



Statement by Mr. Siseho C. Simasiku, Chief Executive Office of the Electricity Control Board of Namibia & Out-going Chairperson of the Regional Electricity Regulators Association of Southern Africa (RERA) at the Press Conference on the Handover of the Chairmanship of RERA to the Energy Regulation Board of Zambia (ERB)

Holiday Inn, Lusaka, Zambia
9 February 2006

The Executive Director of the Energy Regulation Board of Zambia (ERB) & Incoming Chairperson of the Regional Electricity Regulators Association of Southern Africa (RERA) – Mr. Silvester H. Hibajene;

Ladies & Gentlemen of the Press;

Management & Staff of the ERB;

Administration Manager at RERA - Mr. Horrack J. Kutazo;

Distinguished Invited Guests;

Ladies and Gentlemen;

First of all, I would like to thank you for coming to this press conference at which I will officially handover of the Chairmanship of the Regional Electricity Regulators Association of Southern Africa (RERA) to Mr. Silvester H. Hibajene, Executive Director of the Energy Regulation Board of Zambia (ERB).

Today represents an essential and unique moment in the history of RERA,

an Association whose history can be traced almost seven and half (7.5) years ago. In August 1998, the ERB and the then National Electricity Regulator (NER) of South Africa organised a workshop in Johannesburg, South Africa on regional regulatory cooperation in Southern African Development Community (SADC) countries. A follow-up workshop was held in Gaborone, Botswana in March 2000. This workshop agreed on a process to create a regional consultative platform for electricity regulatory matters in SADC.

Thus, on the 12th of July 2002 in Maseru, Lesotho, the SADC Ministers responsible for energy approved the official establishment of RERA, which operates as a formal association of independent electricity regulators, with its own constitution stipulating the objectives, functions and other operational requirements.

RERA has three (3) strategic objectives as follows:

1. Capacity Building & Information Sharing
2. Facilitation of Electricity Supply Industry (ESI) Policy, legislation and Regulations
3. Regional Regulatory Cooperation

Membership to RERA is open to the electricity supply industry regulatory bodies in each country within SADC. At present RERA has the following five (5) members:

- Electricity Control Board of Namibia (ECB)

- Energy Regulation Board of Zambia (ERB)
- Lesotho Electricity Authority of Lesotho (LEA)
- National Electricity Council of Malawi (NECO)
- National Energy Regulator of South Africa (NERSA)

It is worth mentioning that the Zimbabwe Electricity Regulatory Authority (ZERC) has just applied to become a member of RERA and this application is currently being processed in accordance with the requirements of the Constitution.

Ladies and Gentlemen

Over the past seven and half (7.5) years, I have had the privilege to play various roles in RERA before and after its formative stages. I chaired the Technical Committee that prepared the groundwork including the constitution for the formation and launch of RERA. After the Association was officially launched in September 2002, I had the honour to serve as its First Chairperson.

This being my first and last press briefing in Zambia in the capacity as Outing Chairperson of RERA, it is befitting that I highlight major activities that have been carried out during my tenure of office. Being a relatively new regional Association, the preoccupation was on building its institutional capacity and strategising on the activities aimed at realising the strategic objectives. One of the major tasks of the Association was to mobilise resources to carry out its activities and establishing a Secretariat to facilitate the implementation of the work programme.

Ladies & Gentlemen

I am pleased to report that the Royal Norwegian Government, through Norwegian Agency for international development (NORAD), was kind enough to come to the assistance of RERA by providing NOK7.5 million (seven million five hundred thousand Norwegian Kroner) to be spread over a period of three (3) years. The Electricity Control Board (ECB) of Namibia also provided sizeable financial assistance to RERA during its early stages.

Other RERA members also deserve to be commended for their efforts and commitments towards making the Association self-sustaining. The five (5) members of RERA have made a combined contribution of about ZAR2 million during the period under review.

As regards the establishment of the secretariat, a decision was taken to locate it in Windhoek, Namibia until such time that it is decided otherwise. The offices of the RERA Secretariat are at ECB house in Windhoek, Namibia and they were officially commissioned by His Excellency, Hifikepunye Pohamba, President of the Republic of Namibia, on 12 July 2005.

