



“Leading in Utility Regulation”

**UTILITY REGULATORY AUTHORITY
STRATEGIC BUSINESS PLAN 2019/2022**

ACKNOWLEDGEMENT

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*African Development Bank
Abidjan, Cote d'Ivoire
West Africa*



8th Floor, 1 Cybercity Building – Ebene City, Mauritius

Website : www.uramauritius.mu

Email : +230 4548070 /4548079

Fax : +230 4892796

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**Hon. Ivan Leslie Collendavelloo, GCSK, SC,
Deputy Prime Minister & Minister of Energy and Public Utilities
Republic of Mauritius**



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List of Abbreviation

1. **AfDB** African Development Bank
2. **ALSF** African Legal Support Facility
3. **CEB** Central Electricity Board
4. **CEO** Chief Executive Officer
5. **CWA** Central Water Authority
6. **DPM** Deputy Prime Minister (and Minister for Energy and Public Utilities)
7. **EDB** Economic Development Board
8. **EEMO** Energy Efficiency Management Office
9. **FY** Financial Year
10. **GDP** Gross Domestic Product
11. **ICTA** Information and Communication Technologies Authority
12. **IPPs** Independent Power Producers
13. **MARENA** Mauritius Renewable Energy Agency
14. **MEPU** Ministry of Energy and Public Utilities
15. **MOFED** Ministry of Finance and Economic Development
16. **PESTEL** Political, Economic, Social, Technological, Environmental & Legal Analysis
17. **PPA** Power Purchase Agreement
18. **SBP** Strategic Business Plan
19. **SWOT** Strengths, Weaknesses, Opportunities & Threats Analysis
20. **URA** Utility Regulatory Authority
21. **WB** World Bank
22. **WMA** Wastewater Management Authority

1 CyberCity Ebene, Home of URA



SICOM Tower Ebene, Home of MEPU & EEMO



Chairperson's Statement



It is with great pride that we roll out our very first Strategic Business Plan since the Honourable, Ivan Leslie Collendavelloo, GCSK, SC, Deputy Prime Minister and Minister for Energy and Public Utilities entrusted us with the task of policy and strategic guidance for the first ever independent electricity, water and waste water regulator for Mauritius.

This Strategic Business Plan will guide the business and activities at the Utility Regulatory Authority (URA) for the next three years (2019 to 2022). Several stakeholders have contributed significant inputs to ensure that URA's strategic objectives are aligned with the aspirations of Mauritius as it marches forward, driving its economy to entrench Mauritius in its well-deserved developed nation status.

The URA Board, that I chair, believes that electricity is a critical component in the sustainability of the nation as a powerhouse for the off-shore services industry, a niche that Mauritius has so far excelled in, alongside the booming tourist-related industry, on our "Paradise Island" as our country has come to be known.

The activities of an independent utility regulator (URA) must ensure continued private sector participation in the sector to complement government efforts which will continue to be mainly channeled through the Central Electricity Board, which is presently being corporatized for effectiveness and higher efficiency. We are grateful to the African Development Bank (AfDB) and the African Legal Support Facility (ALSF) who funded a utility regulatory expert to help URA crystalize its Vision, Mission and Strategic Objectives presented in this pioneer Strategic Business Plan for URA.

I must acknowledge the URA internal contribution into the Strategic Business Plan and I challenge the URA Management and Staff to implement fully the strategic activities they have been party to identifying to move URA forward as an independent and objective Regulator, always presenting views from all stakeholders in matters they will be submitting to the URA Board Members for decision.

The URA Board Members have been fully involved in the development of this Strategic Business Plan 2019/2022 and I pledge the full and timely support of the URA Board that I chair for its implementation.

Signed (Philip Ah-Chuen, Chairperson):

A handwritten signature in black ink, appearing to read 'Philip Ah-Chuen'.

Dated: 10/12/2018

Board of the Utility Regulatory Authority



(From Left to Right: Commissioner Roy, Chairperson Ah-Chuen and Commissioner Narain)

Profile of URA Board Members

Mr Philip Ah-Chuen, a graduate of Brunel and Aston University (UK) and a Fellow of both the Mauritian Institute of Management and Mauritius Institute of Directors, was previously a Lecturer at the University of Mauritius and held many director positions. He is a seasoned businessman; currently the Executive Director of Allied Motors Co Ltd (owners of the Audi franchise in Mauritius), a non-executive director in Chue Wing & Co (ABC Foods), an independent director of SBM Bank (Mauritius) Ltd as well as a Commissioner of the Mauritius Public Service Commission. Mr Ah-Chuen joined the URA Board from inception as a Commissioner and was appointed Chairman of the URA effective May 2018.

Mr Luchmun-Roy is a professional accountant; a Fellow of the Association of Chartered Certified Accountants (UK) but also completed the Harvard Law School International Tax Program. He served in the public sector in the Income Tax Department rising to the position of Deputy Commissioner of Income Tax even acting as Commissioner of Income Tax for a short spell. He subsequently worked at Pricewaterhouse Coopers from where he retired in 2008 as Tax Director. He is currently on the Assessment Review Committee at Ministry of Finance and Economic Development.

Engineer Narain is an electrical engineering graduate of the University of Roorkee, India with a subsequent postgraduate diploma in Power Engineering of University of Manchester University, who obtained his practical experience at South Wales Electricity Board (UK). He is a Chartered Engineer in the UK. He served at the Central Electricity Board rising from the rank of Senior Engineer, Assistant General Manager retiring as Deputy General Manager in 2003.

NOTES:

1. Mrs. Rosemary Elizabeth Anodin, a very senior lawyer who had worked as Senior State Attorney and retired as Chief Legal Secretary, was appointed Commissioner on 16 May 2018. Unfortunately, she passed away in August 2018, after providing invaluable advice on certain legal aspects of this Strategic Business Plan 2019/2022.
2. The CEO of URA, Eng Alfred D Byigero is an electrical engineer and a graduate of the University of Garyous, Libya and a postgraduate of University of Twente, Netherlands in Energy and Environmental Management. For 15 years he worked at the Rwanda Utilities Regulatory Authority (RURA). At his leaving to join URA he had risen to the position Deputy Director General in charge of Energy, Water and Sanitation Regulation at RURA. He has been involved in the formation of several regional regulatory bodies, notably the Regional Association of Energy Regulators of Eastern and Southern Africa (RAERESA), the Energy Regulators Association of Eastern Africa (EREA) and the Independent Regulatory Board (IRB) of the East African Power Pool (EAPP).



The URA Board Members (seated) and Staff of URA (standing) as at 28th November 2018

STATEMENT BY THE ED/CEO OF URA



A Strategic Business Plan is a key tool in the management of a statutory entity such as the Utility Regulatory Authority (URA), so it was with eagerness that we (management and staff at URA) embraced the three-year Strategic and Business Plan FY 2019/22 for URA. And it is a great relief that URA is finally producing its maiden strategy.

Valuable, critical inputs and guidance for this Strategic Business Plan, were provided by the Regulatory Expert contracted by the African Development Bank (AfDB) and the African Legal Support Facility (ALSF) and the outcome has been a collaborative effort of several stakeholders to the URA statutory mandate as an independent utility regulator in Mauritius.

The URA is very grateful to the top management of the Ministry of Energy and Public Utilities, starting with the Deputy Prime Minister and Minister for Energy and Public Utilities, Ministry of Finance and Economic Development (MoFED), Mauritius Renewable Energy Agency (MARENA), State Law Office (SLO), Energy Efficiency Management Office (EEMO), Business Mauritius, Central Electricity Board (CEB) and the Economic Development Board (EDB); all of whom interacted with the team that has developed this URA Strategic Business Plan 2019/2022.

The URA Board Members and staff are most appreciated for contributing effectively to the strategy development process and it is my belief that at policy level and the lower implementation level this Strategic Business Plan will be enthusiastically put into effect. The three years ahead will indeed see a marked transformation, now that this guiding tool is in place.

Signed:

Dated: 10/12/2018

Eng Alfred D. Byigero, ED/CEO



Staff of URA as of 28th November 2018

EXECUTIVE SUMMARY

The Government of the Republic of Mauritius, following the study by a consultant (Andersen) back in 2002, enacted several Acts of Parliament including that creating an independent utility regulator (the Utility Regulatory Authority Act 2004) and the Electricity Act 2005 for the regulation of the whole electricity sector.

To enable URA to execute its mandate, the Government through the Ministry of Energy and Public Utilities (MEPU), sought support and obtained a contracted Regulatory Expert from the African Development Bank (AfDB) and the African Legal Support Facility (ALSF) who, among other things, have guided URA in developing its maiden three-year Strategic Business Plan 2019/2022.

A scan of the economic environment of Mauritius revealed a steadily and strongly growing economy that has been quickly transformed from sugar cane and cotton based manufacturing industries, diversifying and creating an enviable niche in the lucrative off-shore services industry, while growing its tourist-based industry to a level where Mauritius is now renowned worldwide as “The Paradise Island”.

