

**SLEWRC**  
**2020 Annual Report**

# Contents

FOREWORD BY THE CHAIRMAN OF THE COMMISSION.....	3
DIRECTOR GENERAL'S REPORT.....	5
EXECUTIVE SUMMARY.....	10
BRIEF SYNOPSIS OF THE SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION.....	11
THE BOARD OF COMMISSIONERS.....	12
MANAGEMENT TEAM.....	14
OPERATIONS – DEPARTMENTAL REPORTS.....	16
Electricity Technical Regulation.....	16
Water Technical Regulation.....	17
Legal and Compliance.....	18
Consumer Services and Public Relations.....	20
Economic Regulation.....	21
Financial Performance 2020.....	24
Human Resources and Administration.....	32
<b>List of Tables</b>	
Table 1: Issued Licenses.....	19
Table 2: Yele Community Minigrid Tariff.....	22
Table 3: Yele Community Electricity Consumption.....	22
Table 4: RREP Tariff for Work Package 1.....	22
Table 5: Average Tariff Structure.....	23
Table 6: EDSA Tariff.....	23
Table 7: GVWC Tariff.....	24
Table 8: Statement of Activities.....	25
Table 9: Statement of Financial Position .....	25
Table 10: Statement of Cash Flow.....	26
Table 11: Statement of Changes in Funds.....	26
Table 12: Comparative Analyses.....	27
Table 13: Notes to the accounts.....	27
Table 14: 2020 staff complement.....	32
Table 15: Staff capacity building.....	33
Table 16: Glossary and Abbreviations.....	37
<b>List of Figures</b>	
Figure 1: Comparative Financial Ratios.....	30
Figure 2: EWRC Income Expenditure.....	31
Figure 3: EWRC Assets base.....	31

## FOREWORD BY THE CHAIRMAN OF THE COMMISSION



The EWRC is mandated to strategically ensure the provision of affordable and the highest quality of electricity and water services to consumers in Sierra Leone and I am delighted to have performed the role of Chairman of the Board of the Commission since October 2018. While 2020 has been very challenging in the wake of the COVID-19 pandemic, the EWRC delivered on a number of important milestones. This Annual Report provides the opportunity to reflect on our work over the past year and look forward to the year ahead.

The Commission undertook a radical review of its 2020 annual work plan and budget to reflect the impact of the COVID-19 crisis. Staff were put on a rotational work plan basis and this impacted on the Commission's output in the period between April and July 2020. We, notwithstanding made good use of virtual solutions to carry out daily tasks and ensure that visitors to the Commission adhered to government's Covid-Regulations.

In the midst of these challenges, the Commission achieved its biggest milestone; the enactment of 13 regulations into law after it had been laid in parliament for 21 days. These regulations are aimed at improving the quality of supply of water and electricity services and to foster a culture of compliance for all entities engaged in the provision of these essential services. In December of 2020, the Commission rolled out these regulations as it considers it to be of paramount importance that the provisions, as approved by Parliament, be thoroughly understood by all stakeholders through various means of public engagement sessions for regulated entities, specific industry professionals and the public in general. This is to mitigate xxx regulated entities ignorantly violating the provisions of the new regulations and to empower the Commission take enforcement actions against such violations and offences.

With support from the Millennium Challenge Cooperation Coordinating Unit (MCCU), the first National Grid codes for Electricity and Water were launched with significant strides made in the review of these technical documents from stakeholders in the two sectors to properly outline and streamline the roles and responsibilities of the different grid participants and stakeholders. The Electricity Grid Code governs the activities of the electricity grid such as Grid Code Governance and General Provisions, Network Planning Principles, Power System Operation and Demand Forecasting, Metering, Information Exchange, Dispute Resolution, amongst others.

The Water Grid Code on the other hand focuses on technical requirements for design and construction of water infrastructure and procurement specifications for infrastructure products. It covers the planning, design and construction of transmission/trunk, distribution and reticulation of drinking water mains and service pipes nominally from

15mm (½ inch) up to and including 700mm (28 inch) diameter.

In all of these activities, the Members of the EWRC Board have shown resilience and undiluted commitment to its oversight function in the activities of the Commission; often lending on hand support to tasks. A number of the Board members chaired technical committees and brought to the table their years of experience and expertise in the various fields.

