



**THE NEWS EDITOR
FOR IMMEDIATE RELEASE**

28 NOVEMBER 2023

**OUTCOMES OF THE RECENTLY CONCLUDED ELECTRICITY DISTRIBUTION INDUSTRY (EDI)
SUMMIT HELD IN WINDHOEK FROM 16 – 17 NOVEMBER 2023**

The Electricity Control Board (ECB) and the Ministry of Mines and Energy held an Electricity Distribution Industry (EDI) Summit on 16 – 17 November 2023. The Summit, themed: ***“Towards a reliable, sustainable and efficient electricity distribution industry”*** was attended by the Ministers of Mines and Energy and Urban and Rural Development, Deputy Minister of Mines and Energy and ECB board members. Representatives of key players in the EDI as well as ratepayers and consumer groups also attended the event.

The aim of the Summit was to review Government policy in terms of the establishment of the remaining Regional Electricity Distribution (RED) companies and to acknowledge the shortcomings experienced in terms of the legal and regulatory framework, local authority surcharges and viability of these companies. The EDI Reform objectives as per Government policy is to consolidate the distribution licensees and create economies of scale to improve sector efficiency and ensure long term network quality and maintenance.

REDs that are currently operational shared their experiences during the summit. In addition, the Association for Local Authorities in Namibia (ALAN) presented their views on the EDI Reform in general, particularly the establishment of the envisioned REDs. NamPower presented on their role and strategy position regarding their participation in the electricity distribution sector. Two international speakers shared international experiences as well as EDI Reform approaches on the African continent.

Several challenges in the implementation of the EDI Reform were raised during the summit. These challenges prevented the completion of the EDI Reform, and are amongst other:

- Loss of revenue by Local Authorities (LAs) and Regional Councils (RCs);
- Lack of framework for the funding of LAs and RCs post the establishment of the REDs;

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- Lack of a legal framework governing the establishment of REDs;
- High tariffs perceived as being the result of the establishment of REDs;
- Irregular distribution of dividends by REDs;
- Low local authority surcharges;
- Lack of harmonisation of tariffs and local authority surcharges; and
- Low electrification rates.

Although most of the stakeholders were in favour of establishing the remaining REDs to complete the EDI reform, the summit resolved that several interventions are required before the EDI Reform can be concluded. Some of the interventions recommended by the stakeholders are:

- LAs and RCs to conduct a financial impact assessment of joining a RED, and Central Government to consider increasing the subsidy to LAs and RCs.
- The ECB to develop a rule/regulatory framework that deals with the establishment of the REDs.
- ECB to extend its expertise or have a dedicated official to assist struggling LAs and RCs on tariff methodology and ORM challenges, to ensure full understanding and regulatory compliance.
- LA surcharges to be harmonised.
- Implementation of the National Electrification Policy, for funding electrification, specifically in townships and rural areas.
- The shareholding structure of all the REDs to be reviewed, to ensure good governance, and that all LAs and RCs has direct shareholding.
- NamPower to exit the EDI and focus on generation and transmission.
- All REDs to establish consumer liaison committees.

In conclusion, the EDI Summit Report will be finalised and shared with all stakeholders, thereafter, the ECB will facilitate consultations with Government and stakeholders regarding the way forward on the planned EDI Reform.

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Issued by:


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