Focusing on the mandate of URA, the Board and Staff, guided by the Regulatory Expert, conducted standard Political, Economic, Social, Technological, Environmental and Legal (PESTEL) and the Strengths, Weaknesses, Opportunities and Threats (SWOT) analyses. These revealed more strengths and opportunities for URA than weaknesses and threats. However, the harmonization of the various laws relating to the URA mandate, developing an – across – the – board common understanding of the financial and operational independence of the regulator as well the strong recruitment drive/skills development and training for URA staff and Commissioners, need urgent attention.

The above notwithstanding, through a consultative process the URA Vision (To be a Responsible Utility Regulator for Sustainable Utilities), the URA Mission (To promote: (a) Fair Competition in the Utilities Sector, (b) Utility Consumer Rights and Awareness and (c) Affordable and Fair Tariffs and Premium Quality Services to All) as well as five core values for URA were determined. The following seven Strategic Objectives to achieve the above Vision were identified:

1. Enhancing the Electricity Sector Legal Framework thorough phased implementation of the Licensing and Legal Framework Review.
2. Recruiting, skilling, developing and strengthening the URA team comprising the Board, Management and Employees.
3. Continually focusing on the URA Electricity Regulatory Mandate and perfecting the core Electricity Regulatory Framework in the Consumers’ interest.

4. Enhancing the Financial Independence and Guaranteeing Transparent Accountability.
5. Remaining Relevant through Regular Public Engagement.
6. Conducive Working Conditions.
7. Keeping in view the pending proclamation on Water and Waste Water Regulation.

To achieve on each of the above strategic objectives, the required human and financial resources have been identified and estimated. To enhance the principle of independence, it has been accepted that although the URA Act allows for national treasury funding of URA activities, the option of URA charging fees and levies (also provided for under the URA Act) becomes the main source of URA's operational revenue. Thus, URA will be mainly dependent on three sources of revenue:

- a) **Application Fees**; payable whenever an entity applies to URA to process a regulatory matter e.g. license, tariff approval, change of license terms, etc.
- b) **License Fees**; a once-off payment on being accepted to operate in the regulated sector.
- c) **Regulatory Annual Fees**; an annual levy on regulated entities dependent on their volume of business.

Progress monitoring and evaluation are key to on-going status of any entity. Monitoring and evaluation indicators of URA's activities in the three years to come have been annexed to this Strategic Business Plan. This will help supervisors at all levels within URA and outside to regularly ensure value for money from the activities of URA.

URA being a new entity whose mandate involves taking over some responsibilities from already existing Government departments and agencies, it is most prudent that well-thought out Communication and Partnership Strategies are put in place. Areas such as getting strategic alliances and smooth entry/takeover of responsibilities are presented in Annex 7.

Section 1: Emerging Strategic Issues Deemed Crucial for the URA Strategy Formulation

1.1 Emerging significance of new renewable sources of Energy

Given the emergence of rapidly evolving renewable energy technologies on the back of increased financing of the same through the green energy movement, regulation of renewable energy resourced power supply systems is quickly taking a significant position. The power utility regulator of tomorrow must be continuously equipped with the slightly different skills needed.

URA needs to be aware of the impact of the emerging renewable technologies on the utilities' investment profiles, efficiency in operations and manpower requirements. The relationship between URA and MARENA will take on increasing significance as new renewable energy technologies become available for deployment into the power supply chain.

1.2 Operationalization of URA Act 2004 through regulations

The URA Act allows the Authority to issue Regulations after advising the relevant Minister. This will require close coordination between MEPU and URA, and all other stakeholders.



Lineman on HT Concrete Pole



Part of a Thermal Power Plant



Port Louis - La Tour Koenig Substation



Section 2: Institutional Background of the Utility Regulatory Authority (URA)

2.1 Institutional Framework

The Electricity Act 1939 governs the electricity sector in Mauritius. This law will be superseded by the Electricity Act 2005 upon proclamation.

The Central Electricity Board (CEB), a fully government owned company, was created in 1952 to coordinate the electricity sector and in addition to its primary roles of generator, supplier, bulk buyer and transmission/system operator of electricity, and also contracts with private generators.



The Integrated Electricity Plan 2013-2022 set the pace for the period 2013 to 2022 whose prime objective is to “safeguard Mauritius against energy insecurity, price instability and environmental imperatives”.

2.2 Status of electricity supply in Mauritius

Through careful planning and implementation, Mauritius achieved 100% electrification by 1982 a major achievement. Major power consumers include transport, manufacturing, commercial use (including tourism), households and irrigation among others.

Currently CEB through its hydro, thermal and renewable power plants, supplies about 45% of the 678MW, including 200MW from Independent Power Producers (IPPs) national installed capacity. It has 16 major substations and 300km of single circuit power lines. Its customer base is about 450,000 clients supplied at 60kV, 22kV, 6.6kV and 415V and 230V across the country. CEB is the single bulk buyer of all generated electricity and also the sole supplier to all Mauritius power users.

On behalf of the Mauritian government, CEB has contracted with several private power generators (IPPs) whose thermal and renewable power plants account for 55% of the national installed capacity.

By 2015, 84% of all the primary energy sources in Mauritius was from imported fossil fuels, 11% from hydro resources and only 5% from combined solar, wind, waste and biofuels which prompted the government to focus on diversification to more sustainable sources, that will see renewables taking center stage in the power supply mix of the country over the next few years.

The country's Vision 2030 re-echoed in the country's 3-Year Strategic Plan 2017/18 – 2019/2020, emphasizes that renewables will grow from contributing 21% in 2015 to contributing 35% by 2025 to the sources of energy generated in the country.

To this end, government has set up the Mauritius Renewable Energy Agency (MARENA) through the MARENA Act 2015 to explore financing sources and renewable energy incentive schemes as well as Research and Development (R&D) in the area of renewables.

2.3 Rationale for electricity regulation in Mauritius

The 2002 Andersen "Mauritius Power Sector Reform Programme Consultancy Report" while focusing on CEB also recommended the establishment of an independent multi-sectoral regulator for the electricity and water sectors or utilities in Mauritius.

The Utility Regulatory Authority Act was passed in 2004 and its proclamation was done in September 2008. The Board was appointed in September 2016. There are several advantages associated with an independent sector regulator, especially in the case of Mauritius:

- i. Separation of policy maker (political) role from implementer (technical) role for efficiency and minimization of political interference in implementation.
- ii. Bringing fair market competition to the electricity (and water) sectors which have significant natural monopoly segments.
- iii. The freeing of CEB from the regulatory role in a market where it competes with those it regulates.
- iv. Ensuring the sector sustainability through setting consumer tariffs that encourage efficient capital investments in assets that will be efficiently deployed for power generation.
- v. Ensuring fair tariffs payable by consumers for quality electricity that is stable, reliable and sustainable.

2.4 The Road map of URA

A “Road Map for Mauritius Utility Regulatory Authority” was developed under the Regulatory Assistance Project (RAP) in 2017, which proposed a phased approach in line with the previous recommendations of the Andersen Report of 2002. The water and waste water components will be brought on board only after the electricity sector regulation has been fully established.

The implementation of the Electricity Act 2005 which is yet to be proclaimed, requires harmonization with other electricity sector laws such as the Energy Efficiency Act 2011, the Central Electricity Board Act 1964 (as amended) and the Mauritius Renewable Energy Agency Act 2015. This will be addressed through Regulations and Memorandum of Understanding, to provide more clarity and complementarity of the various laws.

2.5 Why the need for a URA Strategic Business Plan

A Strategic Business Plan will support URA on the delivery of its mandate as envisioned by the Mauritian Government, which is to:

- i. Ensure sustainability and viability of utility services
- ii. Protect the interests of both existing and future customers
- iii. Promote efficiency in both capital investments and operations
- iv. Promote competition to prevent unfair and anti-competitive practices

Section 3: Macro-Economic Environment and Energy Analysis for Mauritius

The changing economic mainstay in Mauritius (from sugar cane to garment manufacturing to off-shore service industry & tourism)



3.1 Global Economy and its Impact on Mauritius:

Mauritius economy although previously tied to manufacturing especially sugar cane related items and Free-Zone based items, has turned to serious tourist-based economy attracting many international tourists through the “Paradise Island” campaign. This shift has led to a higher demand for quality for electricity by the associated commercial hotel and accommodation sector. Tourists especially the well-paying top end tourists have high expectations on quality of electricity where they spend big money. However, the tourists’ numbers are also governed by their national socio-economic and political situations despite Mauritius’ economic and political stability.

The government through careful planning in the last few decades has deliberately encouraged the development of facilities in selected areas such as Smart Cities which have turned Mauritius into a services hub for international financial institutions and international IT companies. Both these industries call for even better reliability, stability, availability and general quality in electricity supply for their interconnected computer systems that run on a twenty-four-seven basis.