As ever, my gratitude goes to the Minister of Energy and the Minister of Water Resources for their unwavering support throughout the year to the EWRC to deliver its work agenda and objectives - particularly in the peak months associated with the challenges of different modes of working that resulted from the Covid-19 pandemic. My appreciation also goes to our donor partners including the MCCU, UNOPS, World Bank, ERERA amongst others.

I would like to end by thanking the Management and staff of the EWRC, for their valuable contribution. In particular, my thanks to Dr. Emmanuel Mannah, Director General of the Commission for his strategic foresight and leadership. I would encourage you to read the reports from each department which provides strategic insight into key work areas.

In the coming year, I implore Commissioners and staff of the Commission to ensure that we continue to work tirelessly to deliver on the mandate of the commission.

***Mohamed B.D. Seisay***  
***Chairman***  
***BOARD OF COMMISSIONERS***

## DIRECTOR GENERAL'S REPORT



### Introduction

I feel a great sense of pride in what EWRC achieved in 2020, particularly in the second half of the year after having found means of operating under Covid-19 restrictions. Like every other institution nationally and globally, we surmounted substantial challenges, as our operations were adversely interrupted. I believe that our stakeholders also felt the strain and stress but as a Commission, we demonstrated our ability to deliver on our deliverables as a strategic government agency, in ensuring that the conducive regulatory atmosphere for electricity and water sectors is upheld.

In line with this, the Commission welcomed three new staff in the area of Finance and Administration, Legal and Compliance and Complaints who joined the EWRC family. These key positions were filled by highly professional colleagues who bring a lot to the table in terms of their experience and expertise in their various areas.

### Regulations

The Commission presented 13 regulations to Parliament for approval. This was followed up with a robust four (4) days public engagement sessions to ensure that utility service providers in electricity and water sector are aware of the provisions of the approved regulations. The engagement was, key because it helps stakeholders understand the interpretations of the approved regulations thereby instilling public confidence that the Commission is well capacitated to regulate public utilities.

### Electricity Regulation

Significant progress was made in the review of the Interim Electricity Grid Code. Several sessions with relevant stakeholders ensured that the document was entirely reviewed with additional chapters (a distribution sub-code and a renewable grid integration sub-code) were incorporated into the code.

The Commission championed the kick off of the Captive Power study. The survey includes inventory of captive power generation facilities, assessment of the Captive Power Generation (CPG) regulatory framework, and the establishment of a CPG database. We also played a significant role in the Grid-Loss Verification bidding process.

A total of 25 electricity sector operators were granted full license during this period. These comprised of electrical materials suppliers, electrical energy metering service provider, electrical contractors, captive power generation facilities and mini grid operators.

### Water Regulation

The Commission passed five water regulations comprising the Electricity and Water (Complaints Handling Procedures) Regulations, SL Electricity and Water License Regulation, Tariff Guidelines, Water Quality of Supply Regulations, Electricity and Water Service Provider Reporting Rules, Bottled and Sachet Water Production Regulations.

The first Water Code for Sierra Leone inception meeting was launched at the Bintumani Conference Center in December 2020. Stakeholders in the water sector were brought together in collaboration with the Ministry of Water Resources for the review and finalization of the Code. Through our robust

monitoring of package water players, the Commission licensed 59 water companies in 2020; a sharp increase (50%) compared to the previous year.

### **Results-Based Financing**

The Results-Based Financing (RBF) Activity implemented by the MCCU under the MCC-funded Threshold program with Sierra Leone was designed to complement the technical assistance inputs provided under the Regulatory Strengthening Project by giving the regulator (EWRC) key performance indicators by which they can assess the sustainability of capacity improvements and knowledge transfer at regulated utilities through conditional, performance-based disbursements to such utilities if they achieve to-be-negotiated key performance indicators (KPIs). In doing so, the Activity has strengthened reinforced the Electricity and Water Regulatory Commission (EWRC's) role as sector regulator and incentivize improved utility performance.

The third and fourth quarter phases of the activity were completed with GVWC and SALWACO meeting key deliverables for each of the quarters. A final workshop and closing was held in July 2020.

We completed the final quarter of the RBF in August this year. Throughout the RBF period, EDSA, EGTC, GVWC and SALWACO were engaged in line with the programme design. Key Performance Indicators were developed and monitored during the quarters. The Commission was heavily involved in the RBF process which saw improved reporting from the entities. The capacity of the Commission's technical staff was greatly enhanced through the participation on the verification activity in partnership with the Oxford Policy Management (OPM) team.

