storage facilities, refineries and pipelines. Moreover, the report sheds light on the on-going projects and programmes, in pipeline, related to oil and gas. The report further provides information related to factor affecting oil and gas accessibility and affordability and mitigation measures on oil and gas accessibility and affordability.

63. The meeting observed that the report was more focused on downstream than upstream activities in the oil and gas sector. In this regard, the meeting agreed that it would also be useful to include the information on the upstream side in the report, if it could be available.

64. Moreover, the meeting agreed that the meetings of the Portfolio Committee on Oil and Gas of RAERESA should be separated from the Meetings of the Portfolio Committee on Electricity of RAERESA due to the different mandate and nature of each Portfolio Committee. The meeting further noted that this separation would provide an opportunity for the Portfolio Committee on Oil and Gas to be more focused and discuss issues related to oil and gas harmonization such as terms used in oil and gas industry.

65. The meeting was informed that Rwanda through assistance from COMESA was able to develop a strategy for the development and competitiveness of its petroleum downstream subsector. The meeting was further informed that the main objective of the downstream petroleum strategy was to establish a petroleum supply, management and re-distribution system

in which all players would be assured of security of supply at the most competitive prices possible taking advantage of economies of scale through a probable bulk procurement system.

66. The meeting was also informed that this strategy should therefore bring maximum utilization of the assets along the supply chain including re-distribution to neighbouring countries to accommodate the present and future demand for petroleum products in Rwanda at a minimum cost and at sustainable levels that boosts self-reliance.

67. The meeting underscored the need for capacity building for regulators dealing with oil and gas in order to facilitate harmonization. Moreover, the meeting underscored the need for site visits in order to share experience and best practices.

68. The Meeting agreed that this status report should be shared with all stakeholders and should be widely disseminated. The meeting agreed that the report be repeated on regular bases for every three years to be used as an observatory for the development in regulatory status in the member countries. The Meeting urged, countries which had not completed the data collection format to respond as soon as possible as well as for those whom had responded to update the information as it might be needed

69. The agreed draft report on the status of accessibility and affordability of oil and gas in the COMESA region is attached as Annex VII to this report.

### ***Decisions***

70. The Meeting agreed as follows:

- a. ***the report on the status of accessibility and affordability of oil and gas in the COMESA region be adopted; ;***
- b. ***capacity building for regulators dealing with oil and gas should be undertaken in order to assist regulators embark on a programme to harmonize their regulatory regimes;***
- c. ***the COMESA Secretariat in consultation with the host regulator should organize fields visits to share experience and best practices;***
- d. ***COMESA Secretariat to facilitate Member States to harmonize standards/regulations related to petroleum products and transportation facilities;***
- e. ***the Portfolio Committees should be meeting in separate sessions to enable members focus on their issues; and***
- f. ***that countries which had not completed the data collection format could be given the opportunity to respond to them and update the information by the end of 2014.***

### ***F. CONSIDERATION OF THE REPORT OF THE THIRD MEETING OF THE PORTFOLIO COMMITTEE ON ENVIRONMENT AND ENERGY EFFICIENCY OF RAERESA – AGENDA ITEM 6***

71. Eng. Mr. Mr Abdelhafiz Fadl All Babikir from the Electricity Regulatory Authority of Sudan, the current Chair of the Portfolio Committee on Environment and Energy Efficiency, presented to the Meeting the report of the Third Meeting of the Portfolio Committee on Environment and Energy efficiency of RAERESA which was held in Nairobi, Kenya on 10 – 11 September 2014 for consideration.

72. The Meeting noted that the draft report on the status of environment and energy efficiency in the electricity sector in the COMESA region for consideration, which was drafted in accordance with pillar three of the RAERESA work programme (2013-2015) related to development of baseline energy database. The main objective of the report is to demonstrate the importance of energy efficiency in reducing greenhouse gas (GHG) emissions and to demonstrate the improvement in energy efficiency in buildings and appliances, among others.