The above two scenarios spell out the need for more investments in quality and quantity of supply which are often associated with independent electricity regulation.

3.2 Growth in the Mauritius national economy and the role of electricity

Section 2.4 on PESTEL highlights that the Mauritian economy is not only strong but steadily growing and the growth is driven by sectors in which electricity plays a central role such as tourism, manufacturing, ICT and off-shore financial services. Growth in these economic activities averaging 4% of real GDP for several years, must somehow be correlated to the growth in the electricity sector *with an increase in generation from 3,042 GWh in 2016 to 3,132 GWh in 2018 representing an increase of approximately 2.9%. The quantity of electricity sold during this period was also subjected to an increase from 2,559 GWh in 2016 to 2,650 GWh in 2018 representing an increase of approximately 3.6%. Consequently, the per capita electricity consumption raised from 2,025 KWh in 2016 to 2,095 KWh in 2018 which represent an approximate increase of 5.5%.*

The Household Survey by the government of Mauritius in 2017 shows total income grew by 5.7% for the previously poor household’s category compared to 2012. Household consumption expenditure also rose by 21.6% in the year 2017.

All these developments indicate growing availability of disposable income and improved lifestyles which are closely linked to increased demand and use of electricity (e.g. increased use of TVs, smart phones, washing machines, microwaves etc.)

3.3 Defining the URA stakeholders and their expectations from URA

Table 1 details the major stakeholders in electricity sector and enumerates their expectations of URA and how these can be taken on board in the Strategic Business Plan.

Table 1: URA’s Stakeholders and their Expectations

	Stakeholder	Expectations	Consequence for URA Strategic Plan
1	Government of Mauritius	a) Implementation of government policies. b) Quick growth into mature Regulator. c) Professionalism leading to more private sector investments. d) Protection of Consumers against unfair tariffs & monopolistic behavior.	i. Attentive to government policies. ii. Getting personnel with relevant skills for tasks iii. Harmonization of relevant laws iv. Capacity to objectively set or review sector tariffs v. Introduction of license fees and levies.
2	Government Agencies	a) MARENA – advice & corroboration on licensing renewable projects.	i. Quick harmonization of laws. ii. Establishing proper communication systems. iii. Transparency and professional behavior.

		<p>c) CEB – smooth transfer of regulatory role; fair treatment in processing its license & tariff applications.</p> <p>d) Revenue Authority – sustainable sector leading to more tax revenue.</p> <p>e) Auditor General – regular & clean reporting</p>	
3	Internal Stakeholders (Board Members & Staff)	<p>a) To become fully financially independent</p> <p>b) To attain high repute of URA as a leading regulator</p> <p>c) Job security and fair welfare</p> <p>d) Recognition for good work</p>	<p>i. Human Resource Manual</p> <p>ii. Advocate to charge and retain the license fees and levies but transfer the surplus to the Universal Service Fund;</p> <p>iii. Ensure URA staff meet KPI</p> <p>iv. Good performance, professionalism in performance of jobs</p> <p>v. Performance appraisal</p> <p>vi. Equitable Reward</p>
4	Public Investor in sector (CEB)	<p>a) Fair and equal treatment as IPPs.</p> <p>b) Tariffs that will enable it invest and remain viable.</p> <p>c) Honoring agreements existing between CEB and IPPs.</p>	<p>i. Exhibit professionalism.</p> <p>ii. Appropriate skills at work.</p> <p>ii. Commitment on existing Agreements</p>
5	Private Investors in sector	<p>a) Equitable treatment.</p> <p>b) Predictability and consistency in action.</p> <p>c) Fair prices covering capital & invested capital recovery as well as decent return on investment.</p> <p>d) Timely action on requests.</p>	<p>i. Professionalism coupled with skilled competence.</p> <p>ii. Regular tariff and ability to pay studies.</p>
6	Present and Future Consumers	<p>a) Fair and affordable tariffs</p> <p>b) Stability in sector and supply.</p> <p>c) Independent and transparent in decision making.</p> <p>d) Ensuring suppliers provide quality electricity</p>	<p>i. Create awareness of URA.</p> <p>ii. Skilled tariff setting staff.</p> <p>iii. Establishing Commercial terms of supply with licensees.</p> <p>iv. Create structure for complaints reporting and processing.</p>

			<ul style="list-style-type: none"> v. Establishing the operations Grid Code. vi. Supervising the utilities' Service Level Agreements
7	Business Mauritius	<ul style="list-style-type: none"> a) Investment friendly environment for its members. b) Creation of new investment opportunities. c) Corroboration and information sharing. d) Equitable treatment for similar investors 	<ul style="list-style-type: none"> i. Professionalism in action. ii. Predictability iii. Transparency in actions. iv. Regular consultation.
8	Consumer Protection Groups	<ul style="list-style-type: none"> a) Fair tariffs for quality electricity supplies. b) Efficient investment and operations. c) Fair treatment for all consumers of electricity. 	<ul style="list-style-type: none"> i. Regular and objective tariff reviews. ii. Quick resolution of consumer complaints. iii. Reasonable Service Level Agreements
9	Media & NGOs	<ul style="list-style-type: none"> a) Transparency in operations. b) Regular factual briefs. c) Advocacy/protection for consumers. 	<ul style="list-style-type: none"> i. Professionalism. ii. Regular reports/press releases on sector. iii. Openness with media. iv. Enforcement of Commercial compliance.
10	Environment lobby	<ul style="list-style-type: none"> a) Environmental sensitivity. 	<ul style="list-style-type: none"> i. Environmental protection in licensed projects ii. Environmental monitoring of licensees.
11	Development Partners & Other Funders	<ul style="list-style-type: none"> a) Efficient use of funds and resources provided; b) Competent and well-organized team at URA c) Information and data sharing 	<ul style="list-style-type: none"> i. Develop good appealing projects; ii. Develop process for accessing funds from these partners and funders iii. Ensure recruitment is based on merit iv. Continuous training/skilling of URA staff;
12	Water & Waste Water Sector	<ul style="list-style-type: none"> a) Clear Policy & Strategy for sector. b) Commencement of regulation 	<ul style="list-style-type: none"> i. Keeping track of evolving issues in water sector.
13	Regional Power Agencies/Associations	<ul style="list-style-type: none"> a) Professional in executing your mandate; b) Sharing information & Experiences c) Meet membership Obligations 	<ul style="list-style-type: none"> i. Peer Reviews ii. Participating in their programs e.g. training, workshops iii. Complying with terms of membership

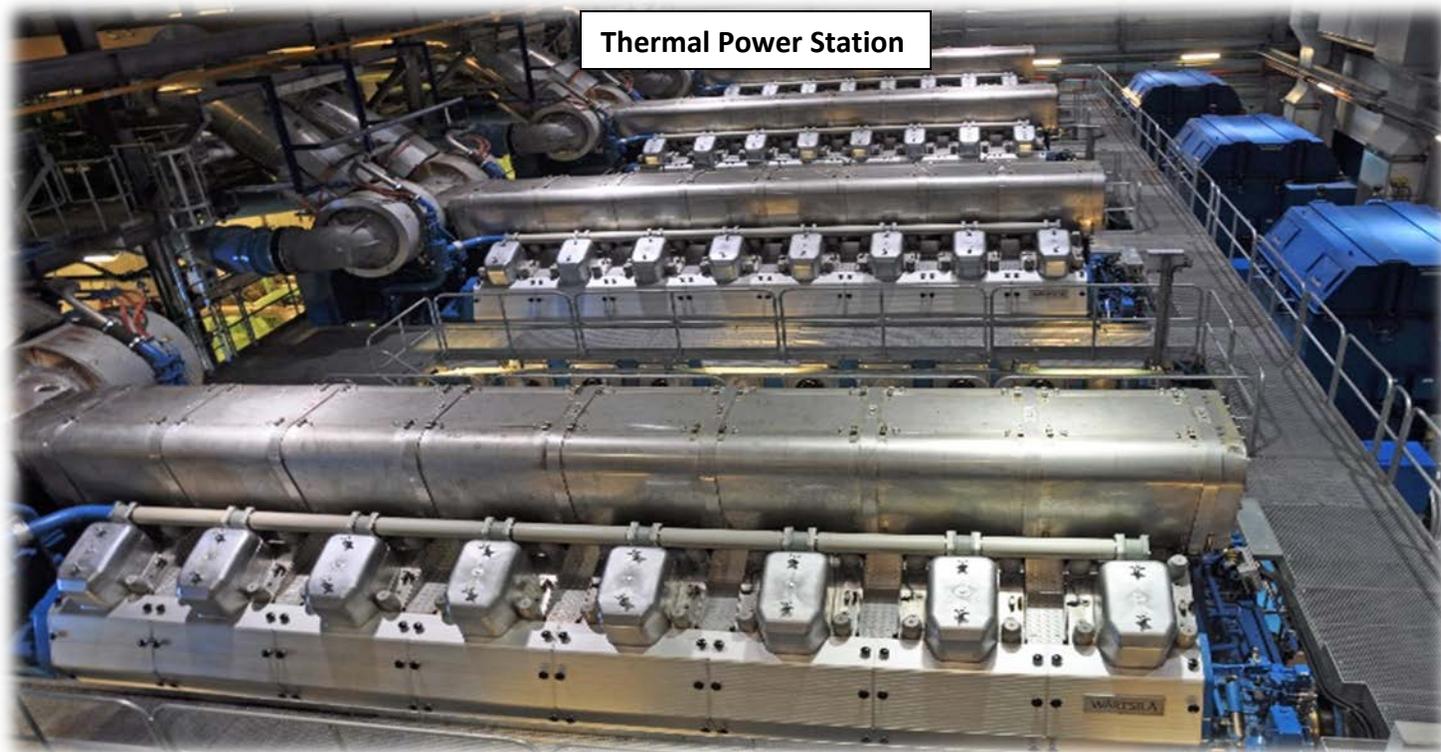
3.4 Political, Economic, Social, Technological, Environmental and Legal Analysis

The analysis of critical external factors and issues that may impact URA’s performance is summarized in Table 2. These issues have been incorporated into the Strategic Business Plan as areas of focus and strategic activities to be undertaken by URA.