### **Rural Renewable Energy Project**

Under the Rural Renewable Energy Project (RREP), the SLEWRC reviewed the tariff applications from the private operators. The Commission assessed the reasonableness, prudence of the cost components, and demand assumptions in the tariff applications considering the local conditions and international benchmarks whenever applicable. The review saw an average increase of tariffs from Le 6,990 to Le 7,982kw.

It must be noted that tariffs applied across the WP2 sites were mostly subsidized by the GoSL with the WP-2 sites implanting a 'split assets' model where Generation Assets are procured by Private Partner and the Distribution Assets are subsidized by the GoSL.

It must also be noted that the tariff across the work packages have been reduced by another 11% from Year 1 level due to the GST and Corporate Tax waiver in the Finance Act, 2021

### **Power Purchase Agreements**

As a lead in Power Purchase Agreements (PPA), the Commission participated in the negotiation for several projects spearheaded by MOE and Public Private Partnership Unit (PPPU) relating to transmission power lines. Amongst these are the 66 kV Eastern Corridor project by Kalpataru Transmission Co. Ltd., the 225 kV Southern Corridor project by Sieyuan T&D Co. Ltd, the 66 kV Sub-transmission and accompany substations by Tai Kai T&D Co. Ltd and the 5 MW solar plant at Waterloo by Innovent.

### **2020 Financial Outlook**

Total revenue earned by the Commission was Le 10.1 billion; made up of Le 4.0 billion GoSL subvention through the payment of salaries and related allowances of commissioners and staff; and Le 4.1 billion and Le 0.4 billion respectively from levies and licence fees in line with section 25 of the Commission's operating Act, and RBF income of Le 1.6 billion. Unfortunately, due to the effect of Covid19 and financial challenges faced by the regulated utilities, levies and licences income, which is the main source of the Commission's internally generated incomes decreased by 37% over the 2019 levels.

Total Expenditure of the Commission for the year under review amounted to Le 6.7 billion leaving income over expenditure of Le 3.4 billion. Notwithstanding, the Commission ensured operating costs were contained to budget limits.

As part of its drive to increase its revenue base, the expanded operations of the Commission into three district Headquarter Towns (Bo, Kenema and Port Loko) shall ensure the licensing of all electricity and water operators with a particular attention on unlicensed package water in a bid to increase its revenue.

Also, the sanitation drive to shut down all non-compliant water companies in 2021 shall attract fines for violation of the regulations.

### **Provincial Activities**

We remain committed to excellent customer service hence the Commission's continued community engagement campaigns in rural communities across regions of Sierra Leone. A number of communities were carefully selected out of the WP1 and WP2 sites to ensure adequate representation from each district under these sites. The objective of these engagements is to sensitize the communities regarding the mini-grid tariffs as mandated by Section 45 of the SLEWRC Act, 2011. Sites visited included Kamasondo, Gbalamuya, Bradford, Kangahun, Bumpeh, Bandajuma Sowa, Futa Pejeh, Tihun, Madina. For WP2 sites, Foredugu, Mambolo, Moyamba Junction, Mange, Sahn Malen, Tikonko, Koribondo Jimmi Bagbor, Sumbuya, Mara and Mathoir, Kamaranka, Masumbri. These visits improved the relationship between consumers and the various operators. We have also seen significant increase in the number of complaints received in relation to service due to the mechanism put in place by the Commission for consumers in these far end areas to reach us.

### **Strategic Partnership and Expansion**

As much as 2020 was about change and adapting to 'the new normal', we remained focused on executing our long-term growth strategies with MoUs signed with Bo and Kenema City Councils and the Port Loko District Council to expand the operations of the Commission to those parts of the country.

The Commission continues to establish strategic partnerships and networks of with government and non-government institutions in the discharge of its regulatory functions. The Commission signed a MoU with Fourah Bay College on the 21st April 2020 for educational and industrial cooperation. The MoU signed seeks to explore the possibilities for cooperation in educational problem based research with industrial application within the Faculty of Engineering and Architecture at the University of Sierra Leone.

