

By Benon Ojiambo

The Electricity Regulatory Index released recently by the African Development Bank ranked

Uganda's Electricity Regulatory Authority (ERA) as the best electricity regulator in Africa. Below are some of the highlights from the report.

Regulatory independence

The report established that 68% of the regulators' budgets are approved by the sector minister.

Nigeria and Tanzania recorded high scores for independence partly because of the provisions in their respective regulatory acts/laws prohibiting commissioners from accepting a job in the regulated utility after their term of office.

In the case of Nigeria, the period is two years, while in Tanzania the prohibition covers the director general, as well as employees of the authority, for a period of eighteen months after the expiration or termination of the term of office.

Accountability

This covered the ability of the regulated entity or other stakeholders to challenge the regulator's decision in the courts through an

How continental regulator assessment was carried out

appeal to a commission or a specialised body. Kenya, Uganda and Tanzania recorded high scores because of the existence of specialised independent bodies such as energy, electricity, or competition tribunals, which can be used to challenge or overturn the regulator's decisions.

Transparency

This entails full disclosure to relevant stakeholders of key regulatory documents, consultation responses, and regulator comments.

Lesotho and Uganda scored the highest marks because these regulators publish explanations and rationales behind all major decisions.

For the other regulators, neither reasons nor explanations are provided.

Predictability

This involves developing clear mechanisms regarding the process to be followed when making and subsequently implementing any changes.

South Africa and Lesotho



Energy minister Irene Muloni receiving the index report from Amadou Hott, the vice president of Power, Energy Climate and Green Growth Complex at the African Development Bank in Mauritius recently

recorded the highest scores while Togo recorded the lowest. Kenya, Uganda, Nigeria, Namibia, Malawi, Senegal and Ghana all recorded scores above 75%.

Participation

This entails stakeholder

involvement via consultations prior to making regulatory decisions and processes via public hearings, as well as distribution of draft reports for comments to stakeholders. Uganda scored the highest marks because the consultation process involves

at least four stakeholders, as required under the primary law.

The Ugandan regulator also publishes comments received from stakeholders during consultation exercises.

Regulatory Substance Index

Out of the regulators surveyed, 20% of the scores fell in the green zone and 27% in the yellow zone, while 47% and 6% were in the orange and red zones, respectively.

The best performers were Namibia, Nigeria and Uganda. Senegal, Tanzania, Kenya and South Africa also performed above average.

Economic regulation

This aspect covered the regulator's functions and duties which affect the financial and commercial viability of the utility company and long-term financial sustainability of the sector.

The best performers were Uganda, Senegal, Tanzania,

Kenya, Ghana and Malawi. The lowest performers were Togo and Gambia.

Uganda and other top performers scored highly in the areas of tariff setting guidelines and methodology, economic regulatory framework for grid connected projects and economic regulatory framework for off-grid systems. The low performers, Togo and Gambia.

Technical regulation

This covered the regulator's duties and functions that affect the quality and reliability of electricity supply to consumers.

Kenya was the best performer due to its strong performance in all sub-areas of technical regulation including quality of service regulation and stand alone systems, as well promotion of the adoption of energy.

Gambia was the lowest performer because the regulator is yet to develop regulatory mechanisms for technical regulation.