Table 2: PESTEL Analysis relevant to URA.

	External Environment Issues Factors	Associated Issues relevant to URA	Consequences for the URA Strategic Business Plan and its activities
1	Political	<ul style="list-style-type: none"> a. Mauritius is a stable, multi-party democracy. b. Corruption is not a major issue 	<ul style="list-style-type: none"> a. Adherence to government policy is important b. Frame Regulations with period of good will.
2	Economic	<ul style="list-style-type: none"> a. Mauritius attained Medium Income status. b. Real GDP growth (4% plus) is robust. c. Public infrastructure expenditure stimulating private sector investment. d. Diversified economy from manufacturing to services. e. Tourism growing at 5.2% plus in “Paradise Island” (1.34 million arrivals in 2017) 	<ul style="list-style-type: none"> a. Regulation must encourage steady investment in utilities to match economic growth b. Utilities quality of supply to match expectations of modern tourism and service industries
3	Social	<ul style="list-style-type: none"> a. Normal population growth with an ageing population and a narrow domestic skills base b. 5.7% increase (2017) in household incomes i.e. increased capacity to spend c. 21.6% increased household expenditure on life style goods. d. Increased per capita electricity consumption (2.68 kWh in 2017 compared to 2.12 kWh in 2010) 	<ul style="list-style-type: none"> a. Need for foreign expertise initially supported by intense recruitment and training of local staff in utility regulation. b. Utilities’ quality of supply must improve to meet high level consumer expectation.
4	Technological	<ul style="list-style-type: none"> a. Government is keen on Renewable Technologies (MARENA Act 2015) b. Modern enterprises moving to IT for operations c. Convergence in IT data transfer and electricity transmission. 	<ul style="list-style-type: none"> a. Corroboration with entities in renewable resources b. Flexible regulation of dynamic utilities

5	Environmental	<ul style="list-style-type: none"> a. Globally environmental oversight is more stringent b. Utilities' activities often affect fragile ecosystems c. Declining rainfall in an environment of increased demand for potable water 	<ul style="list-style-type: none"> a. Corroboration with environmental NGOs and the national agency b. Sensitivity to environmental issues in project applications and development
6	Legal	<ul style="list-style-type: none"> a. Mauritius has strong employment legislation b. Health and Safety Legislation also in place 	<ul style="list-style-type: none"> a. Incorporation of the legal requirements in the Terms of Licenses issued



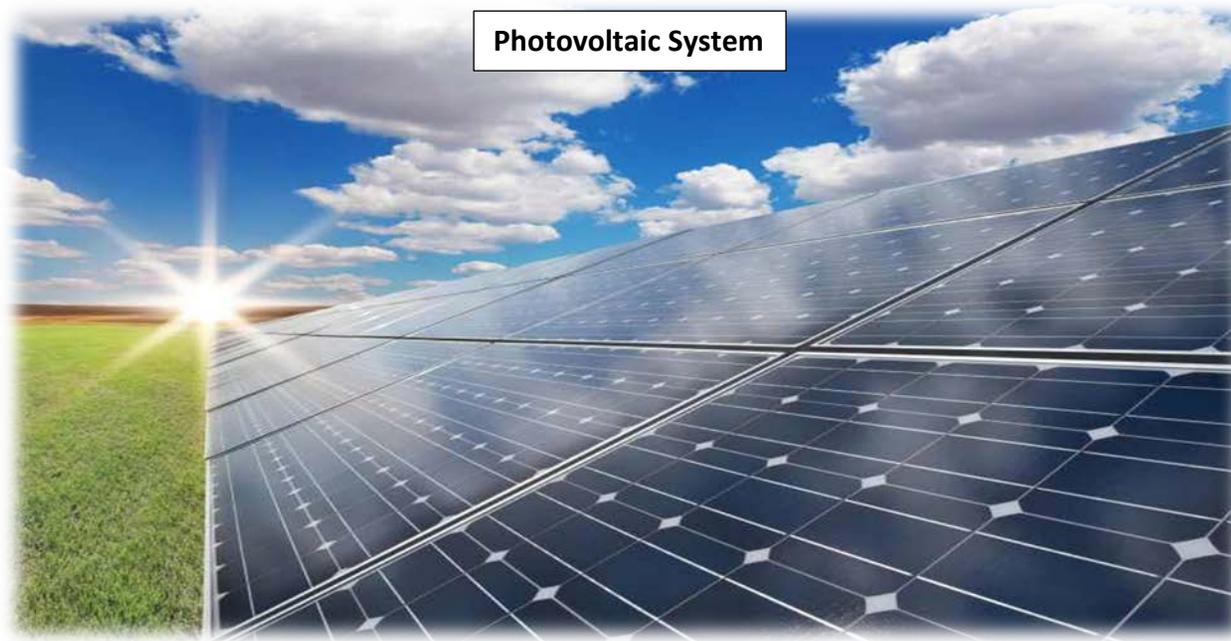
Section 4: Strengths, Weaknesses, Opportunities & Threats

Table 3 summarizes the relevant SWOT analysis and its consequences for the Strategic Business Plan and URA’s activities.

Table 3: SWOT Analysis for URA

URA Attribute	Specific Element of Attribute	Consequences for URA Strategic Business Plan
STRENGTH	Established by an Act of Parliament	i. Must act within the law
	Board is committed	ii. Board members will benefit from more exposure on regulation in other countries
	Financial independence spelt out in URA Act	iii. Supporting regulations need to be developed by URA iv. Operationalize the financial independence clauses in the law
WEAKNESS	Few Board Members	i. To ensure that there is a maximum of 4 Board members with diverse skills, with a balance in age and gender
	Unskilled/untrained staff	ii. Prioritize staff skills analysis and align to URA skills needs iii. Quickly develop staff training strategy
	Inadequate budget control	iv. Operationalize the financial independence clauses in the URA Act
	Inadequate funding	v. Operationalize the Universal Service Fund and its regulations
	Water & Waste Water regulation	vi. Monitor Government intent on Water & Waste water regulation (Create monitoring desk)
OPPORTUNITY	Private sector goodwill	i. Regular communication channels with all stakeholders.
	Government goodwill	ii. Set up regular communication channels with Government through quarterly briefs
	Goodwill from sister govt. agencies	iii. Establish MOUs with sister govt. agencies
	Govt. open to review of the laws	iv. Make required inputs to the govt. law reforms processes. (strengthen URA Legal Unit)

THREAT	Ambiguity in Electricity Act 2005	<ul style="list-style-type: none"> i. Establish a strong legal unit supported by external lawyers ii. Provide proactive support to the law reforms iii. Communicate regularly with sister agencies to form unified front in legal reforms.
	Overlapping roles in MARENA, EEMO, CEB & URA Acts	
	Clarity of financial independence of URA	



Section 5: URA's Priority Activity Plan

5.1 Defining the future for URA (Vision, Mission and Values)

Vision Statement:

"To be a responsible regulator for sustainable utilities"

Mission Statement:

"To promote:

- (a) Fair competition in the Utilities Sector
- (b) Utility consumer rights and awareness
- (c) Affordable and fair tariffs and premium quality services to all"

Core Values:

1. "Dedicated to teamwork and treating our internal and external stakeholders with due care and respect"
2. "Being honest, fair and ethical in all our actions"
3. "Innovation driven to sustain the regulated sectors"
4. "Being transparent and responsible for our actions"
5. "Demonstrating competence, expertise and independence in all our activities"

Motto: "Leading in Utility Regulation"

5.2 URA's Strategic Objectives and Key actions

5.2.1 Strategic Objective 1:

Enhancing the Electricity Sector Legal Framework through a phased implementation of Licensing and Legal Framework Review