In December of 2020, the Commission also signed a MoU with the Sierra Leone Police to effect the enforcement provisions of the SLEWRC Act and the Enforcement Regulations. To make good this milestone, a crime desk for East and West zones to be managed by two (2) police personnel are set to be in place by the first quarter of 2021

### **Donor Support**

To date, the Commission has received logistical support from its donor partners (UNOPS and MCCU) as follows: vehicles (2), motorbikes (11), laptops (7), Air Conditioners (2), 5kg Fire Extinguishers (2) and furniture (including workstations, desks, swivel chairs, tables, bookshelves, filing cabinets). Added to these, the commission's network infrastructural upgrade was supported by MCCU to accommodate more software to ensure productivity and efficiency. Due to the global pandemic, not much training was supported this year. However, the Director of Consumer and Public Affairs, benefited from a communications workshop in Aburi, Ghana sponsored by ERERA.

**Outlook for 2021**

We intend to continue training and workshops on quality of service and the consumer service regulations for public utilities and the accompanying reporting requirements to be conducted in early 2021 pending the availability of funding from MCCU for the project.

The Commission is scheduled to undertake a sanitisation drive of the package water industry next year. The exercise would be geared towards shutting down non-compliant water factories who have failed to obtain license from the Commission to operate such businesses. According to EWRC data, over 70% of these sachet water companies are yet to obtain license from the Commission, to operate as mandated by the SLEWRC Act and on the basis of safeguarding the health of consumers, there would be need to enforce the provisions of the package water regulations. This would create the enabling environment for Commission to work with compliant companies to produce safe and clean drinking water for public consumption.

A workshop on the uniform system of accounts for the Commission's licensees has been scheduled for February 2021. This is to enable the Commission together with the utilities, adopt accounting standards used to provide uniformity and consistency in reporting financial information. It is also a means to encourage private investment in the two key sectors as it provides a basis for detailed financial and operations information that is easily verifiable and auditable by a third party.

**Appreciation**

My heartfelt thanks to my fellow colleagues whose efforts have made these results possible under extraordinary circumstances. Time and time again, I have been struck by the selfless resilience of the EWRC team, going above and beyond targets to achieve set goals, dealing with our various external stakeholders.

To Mr. Mohamed B.D. Seisay and the rest of the Members of the Board of the Commission, I do recognize and very much appreciate your support and counsel during a highly unusual year in the history of the world.

I would also like to acknowledge our support partners, regulated entities and line ministries for their ongoing interests and engagements as we continue to build a strong platform for electricity and water regulations in the country.

As a Commission, we recognise that there's always room for improvements and as the demand for quality customer service increases, we shall continue to strive for the development of more regulations that speak to specific technical areas to help bring strategic direction and financial augmentation to service providers.

***Emmanuel Mannah, PhD***  
***Director-General***



## Executive Summary

### Introduction and strategic intent of the EWRC

The EWRC is set up by the SLEWRC Act 2011 to regulate the electricity and water industries in Sierra Leone in accordance with government laws and policies, standards, and international best practices in support of sustainable and orderly development. The Act was passed into law around the same time the Electricity Act was passed as the latter created the need for the establishment of a regulatory authority in the event that the then NPA was made defunct and the sector unbundled into generation and transmission. With the provision for IPPs to enter into the electricity market, it was also necessary to have a regulatory agency to referee the sector and act as an arbitrator between service providers and consumers.

The first set of commissioners were appointed in 2014 with a Chairman and 7 Commissioners with representation from Sierra Leone Institute of Engineers (SLIE) Sierra Leone Labour Congress, Consumer Protection Agency and four other persons with knowledge and experience relevant to the functions of the Commission; two each from the water and electricity sectors.

EWRC has over time identified crucial strategic goals in tandem with the strategies of the Ministries of Energy and Water Resources, and key development partners like the MCCU to support the implementation of critical sector and institutional reforms within the country.

Though 2020 was challenging due to the effect of Covid- 19 on the operations of the Commission, key activities mandated by the Commission's operating law were implemented placing priority emphasis on outreach activities, rolling out of regulations and revenue mobilisation over the year. For example, the Commission started the year with consumer engagement programmes across the country with greater focus on inputs on water and Grid codes. These programmes were very successful as draft codes were presented to both Water Resources and Energy Ministries.