Over the past three (3) years, the Southern Africa Development Community (SADC) region has recorded significant developments in the state of regulation. It was quite evident that SADC countries are making effort to embrace reforms in the energy sector and utilities in particular. There was also growing realisation in region on the importance of restructuring and great interest was exhibited by various stakeholders including politicians and technocrats.

At the launch of RERA, the founding members of RERA were only four (4). Since then, three (3) additional regulatory agencies have been established. The Lesotho Electricity Authority (LEA) became the fifth (5th) member in 2005 and the Zimbabwe Electricity Regulatory Authority will officially come on board very soon as the sixth (6th) member of RERA. The Institute for Power Regulation in Angola is also expected to join RERA during the course of this year.

RERA also engaged key stakeholders in the SADC region and internationally in order to establish cooperation and partnerships as well as sensitize them about its mission. More importantly has been the on-going interaction with the SADC secretariat and Southern African Power Pool (SAPP).

Other significant developments worth mentioning include:

- Development of Work Plan and Budget under the NORAD support;
- Operationalisation of the RERA Portfolio Committees and Subcommittees;
- Development of draft Regional Electricity Regulatory Principles which are in the process of being finalised through a stakeholder consultation process
- Co-hosting of five (5) regional regulatory training courses and sponsorship of seventeen (17) officials at the same regulatory training programmes

- Facilitation of exchange visits between members
- Production of reports and position papers on various regulatory matters
- Establishment of a RERA website (www.rerasadc.com)

There are also some notable challenges in the state of the regional electricity supply industry. More prominently was the realization that generation capacity was diminishing and urgent measures needed to be taken to develop new generation before 2007. In October 2004, the Ministers responsible for energy in the SADC region mandated the Southern African Power Pool (SAPP) and RERA to organise a regional investment conference to mobilise funds for implementation of regional projects to address the diminishing generation capacity. I am pleased to report that RERA co-hosted and co-sponsored the Regional Electricity Investment Conference (REIC) in Windhoek, Namibia in September 2005.

Ladies & Gentlemen

On behalf of the Executive Committee, I would like to take this opportunity to thank our cooperating partners who have rendered the much appreciated assistance. NORAD has given a grant to RERA, and who through the Norwegian Water Resources and Energy Directorate (NVE), the Water and Energy Regulator of Norway, continue to work with RERA on all major regulatory areas in the region. The National Association of Regulatory Utility Commissioners of the USA (NARUC), Nexant, Academic for Educational Development (AED), and Core International, all funded by the United States Agency for International Development (USAID) rendered

vital support towards the institutional capacity building of RERA especially during the formative stages of the Association.

To SADC and Governments in region, thank you for the support to RERA to enable the Association to continue making a contribution to the regional development efforts.

I would also like to thank the members of the RERA Executive Committee, Portfolio Committees and Subcommittees, and the staff of the Secretariat for the commitment and contribution towards the successes recorded during my tenure of office as the Chairperson. I also wish to extend special thanks to Dr. Xolani H. Mkhwanazi, the former Chief Executive Officer of the then National Electricity Regulator of South Africa (NER) for the valuable contribution to RERA during its formative stages.

To the Incoming Chairperson, Mr. Silvester H. Hibajene, please accept my hearty congratulations on your well deserved election at the Second (2nd) Annual General Meeting of RERA. Mr. Hibajene is no stranger to RERA having served as an Executive Committee member since it was launched in September 2002. He also served on the Technical Committee that worked tirelessly on the formation of RERA. In short he has been associated with RERA since the idea of its formation was mooted. I am confident that he will provide the leadership that will grow the Association from strength to strengthen.

Even I handover the Chairmanship today, I leave as a happy person having made a modest contribution to laying a firm foundation for RERA. As I continue serving as a member of the Executive Committee, I will be at the

disposal of the Incoming Chairperson and he can count on my full support and cooperation during his tenure office.

It is now my honour and privilege to officially handover the RERA Roaming Trophy to the Incoming Chairperson of RERA, Mr. Silvester H. Hibajene, Executive Director of Energy Regulation Board of Zambia.

I thank you