- i. **Legal Framework improvement and monitoring**
 - Review the electricity and water sectors laws
 - Identify articles in various laws for review and harmonization

ii. Putting in place Regulations

- Generate Regulations in support of the URA Act 2004 and the Electricity Act 2005
- Develop and publish Licensing Regulations
- Develop and publish Regulations on Technical Regulation of the sectors
- Develop and publish Regulations of Financial Reporting

iii. Enacting appropriate Acts of Parliament

- Seek to be involved in the harmonization of all laws that affect electricity
- Seek to be involved in the development of appropriate water and waste water laws

iv. Supporting the development of Sectoral Policies

- Advocate for the development of an overarching national electricity policy
- Actively participate in the harmonization of laws affecting electricity and water utilities of Mauritius

5.2.2 Strategic Objective 2:

Recruiting, skilling, developing and strengthening the URA Team comprising of the Board, Management and Employees

i. Broadening & Deepening the Board Membership:

- Board should have members with varying age and gender.
- Board should comprise members from multi-disciplinary backgrounds to support URA.

ii. Recruiting appropriate staff:

- Technical Regulation requires competent and trainable staff to execute this key activity.
- The need for Financial and Economic Regulation expertise will grow as operators whose permits of undertaking will expire soon will have to apply licenses. Tariffs there-in will require appropriate determination and/or verification. URA must put in place dedicated, competent or trainable staff to carry out this role.

- URA will, on an ongoing basis, require to be strengthened with additional staff to create the institutional capacity to draft and implement various Regulations.

iii. Training URA Board and Staff:

- Current and soon to be recruited staff will need to be trained in-house, externally and through appropriate attachments to well-selected utility regulators.
- The URA Board members will need to sharpen their utility regulatory skills through attending appropriate training workshops and short courses as well as attachments or sharing experiences with their peers at other agencies across the globe.

iv. Team Building Activities:

- Deliberate and regular URA staff team building and bonding activities to create a coherent URA team.
- Team building activities will be incorporated in the Annual Strategic Review Retreats.

5.2.3 Strategic Objective 3:

Continually focusing on the URA Electricity Regulatory Mandate and perfecting the core Electricity Regulatory Framework in the Consumers' interest.

The four core regulatory Activities (Mandates) under Strategic Objective 2:

i. Licensing Utilities

- Developing and Regular Review of Licensing Framework for old and new utilities (including transitional arrangements)
- Issuing Licenses to Existing Utilities through transitional arrangements
- Developing and publishing Licensing Procedures Document

ii. Economic Regulation of Utilities

- Developing the Mauritius Tariff Methodology
- Conducting tariff studies and willingness to pay studies for Mauritius
- Assessing or verifying the tariff rate base for each licensed entity

- Carry out annual financial viability assessment for all licensees

iii. Technical Regulation

- Developing and enforcing quality of service regulations
- Keeping a record of the system faults outside of the allowable range
- Harmonizing the present CEB Grid Codes into a national Grid Code applying to all licensees
- Verify/audit all assets deployed on the national supply network

iv. Commercial Regulation

- Ensuring each licensee has a customer service agreement with their client (s).
- Compiling and publishing licensees' breaches on the commercial terms of the licenses
- Ensuring all licensees issue and publish Annual Performance Reports on time
- Issuing the Regulatory Annual Performance Report

5.2.4 Strategic Objective 4:

Enhancing Financial Independence and Guaranteeing Transparent Accountability

i. Enhancing Financial Independence of URA

- Putting the relevant Regulation in place
- Getting buy-in from stakeholders on financial independence of regulator

ii. Transparent Accountability

- Providing monthly Management Accounts and sharing with Board Members.
- Ensuring Quarterly performance reports are availed to the Board Members
- Ensuring independence of the internal audit function.
- Providing and publishing the externally audited accounts as part of the annual performance report.

5.2.5 Strategic Objective 5:
Remaining Relevant Through Regular Public Engagement

i. Public Consultation

- Requesting for public and concerned stakeholder views on license applications
- Providing opportunity for Public Hearings on tariff reviews
- Having a comments/feedback area on the organization's website

ii. Public Briefing

- Provide quarterly sector briefs/reports to public
- Call Regular press briefings
- Creating an active website with well-informed webmaster to respond to queries
- Regularly publish "Frequently Asked Questions"

iii. Publicity and Public Relations

- Well-prepared Public Relations Strategy
- Well-prepared and understood Disaster Response/Mitigation Plan
- Regular operations environment scan and response to risks

5.2.6 Strategic Objective 6:

Conducive working conditions

i. Adopt clear and defined administrative performance enhancing tools

- Develop, publish and deploy an appropriate Human Resource Manual
- Provide staff performance appraisal and competitive reward systems and implement them equitably.
- Develop and deploy appropriate skills assessment and improvement schemes
- Regularly employ team building activities for staff and Board Members

ii. Provide appropriate working space and tools

- Avail appropriate tools and equipment to URA staff

- Provide proper IT infrastructure

iii. Provide for work-health balance

- Grant staff space for health breaks
- Where possible allow staff participation in social activities

5.2.7 Strategic Objective 7:

Keeping in view the pending proclamation on Water & Waste Water Regulation

This is a holding strategic objective arising only because the URA law requires URA to regulate the Water and Waste Water sectors of Mauritius, since this part of URA's mandate has not yet been operationalized.

For purposes of the Strategic Business Plan, URA will keep track of the developments in the Water and Waste Water sectors.



URA Board Meeting of 28th November 2018

Section 6: Short/Medium Term Business Implementation Plan

6.1 Strategic activities prioritizing and Success Assumptions

The seven Strategic Objectives could be grouped, in descending order of priority, into three pillars that support the **CARDINAL OBJECTIVE** envisioned under the URA Utility Regulatory Mandate:

PILLAR 1: URA Legal Framework (Harmonization of laws of electricity; Drafting Operational Regulations; Remaining relevant to external stakeholders)

PILLAR 2: URA Financial Sustainability (Financial independence; Financial Resources & Streams etc.)

PILLAR 3: URA Team Growth (Technical team formation; Training/Skilling; Staff welfare etc.)

Since URA is already in existence, activities under each pillar must of necessity be on-going and therefore a strict priority becomes less crucial and the order adopted will remain and be carried forward. **Annex 1** has the specific activities and outputs (Key performance Indicators –KPIs) under each of the seven Strategic Objectives.

6.2 Financial Resources Requirement

URA requires substantial financial resources to run efficiently, remain sustainable and independent in its operations:

a) Staffing and Staff Remuneration:

URA to be efficient and deemed as professional/competent will require top notch engineers, economists, accountants, lawyers and publicists among others; and such personnel are often difficult to have in sufficient numbers; Mauritius is no exception in this regard. At the start one may even have to hire from abroad but ideally recruitment and training/skilling of nationals is more sustainable.

After training/skilling such personnel become high-value and attractive to recruiters of other agencies and particularly targeted by the regulated utilities.

To retain them one has to remunerate them at market of better rates and with better terms.

For a utility regulator the salary bill should take up most (50% plus) of the budget as human resources are the main input for adequate outputs (leading to desirable outcomes) for the Authority. A provision must be made for inflation escalation (deemed at 4%) and other cost of living escalations from year to year when computing the salaries for the three years of this SBP.

The organogram (see **Annex 2**) highlights the minimum staffing that URA must be prepared to hire/recruit to execute its mandate provided in the URA Act as guided by current government policy direction. URA presently requires at least six directorates in addition to the Office of the Chief Executive Officer.



b) Administrative Expenditure:

Administrative expenses to be incurred by URA will include cost of office accommodation, office tools, software and equipment. Additional provisions will be made to hire regulations experts/ consultants to support URA to undertake specific activities including drafting various regulations, operational procedures and training/up-skilling newly recruited staff.

c) Capital Expenditure:

The capital outlay for URA will include the purchase of additional vehicles. URA will also eventually consider the purchase or construction of its own office.

6.3 Proposed URA Licensing Fee Structure

The URA Act provides that URA can be financed from the National Treasury, License Fees, Levies and Charges and Other Funds accruing to it from any other source. URA derives its revenues from license fees and charges to the licensed utilities. In **Annex 3** a License Fees Structure is proposed. The proposal recommends that:

- i. Application Fees will be charged for processing applications
- ii. A once off entry fee depending on project size be paid to URA by any utility licensed by URA
- iii. An annual fee depending on project/utility gross turnover for the previous year be paid to URA

Section 7: Monitoring and Evaluation Plan

Each of the seven strategic objectives shown in Section 6 has several activities; each strategic activity will have at least one or two key performance indicators as is summarized in Annex 1. The framework for monitoring and evaluation is presented in Annex 4. URA will complete a detailed monitoring and evaluation tool that reflects the URA annual performance.