Internally, the strategic pathway of the Commission is on course with the implementation of the Organisational Development Plan (ODP) 2018 – 2022 which includes yearly operational plans aligned with the National Development Plan. KPIs in the ODP were revised to reflect the Commission's current operations as it has evolved since 2018. A balanced scorecard used for measuring institutional performance has been developed for the Commission. We continue to apply efforts to ensure adequate funding is obtained for the implementation of the ODP. Consequently, the Commission has been improving its relationship with the Ministry of Finance (MoF) to seek funding for its investment activities. Further, strategic engagements with the utilities is also expected to improve the provision of quality services and at affordable prices. The Commission is also working towards expanding its network of development partners to access more grant resources to meet its strategic priorities.

### Board and Management of the Commission

The Commission is governed by a nine-member Board appointed by the President on the recommendations of the sector ministers. The Board consists of a Chairman; a representative each of the Sierra Leone Institution of Engineers; Sierra Labour Congress; the Sierra Leone Consumer Protection Agency; and four (4) other persons with formal qualifications, extensive knowledge and experience relevant to the functions of the Commission (two each from the electricity and water supply sectors), and the Director-General. The Chairman and other members of the Commission, except the Director-General are, by statute appointed for a three-year term and shall be eligible for reappointment for only a second term of three years.

Management is controlled by the Director General. The Management team serves both as a secretariat and provider of expert services. Management prepares and circulates documents for consideration / approval at the Board meetings for implementation. The Commission is supported by a permanent staff team made up of engineering/technical, economics, financial, customer service, legal and other professionals.



Staff of the Commission

## SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION IN BRIEF

### Mandate

To regulate the provision of the highest quality of electricity and water services as provided for by the Sierra Leone Electricity and Water Regulatory Commission Act, 2011

### Mission

To regulate the electricity and water industries in accordance with government laws and policies, standards, and international best practices in support of sustainable and orderly development

### Vision

To be a recognised world-class leader in water and electricity regulation

### Core Values

The work of EWRC is guided by the following values:

- Professionalism
- Spirit of Partnership
- Excellence
- Innovation
- Integrity
- Responsibility
- Pride

### Strategic Goals

The Government, through the support of the Millennium Challenge Corporation Threshold Programme and other development partners is implementing critical sector and institutional reforms that would go a long way in changing the trajectories of electricity and water sectors to the economy of Sierra Leone. EWRC as a regulatory institution has also been developing the required regulatory frameworks and instruments to enable it effectively carry out its mandate in the electricity and water sectors. EWRC identified seven strategic goals to be of important focus from 2018-2022, namely:

- Strategic Goal 1: Ensure that EWRC's organizational capacity is strengthened
- Strategic Goal 2: Ensure market entry, competition, and universal access;
- Strategic Goal 3: Ensure that utility tariffs are based on efficient cost of service;
- Strategic Goal 4: Ensure quality of service comparable to international standards;

- Strategic Goal 5: Ensure Consumer Protection;
- Strategic Goal 6: Establish effective cooperation with international stakeholders and;
- Strategic Goal 7: Establish effective cooperation with national stakeholders.

## Functions

The Electricity and Water Regulatory Commission (EWRC) was established by the Sierra Leone Electricity and Water Regulatory Commission Act, 2011 (hereinafter referred to as the Act), with the following functions as provided under section 10 of the Act:

- Issue and as the case may be renew, amend, suspend, revoke, and cancel licenses
- Monitor compliance with the terms of the licenses
- Provide guidelines on rates chargeable for provision of electricity and water services
- Protect the interest of consumers and providers of electricity and water services
- Monitor standards of performance for the provision of electricity and water services
- Initiate and conduct investigations into the quality of service given to consumers
- Promote fair competition among public utilities
- Conduct studies relating to economy and efficiency of public utilities
- Make valuation of property of public utilities as it considers necessary for the purposes of the commission
- Collect and compile data on public utilities as it considers necessary for the performance of its functions
- Advise any person or authority in respect of any public utility
- Maintain a register of public utilities
- Carry out such other activities conducive to the attainment of the object of the Commission as stated in Section 10 (1)