73. The report contains five parts as follows:

- a. part 1 outlines country information;
- b. part 2 focuses in power system generation;
- c. part 3 outlines transmission and distribution;
- d. part 4 highlights management and legal aspect; and
- e. part 5: provides analysis related to demand side management (DSM).

74. Key messages of the report include the following:

- a. energy efficiency reduces greenhouse gas (GHG) emissions, while improved energy efficiency in buildings and appliances also reduces carbon emissions;
- b. efficient power generation is the pathway to a sustainable energy system; and
- c. efficient energy use reduces energy costs and may result in a financial cost saving to consumers;

75. The report proposes a number of recommendations which include the following:

- a. to take advantage of alternative energy sources;
- b. to adopt appropriate policies and legislation and to take the necessary technical procedures, and to design energy efficiency policy framework;
- c. to develop national strategies and operational programs in order to streamline and improve the efficiency of energy use through the development of plans and the implementation of pilot programs to improve energy efficiency in various industries;
- d. to establish energy efficiency database in COMESA;
- e. to support actions relating to the status of specifications and standards that may contribute to the improvement of energy efficiency;
- f. to raise awareness towards the importance of energy conservation in industrial facilities and training of engineers and technicians to carry out energy audits in factories and performance monitoring;
- g. to organize seminars and training workshops;
- h. to encourage the private sector to invest in the areas of energy-saving devices such as industry energy-saving devices;
- i. to conduct periodic reviews of the tariff of energy consumed in the industrial sector;
- j. to implement programs of cooperation and exchange of information and experiences between/among the COMESA countries;
- k. to develop and exchange information programmes that aim at rationalizing energy consumption;
- l. to put energy audit programmes on the top of energy efficiency agenda in COMESA region;
- m. to benefit from the experience of Egypt and Kenya in the field of energy efficiency;
- n. to encourage and support research and development (R & D) on energy efficiency and environment; and
- o. to issue an annual Journal for energy efficiency and the environment.

76. The meeting was informed that twelve countries, namely Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, and Uganda used the questionnaires and provided information on their status of environment and energy efficiency in the electricity sector.

77. The meeting noted that this report contained a lot of useful information. The meeting also noted that countries could benefit from this rich and significant information provided by the report. However, the meeting noted that the report could be further enriched. In this regard, the meeting agreed that the report be restructured and refined in order to articulate the information and to be a user friendly.

78. As a road map, the meeting agreed that Sudan to restructure the report by the end of 2104. The meeting further agreed that the revised version of the report be circulated to Member States for comments and that Member States should be given a period of one month to submit their comments and observations to Sudan. The meeting also agreed that the Portfolio Committee on Environment and Energy Efficiency should meet to validate the revised version of the report in order to be ready for consideration by the Annual General Meeting (AGM) of RAERESA to be held in 2015.

79. The meeting agreed that the base year for the report be 2011. The meeting further agreed that the revised report should contain data for 2013 and the Member States should provide the updated data to Sudan by the end of 2014.

80. The meeting agreed that the units in the report be harmonized, for instance electricity should be in megawatts and oil should be in barrels and that all the units should be indicated on the top of the table.

81. The meeting agreed that low energy performance across COMESA countries be given urgent and priority attention, since well-designed energy efficiency programme and measure could have a very strong impact on energy supply system. It is therefore, important to design a COMESA wide platform for energy efficiency and labelling programme through political support from COMESA leaders. The meeting, therefore directed the Secretariat and the Portfolio Committee on Environment and Energy Efficiency to:

- a. prepare a position paper to win political support for the commencement of a regional platform / stating the need and urgency of a well-co-ordinated region wide energy efficiency labelling programme to be equally embraced by all COMESA countries;
- b. propose a region wide energy efficiency and labelling programme for selected households and industrial appliances and equipment based on the size of their contribution to the national electricity demand;
- c. identify well organized standards and efficiency testing laboratory / among COMESA Member States to serve as a standard and testing centre for the COMESA wide energy efficiency labelling programme;
- d. develop/ adopt minimum efficiency standard for selected appliances and equipment; and
- e. seek and collaborate with partners and collaborators, donors and relevant regional and international institutions such as: the African Electro-technical Standardization Commission (AFSEC), the Collaborative Labelling and Appliance Standards Programme (CLASP) etc. for maturing a fully-fledged programme

82. The Meeting also directed the Portfolio Committee in cooperation with the Secretariat and donors to facilitate energy management training programme involving member institutions and private sector energy services firms (experts).