Section 8: Communication and Partnership Strategy

8.1 Why and What to Communicate to Whom and When

URA is committed to regularly and transparently communicate to stakeholders on its activities. (See **Annex 5** for URA Key Partners)

The URA Board will on a quarterly basis conduct a formal review of the URA Secretariat and sector performance and will provide a written report to the Ministry. Technical information on the sector performance should be shared and a bulletin published for sharing with the public.

8.2 Statutory/Regulatory Communication

Public Hearings are mandatory and part and parcel of the regulatory decision-making process. These arise when an application is made to the URA.

The URA Regulations on Licensing do clarify at which stage in each application a Public Hearing will be called for:

- a) Public Hearing Announcement
- b) Preparing for the Public Hearing
- c) Conducting the Public Hearing
- d) Outputs and Outcomes of the Public Hearing

8.3 General Communication and Damage Control Communication Plan

URA will prepare a Communications and Partnership Management Plan which will constitute Scheduled General Communication and Risk Management & Damage Control Communication (Unscheduled).

8.4 Partnerships and Partnership Strategy and Management Plan

a) URA Key Partners & Partnerships Strategy

- URA's key partners fall in two broad groups:
 - i) Those ministries and agencies with statutory mandates in the same areas of electricity and water (MEPU, MOFED, MARENA, EEMO and CEB) and
 - ii) Stakeholders with critical interest in URA's mandate and get affected by URA decisions.

b) Key Partners Management Plan (Annex 6)

- URA will pro-actively clarify its stakeholders' expectations and will design a mechanism to meet these expectations and follow-up through regular feedback.
- URA will hold regular contacts/meetings at appropriate levels with all its partners and stakeholders for briefing and exchange of information.

Section 9: Annexes and Attachments

ANNEX 1: STRATEGIC OBJECTIVES ACTIVITIES & OUTPUTS MATRIX

Table A1.1 STRATEGIC OBJECTIVE ONE: <i>Enhancing the Electricity Sector Legal Framework through a phased implementation of Licensing and Legal Framework Review</i>				
Strategic Activities	Key Actions	Output or Outcome (or KPIs)	Period to Achieve	Resources Needed
1) Legal Framework improvement and monitoring	<ul style="list-style-type: none"> Review the electricity and water sectors laws 	Report of gap & contradictions in current legal framework	By end 2019	On-going task
	<ul style="list-style-type: none"> Identify articles in various laws for review and harmonization 	Recommendations on harmonization of laws	On-going	On-going task
2) Putting in place Regulations	<ul style="list-style-type: none"> Generate Regulations in support of the URA Act 2004 and the Electricity Act 2005 	Draft Regulations	By Dec 2019	In-house lawyers
	<ul style="list-style-type: none"> Develop and publish Licensing Regulations 	Draft Licensing Regulations	By Dec 2019	
	<ul style="list-style-type: none"> Develop and publish Regulations on Technical Regulation of the sectors 	Draft Technical Regulations	By Dec 2019	On-going task
	<ul style="list-style-type: none"> Develop and publish Regulations of Financial Reporting 	Draft Financial Regulations	By Dec 2019	Hiring Consultant (~ \$20,000)

	<ul style="list-style-type: none"> • URA is drafting its Regulations. • Needs to strengthen & create institutional capacity to supervise compliance by the utilities to be licensed. 	<p>Get consultancy for Tariff methodology & Cost of Service Study</p> <p>Recruit at least one legal drafting lawyer</p> <p>Recruit at least one Compliance lawyer</p>		Hiring Consultant (~ \$10,000)
3) Participating in the Enactment of appropriate Acts of Parliament	<ul style="list-style-type: none"> • Seek to be involved in the harmonization of all laws that affect electricity • Seek to be involved in the development of appropriate water and waste water laws 	<p>Proposed Harmonized Energy Laws</p> <p>Proposed Water Laws</p>	<p>Approx two years</p> <p>Approx two to three years</p>	<p>No cost to URA</p> <p>No cost to URA</p>
4) Supporting the development of Sectoral Policies	<ul style="list-style-type: none"> • Advocate for the development of an overarching national electricity policy • Advocate for a national water and waste water policy • Actively participate in the harmonization of laws affecting electricity and water utilities of Mauritius 	<p>Keep track of policy developments in the sector</p> <p>Keep track of policy developments in the sector</p> <p>Contribute ideas when called upon</p>	<p>Annually</p> <p>Annually</p> <p>Open</p>	<p>No cost URA</p> <p>No cost URA</p> <p>No cost to URA</p>

STRATEGIC OBJECTIVE TWO:				
<i>Recruiting, Silling, developing and strengthening the URA Team comprising of the board, Management and Employees</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Broadening & Deepening the Board Membership	<ul style="list-style-type: none"> Chairman advises MEPU about gaps (Numbers & Spread of professions) in the Board composition Advise MEPU about gender needs on the Board. 	Appropriate Board in place	Once off action before end 2019	None
2) Recruiting appropriate staff	<ul style="list-style-type: none"> URA Skills needs analysis Power Engineers for Technical Regulation Financial and Economic Regulation Tariffs will require appropriate determination and/or verification. URA is drafting its Regulations. Needs to strengthen & create institutional capacity to supervise compliance by the utilities to be licensed. 	<p>URA skills needs specification report.</p> <p>At least 2 power engineers recruited</p> <p>Recruit a Tariff Economist.</p> <p>Get consultancy for Tariff methodology & Cost of Service Study</p> <p>Recruit at least one legal drafting lawyer</p> <p>Recruit at least one Compliance lawyer</p>	<p>4 months consultancy</p> <p>End Oct 2019</p> <p>End Oct 2019</p> <p>4 months (From Jan 2020)</p> <p>Ongoing</p> <p>End Oct 2019</p>	<p>Recruitment costs (Advert & interviews)</p> <p>-do-</p> <p>Cost of Consultant (~ \$20,000)</p> <p>Recruitment costs</p> <p>Recruitment costs</p>
3) Training URA Board and Staff	<ul style="list-style-type: none"> Current and soon to be recruited staff will need to be trained in-house, externally and through appropriate attachments to well-selected utility regulators. 	Two In-house training events every year	<p>Two events by end 2020</p> <p>Once each year (in USA)</p>	Cost of hiring lead consultant (~ \$ 20,000)

	<ul style="list-style-type: none"> The URA Board members sharpening their utility regulatory skills through attending appropriate training workshops and short courses as well as attachments. 	<p>One-week institutional training for three staff</p> <p>One 2-weeks attachment for 3-unit heads to other regulatory agencies</p> <p>Attendance of technical staff at relevant conferences (AFUR, RERA, REARSA, Energy/Electricity Regulators Network of Indian Ocean, etc)</p> <p>Attendance of two URA Board members at relevant conferences (AFUR, RERA, RAERESA, Energy/Electricity Regulators Network of Indian Ocean etc.)</p> <p>Two URA Board members training at external institution</p>	<p>Once by July 2020</p> <p>Annual meetings</p> <p>Annual conferences</p> <p>Once before end 2019</p>	<p>Cost or air tickets & per diem for 3 staff</p> <p>Cost or air tickets & per diem for 3 staff</p> <p>One staff per diem and air ticket for each</p> <p>Two Board Members per diem and air tickets</p> <p>Two Board Members per diem and air tickets</p>
4) Team Building	<ul style="list-style-type: none"> Formal quarterly team building staff training workshops, weekend retreats and social activities. 	Quarterly staff training	On-going (3 times a year)	Cost of expert on Team Building & snacks for

	<ul style="list-style-type: none"> URA Board and Staff Team Building Annual Retreats 	Team Building on agenda Annual Strategic Retreat	On-going (3 times a year)	staff at one day weekend event Cost of expert & one day residential retreat
STRATEGIC OBJECTIVE THREE: <i>Continually focusing on the URA Electricity Regulatory Mandate and perfecting the core Electricity Regulatory Framework in the Consumers' interest.</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Licensing Utilities	<ul style="list-style-type: none"> Developing and Regular Review of Licensing Framework for old and new utilities Developing and publishing Licensing Procedures Document Issuing Licenses to Existing Utilities through transitional arrangements 	Licensing Framework/Regulations (including procedures) approved and disseminated to stakeholders	By end 2019	Consultant – on-going (~ \$ 20,000)
		Transitional regulation mechanisms for existing IPPs	By Jan 2020	Cost of publicity
2) Economic Regulation of Utilities	<ul style="list-style-type: none"> Developing the Mauritius Tariff Methodology Conducting tariff studies and willingness to pay studies for Mauritius Assessing or verifying the tariff rate base for each licensed entity Carry out annual financial viability assessment for all licensees 	Tariff Methodology published	By end 2019	On-going task
		Tariff Study Report published	By end June 2020 By end June 2020	Cost of hiring consultant (~ \$ 20,000)
		IPPs have provided tariff rate base to URA	By end Jan 2020	No cost to URA

		IPPs and CEB have submitted their annual financial assessments in audited accounts		No cost to URA
3) Technical Regulation	<ul style="list-style-type: none"> • Developing and enforcing quality of service regulations • Keeping a record of the system faults outside of the allowable range • Harmonizing the present CEB Grid Codes into a National Grid Code applying to all licensees • Verify/audit all assets deployed on the national supply network 	<p>Quality of Service Regulations in place</p> <p>URA Field Engineers issued analysis report on CEB & IPPs recorded system faults.</p> <p>National Grid Code</p> <p>Verified Deployed Asset Report</p>	<p>Once off in 3 years</p> <p>4 Reports every year</p> <p>By Dec 2019</p> <p>By end 2020 then annual</p>	<p>On-going task – no additional costs. No cost to URA</p> <p>CEB support at no extra cost to URA Hiring Consultant (~ \$ 40,000)</p>
4) Commercial Regulation	<ul style="list-style-type: none"> • Ensuring each licensee has a customer service agreement with their client (s). • Ensuring all licensees issue and publish Annual Performance Reports on time • Issuing the Regulatory Annual Performance Report 	<p>Service Level Client Charters published by each IPP and CEB</p> <p>Published Regulatory Performance Reports of CEB & IPPs</p> <p>URA Value for Money Report Published</p>	<p>By March 2020</p> <p>Every quarter from Jan 2020</p> <p>Three months after end of Financial Year</p>	<p>No cost to URA</p> <p>Press Conference and no cost</p> <p>Cost of external auditors & cost of preparing an annual report</p>

STRATEGIC OBJECTIVE FOUR:				
<i>Enhancing Financial Independence and Guaranteeing Transparent Accountability</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Enhancing Financial Independence of URA	<ul style="list-style-type: none"> • Putting the relevant Regulation in place • Getting buy-in from Stakeholders on financial independence of regulator 	Gazetted Regulations	By Dec 2019	Cost of gazetting
2) Transparent Accountability	<ul style="list-style-type: none"> • Providing monthly Management Accounts and sharing with Board Members. • Ensuring Quarterly performance reports are availed to the Board of Directors • Ensuring independence of the internal audit function. • Providing and publishing the externally audited accounts as part of the annual performance report 	<p>Management approved Management Accounts. Board approved quarterly performance reports.</p> <p>Internal Audit Plan and Reports</p> <p>Unqualified audited financial statements</p>	<p>Monthly</p> <p>30 Days after end of each Quarter</p> <p>Quarterly effective Jan 2020.</p> <p>Annually 3 months after end of Financial Year</p>	<p>No cost to URA.</p> <p>No cost to URA</p> <p>No cost to URA (unless outsourced).</p> <p>Cost of external auditors</p>

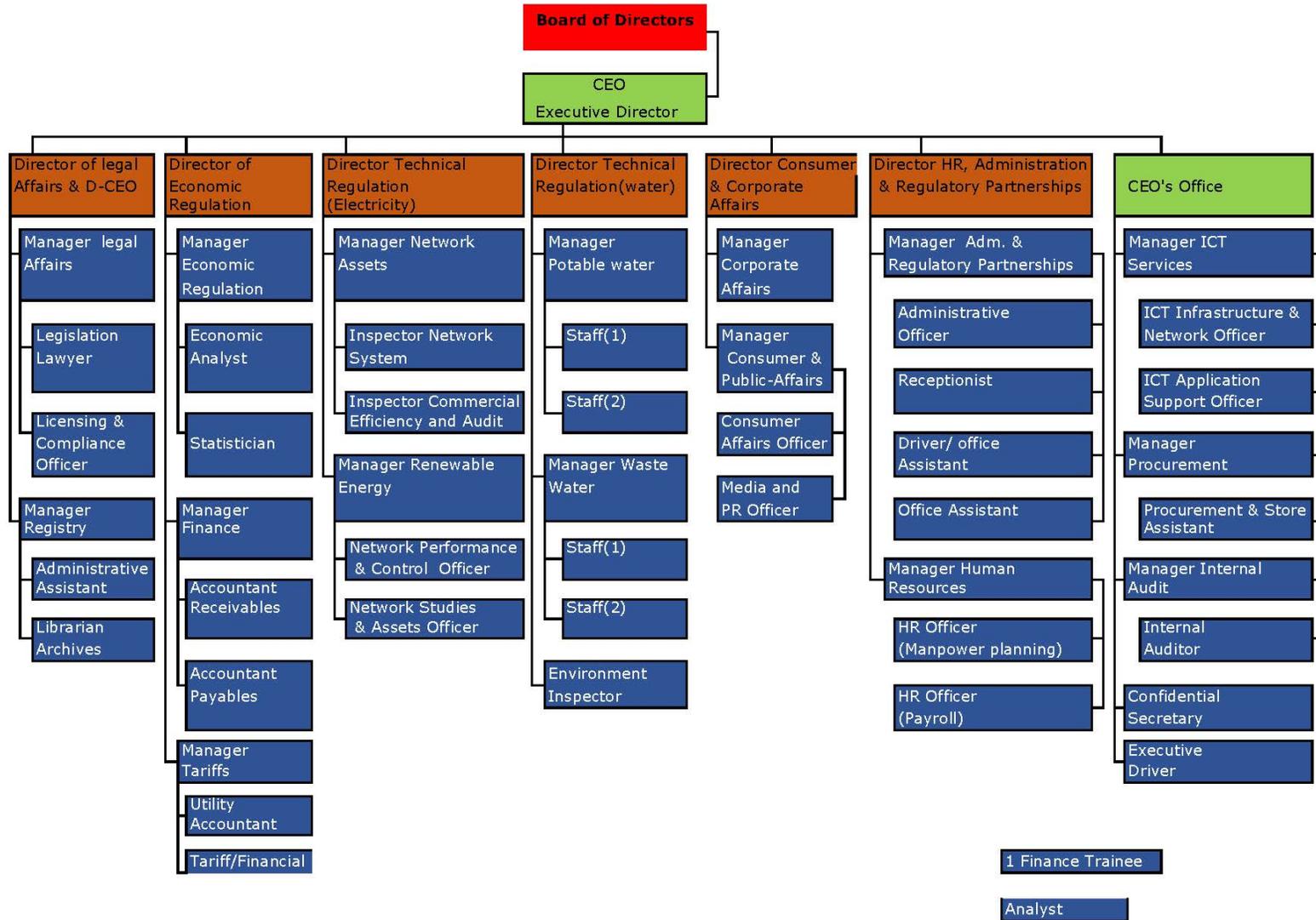
STRATEGIC OBJECTIVE FIVE: <i>Remaining Relevant Through Regular Public Engagement</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Public Consultation	<ul style="list-style-type: none"> • Requesting for public and concerned stakeholder views on license applications • Providing opportunity for Public Hearings on tariff reviews & other applications • Having a comments/feedback area on the organization's website 	<p>Comments from stakeholders</p> <p>Public hearings equal to applications handled by URA</p> <p>Lively Website</p>	<p>July 2019</p> <p>Effective June 2020</p> <p>By Dec 2019</p>	<p>No cost to URA</p> <p>Cost of hearings (offset from application fees).</p> <p>Cost of hiring effective Web Master</p>
2) Public Briefing	<ul style="list-style-type: none"> • Provide quarterly sector briefs/reports to public • Call Regular press briefings • Creating an active website with well-informed webmaster to respond to queries • Regularly publish "Frequently Asked Questions" 	<p>Quarterly Reports</p> <p>Quarterly Press Releases</p> <p>Photographic evidence of Press Booklet of Q&A</p>	<p>Every quarter effective June 2019</p> <p>On-going</p> <p>By Dec 2019</p> <p>Reviewed every quarter</p>	<p>Cost of publishing reports</p> <p>No cost to URA</p> <p>Cost of printing booklet</p>
3) Publicity and Public Relations	<ul style="list-style-type: none"> • Well-prepared Public Relations Strategy 	<p>Public Relations Strategy</p>	<p>Once every Year</p>	<p>Cost of hiring expert</p>

	<ul style="list-style-type: none"> Well-prepared and understood Disaster Response/Mitigation Plan Regular operations environment scan and response to risks 	Disaster Recovery Plan Report of operational environment	On-going On-going	No cost to URA Cost of environment surveyor
STRATEGIC OBJECTIVE SIX: <i>Conducive working conditions</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Adopt clearly defined administrative performance enhancing tools	<ul style="list-style-type: none"> Develop, publish and deploy an appropriate Human Resource Manual 	Human Resource Manual	By Dec 2019	Cost of Hiring a Consultant (~ \$ 10,000)
	<ul style="list-style-type: none"> Provide staff performance appraisal and competitive reward systems and implement them equitably. 	Staff appraisal tool	By Jan 2020	No extra costs HR Manager to develop/adopt from others
	<ul style="list-style-type: none"> Develop and deploy appropriate skills assessment and improvement schemes 	Skills Needs Study Report	By Jan 2020	
	<ul style="list-style-type: none"> Regularly employ team building activities for staff and Board Members 	Team Building Strategy	By Jan 2020	Cost of hiring a Consultant (~ \$10,000) Cost of hiring of Consultant
2) Provide appropriate working space and tools	<ul style="list-style-type: none"> Avail appropriately sized desks/workstations to all entitled officers 	Adequately equipped workstations	By Oct 2019 By Dec 2019	Cost for 15 workstations (Capital Budget)