83. Summary of draft report on the status of environment and energy efficiency in the electricity sector in the COMESA region is attached as Annex VIII to this report.

### **Decisions**

84. The Meeting agreed as follows:

- a. Sudan to restructure and refine the report by the end of 2014 according to the comments and observations made by the Meeting;**
- b. the revised version of the report be circulated to Member States for comments and that Member States should be given a period of one month to submit their comments and observations to Sudan;**
- c. the Portfolio Committee on Environment and Energy Efficiency should meet to validate the revised version of the report in order to be ready for consideration by the Annual General Meeting (AGM) of RAERESA to be held in 2015.**
- d. prepare a position paper to win political support for the commencement of a regional platform / stating the need and urgency of a well-co-ordinated region wide energy efficiency labelling programme to be equally embrace by all COMESA countries;**
- e. propose a region wide energy efficiency and labelling programme for selected households and industrial appliances and equipment based on the size of their contribution to the national electricity demand;**
- f. identify well organized standards and efficiency testing laboratory / among COMESA Member States to serve as a standard and testing centre for the COMESA wide energy efficiency labelling programme;**
- g. develop/ adopt minimum efficiency standard for selected appliances and equipment; and**
- h. seek and collaborate with partners and collaborators, donors and relevant regional and international institutions such as: the African Electro-technical Standardization Commission (AFSEC), the Collaborative Labelling and Appliance Standards Programme (CLASP) etc. for maturing a fully-fledged programme.**

### **G. PROGRESS REPORT ON THE STATUS OF IMPLANTATION OF RAERESA'S WORK PROGRAMME – AGENDA ITEM 7**

85. The COMESA Secretariat, which is the interim Secretariat of RAERESA, presented to the Meeting the progress report on the status of implementation of RAERESA's work programme.

86. The Meeting noted that a number of activities were implemented during 2013 – 2014. The Meeting further noted that these activities included the following:

- a. development of guidelines to encourage investment and utilization of renewable energy sources in the COMESA region which include feed-in-tariff (FIT), power purchase agreement (PPA), public private partnership (PPP) and joint development of projects;
- b. alignment of different regulatory frameworks for renewable energy technology for the COMESA countries in 2012/2013 which is expected to come up with guidelines on

regulatory framework on off-grid electrification and effective regulatory regimes as a requirement for renewable energy development;

- c. report on electricity regulatory status in the COMESA region;
- d. report on the access and affordability of oil and gas in the COMESA region;
- e. draft report on the status of environment and energy efficiency in the electricity sector in the COMESA region; and
- f. organization of the Annual General meeting of RAERESA and the meetings of the different Portfolio Committees in 2013 and 2014.

87. Due to a number of challenges such as absence of full time professional support within the Secretariat, constraints of financial resources and ambitious work programme, the Meeting noted that the full implementation of work programme of RAERESA was constrained.

88. The Meeting further noted that COMESA Secretariat requested the European Union (EU), Sustainable Energy for All (SE4All) for support and capacity building for RAERESA through Technical Assistance Facility, Eastern and Southern Africa. Following this request, the Meeting noted that the EU sent a consultant to the COMESA Secretariat to undertake needs assessment. It therefore expected that EU will support RAERESA on clean energy and may be a full time professional support for RAERESA within the Secretariat.

89. The meeting emphasized that the level of implementation for all pillars should be improved and reported on in all Executive Committee Meetings and AGM. The meeting also underscored the need to re-strategize of holding the meetings and that the pillar on RAERESA's communication and efficient and effective Secretariat be given due attention and urgency. The meeting also underscored the need to organize fund raising initiatives and the need to have good communication strategy such as submitting reports to cooperating partners and inviting them to meetings.

90. The meeting also stressed that meetings of the Portfolio Committees and the Annual General Meeting be held back to back and the period of the meetings be shortened in order to cut expenses. In this regard, Egypt offered to host all RAERESA meetings back to back in year 2015. The meeting also stressed that countries should consider making in-kind and financial contributions.

### ***Decisions***

91. The Meeting agreed that:

- a. meetings of the Portfolio Committees and the Annual General Meeting be held back to back and the period of the meetings should be shortened;***
- b. Egypt to host all RAERESA meetings back to back in year 2015;***
- c. Members of RAERESA should consider contributing financial and also in-kind contributions and the Secretariat to prepare a well-documented paper on contributions from member countries;***
- d. the Secretariat is requested to develop a communication strategy with the stakeholders as well as for attracting new memberships;***
- e. the Secretariat is requested to encourage member countries to request their experts to register in the Africa Expert Database; and***
- f. the Secretariat is requested to incorporate a video conference facility to RAERESA website to be used by member countries for online meetings.***

## **H. ELECTION OF THE CHAIRPERSON OF THE PLENARY AND THE CHAIRPERSONS OF THE PORTFOLIO COMMITTEES - AGENDA ITEM 8**

92. In line with Article 7 of the Constitution on “Structure of RAERESA”, 7.2 “the Plenary” which provides that “the Plenary shall elect a Chairperson for a term of two years on rotational basis, who shall chair meetings of the plenary”. Noting that the Plenary is the supreme authority of RAERESA. In this regard, the AGM resolved as follows after a democratic election process was undertaken:

### ***Decision***

93. **The Meeting elected:**

***a. Kenya as Chair of the Plenary; and***

***b. the following Portfolio Committees Chairs:***

- ***Egypt as Chair of Portfolio Committee on Electricity;***
- ***Rwanda as Chair of Portfolio Committee on Oil and Gas;***
- ***Ethiopia as Chair of Portfolio Committee on Renewable Energy; and***
- ***Sudan as Chair of Portfolio Committee on Environment and Energy Efficiency.***

## **I. ANY OTHER BUSINESS - AGENDA ITEM 9**

94. The Eastern Africa Power Pool (EAPP) and SkyPower of the USA were invited to make brief statements.

### **EAPP**

95. Eng. Lebba .Changullah, Secretary General, East Africa Power Pool briefed the Meeting about the functions of EAPP. He also indicated that the region would envisage a remarkable power trade by 2017 – 2018.

### **SkyPower Global**

96. Mr. James Armstrong, Senior Director, Solar Development, SkyPower Global expressed the interest of SkyPower to establish a partnership with RAERESA countries. It is worth noting that SkyPower Global is one of the developers and owners of solar energy projects in the world. It has so far built, assembled and acquired an extensive pipeline of over 25,000 megawatts (MW) worldwide.

97. The Meeting invited observers namely, Seychelles and Zimbabwe to make observations on their status regarding joining RAERESA membership. Seychelles indicated that the Energy Commission was in the process of developing its regulations and indicated enthusiasm for joining in the very near future. Zimbabwe indicated that the Board of Energy Regulatory Authority (ZERA) approved that ZERA to join RAERESA awaiting no objection of the Ministry.

## **J. ADOPTION OF THE REPORT AND CLOSURE OF THE MEETING - AGENDA ITEM 10**

**Adoption of the Report**

98. Through a motion by Sudan which was seconded by Democratic Republic of Congo (DRC), Egypt, Ethiopia, Madagascar, Rwanda and Seychelles, the meeting adopted the report with the amendments.

### **Closing of the Meeting**

99. In closing the meeting, the Chairperson thanked the delegates for the active participation in the proceedings that had enabled the meeting to successfully adopt its report and he wished them safe journeys back to their respective homes.

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