	<ul style="list-style-type: none"> • Avail work tools such as computers with appropriate software and internet connectivity 	Functional networked office intra-network and URA website		Procurement of hardware (Capital Budget)
3) Provide for work-health balance	<ul style="list-style-type: none"> • Grant staff space for health breaks • Proper amenities for staff • Where possible allow staff participation in social activities e.g. health clubs 	<p>Dedicated Health Break area</p> <p>URA will subscribe to health Clubs for staff</p>	<p>Ongoing</p> <p>Regularly budgeted and provided.</p> <p>Annual payment to clubs</p>	<p>Rental for space plus furniture (Capital Budget)</p> <p>Cost of snacks</p> <p>Cost for Managers, Directors and CEO</p>
4) Complete Staff Establishment	<ul style="list-style-type: none"> • Establish positions to fill each year • Recruit and train appropriately • Remunerate competitively 	<p>Staff in place</p> <p>Staff trained</p> <p>Annual Salary Review and Review of the Salary Structure</p>	<p>On-going</p> <p>On-going</p> <p>Yearly</p>	<p>Cost of recruitment.</p> <p>Cost of training.</p> <p>Monthly Salary Pay roll</p> <p>Cost for Salary Commissioner</p>
STRATEGIC OBJECTIVE SEVEN:				
<i>Keeping in view the pending proclamation on Water & Waste Water Regulation</i>				
Strategic Activities	Key Actions	Output or Outcome	Period to Achieve	Resources Needed
1) Monthly scan of water sector	<ul style="list-style-type: none"> • Web search of all water related government agencies • Web search of water NGOs 	<p>Report of findings</p> <p>Report of findings</p>	On-going	

2) Quarterly engagement with government on water	<ul style="list-style-type: none"> • Inquiries to MEPU • Inquiries to Ministry responsible for water 	Report of findings	Annually	

ANNEX 2: URA Proposed Organizational Structure



ANNEX 3: URA Proposed License Fee Structure

URA will get funding for all its activities from license fees, levies and charges.

There are three routes for raising revenue for the regulator from the licensees:

1. Application Fees:

This should be cost-reflective fees to enable URA process an application to be licensed. This should cover the cost of advertising three times (announcing the receipt of application, calling for a public hearing if one becomes necessary and announcing the outcome of the Public Hearing and URA Decision and the cost of holding the public hearings (venue hire etc.) Determining the amount first time would be subject to best assumptions. Subsequently an annual review based on market rates would guide the amounts chargeable.

Table A 3.1 Application Fees Form

	ITEM	RATE \$	EVENTS/TIMES	AMOUNT
	Advert for Public Hearing		2 or 3	
	Venue for Public Hearing		1	
	Overheads for Public Hearing		1	
	Others (including Consultant hire if one is used)			
	TOTAL COST			

2. Licensee (Entry) Fees:

There must be an Entry Fee for each licensee payable only once at obtaining the License for the first time. This should depend on the anticipated annual gross earnings of the project. This is dependent on the anticipated number of licenses to be issued. A small percentage (below 1%) is normal in the industry.

3. Annual Regulatory Fees

The bulk of the Regulators budget should be covered by the Annual Regulatory Fees imposed on every licensee annual starting at their first anniversary. It should be related to previous year's gross income of the licensee from the regulated activity.

ANNEX 4: Tool for Monitoring & Evaluation

Table A 4.1 MRU ANNUAL SBP MONITORING & EVALUATION TOOL: Year _____
(Monitoring)

	Activities		QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Strategic Objective One	Legal Framework Improvement/Monitoring					
	Putting in place Standards					
	Enacting Appropriate Acts of Parliament					
	Supporting the development of Sectoral Policies					
Strategic Objective Two	Broadening & Deepening the Board Membership					
	Recruiting appropriate Staff					
	Training URA Board & Staff					
	Team Building					
Strategic Objective Three	Licensing Utilities					
	Economic Regulation of Utilities					
	Technical Regulation					
	Commercial Regulation					
Strategic Objective Four	Enhancing Financial Independence of URA					
	Transparent Accountability					
Strategic Objective Five	Public Consultation					
	Public Briefing					
	Publicity and Public Relations					
Strategic Objective Six	Adopt clear & defined administrative performance enhancing tools					
	Provide appropriate working space & tools					
	Provide work health balance					
Strategic Objective Seven	Monthly scan of water sector					
	Quarterly engagement with government on water					



ANNEX 5: List of Critical URA Institutional Stakeholders/Partners

- 1. Ministry of Energy and Public Utilities, Ebène Cyber City**
Address: 2nd Floor, Sicom Tower, Wall Street, Ebène Cybercity
Email: mpu@govmu.org
Tel: +230 4056700

- 2. Ministry of Finance and Economic Development, Port Louis**
Address: Ground Floor, Government House, Port Louis 11319
Email: mofed-registry@govmu.org
Tel: +230 2012771

- 3. Energy Efficiency Management Office, Ebène Cyber City**
Address: 1st Floor Sicom Tower, Wall Street Ebène Cybercity
Email: eemo@govmu.org
Tel: +230 2060592 or 4056700

- 4. Mauritius Renewable Energy Agency**
Address: Level 4, Celicourt Building, Celicourt Antelme Street, Port Louis 11302
Email: info@marena.co.mu
Tel: +230 2128325

- 5. Business Mauritius, Ebène Cybercity**
Address: BM MCCI Building, Rue du Savoir, Ebène Cybercity 72201
Email: info@businessmauritius.org
Tel: +230 4663600

- 6. Economic Development Board, Port Louis Address**
Address: 10th Floor, One Cathedral Square Building, 16 Jules Koenig Street Port Louis
Website: www.edbmauritius.org
Tel: +230 2033800

- 7. Central Electricity Board**
Address: Rue du Savoir
Ebène Cybercity 72201
Email: ceb@intnet.mu

ANNEX 6: Partners Management Plan

1. Types of Partners to URA

URA needs partners if it is to successfully implement its mandate. Some partners are by statute and others are operational:

- Government Ministries to ensure smooth implementation of government policies e.g. MEPU, MoFED
- Peers in regulation inside Mauritius (ICTA, EEMO etc.) and outside (regional associations of regulators, and regulators in COMESA)
- Electricity (and later water) consumers, associations and advocacy NGOs
- Business associations e.g. Business Mauritius
- Traditional Development Partners (especially those known to support activities of interest to URA)

2. Why Manage Partnerships

On basis and extension of the mapping of stakeholders and their expectations pointed to in Section 3.3 one needs to harness these stakeholders into supportive partners through:

- Enhancing and maintaining support on areas of agreement
- Providing information to fill up information gaps which can lead to misunderstanding
- Winning over potential operational adversaries

3. How to Manage Partnerships

For different partners there could be need for specific management mechanisms but in general partnerships are improved by:

- Initiating a culture of regularly sharing information such as Bulletins would provide key information routinely not available
- Invitations of partners to press/media events organized by URA
- Seeking information about perceptions on URA performance through periodic (annual) client surveys
- Regular peer to peer meetings e.g. CEO's Forum, Technical Managers' review meetings etc.
- Proactively supporting public activities of partners

ANNEX 7: List of Key Reference Documents

- (i) Utility Regulatory Authority Act 2004 (amended 2008, 2016)
- (ii) Electricity Act 2005
- (iii) Central Electricity Board Act 1964
- (iv) Energy Efficiency Act 2011
- (v) The Regulatory Assistance Project (RAP) Report on Mauritius URA 2017
- (vi) The Central Electricity Board Annual Report 2014
- (vii) Mauritius Renewable Agency Act 2015
- (viii) Anderson Reports (2002)
- (ix) The Mauritius Renewable Energy Agency Act 2015;
- (x) The Energy and or Electricity Acts of Member States of COMESA of Rwanda, Kenya, Malawi, Uganda, Seychelles and Zimbabwe;
- (xi) The Botswana Energy Regulatory Authority Act 2016;
- (xii) The Electricity Regulation Act 2006 of The Republic of South Africa;
- (xiii) Effective Regulatory Regimes as a Requirement for Renewable Energy Development;
- (xiv) Electrification and Regulation: Principles and a Model Law; Kilian Reiche, Bernard Tenenbaum and Clemencia Torres de Mastle (World Bank Energy and Mining Sector Board Discussion Paper, No. 18/2006);

Solar Farm in Mauritius



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"Leading in Utility Regulation"

Address: 8th Floor, 1 Cybercity Building,
Ebene, Mauritius

Website: www.uramauritius.mu

Email: info@uramauritius.mu

Tel: +230 454 8070 /454 8079

Fax: +230 489 2796