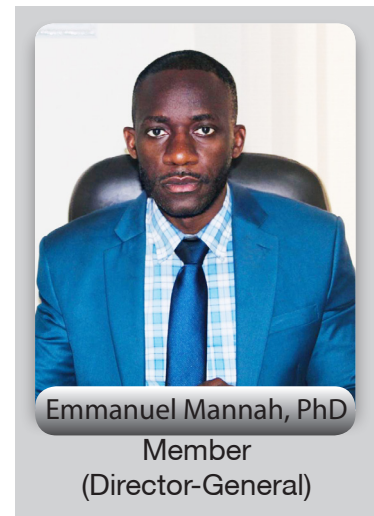
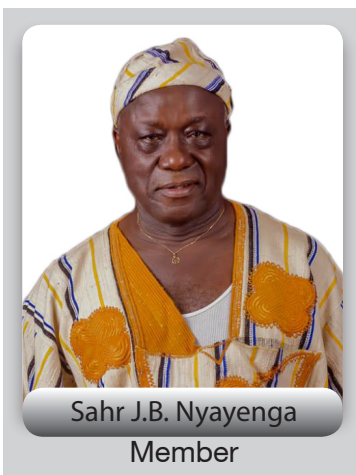
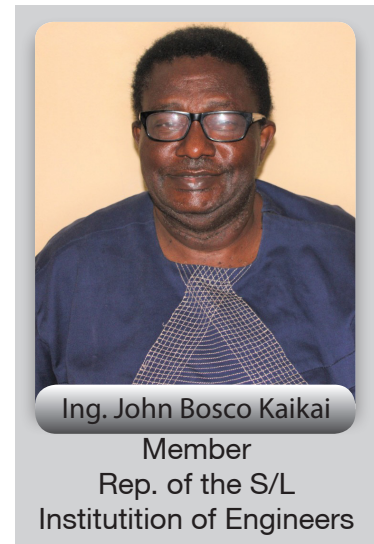
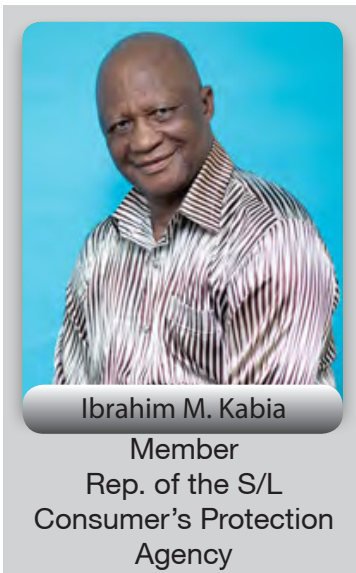
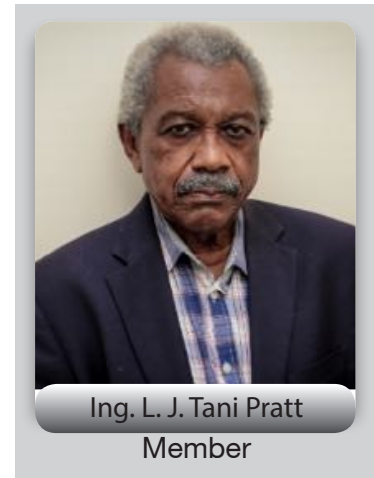
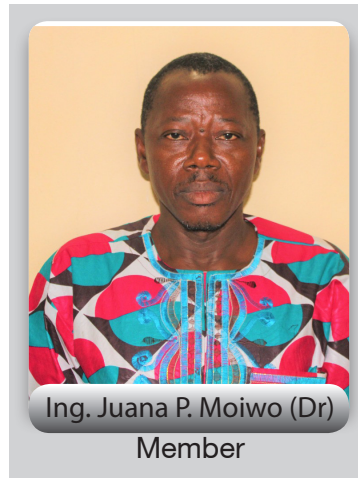
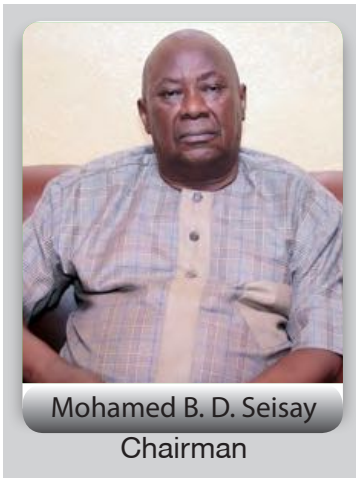
The operations of community water systems are however excluded from the Commission's purview. The Commission works through Committees comprised of both Commissioners and Secretariat staff, which deliberate on matters and submit recommendations to the Commission for approval. The Committees are: Finance and General Purpose, Technical (electricity and water) and License Committees. The mandates of SLEWRC include: approving rates chargeable for provision of electricity and water services, protecting the interests of consumers and providers of electricity and water services, monitoring the compliance of service companies with standards of performance established by the Commission, and promoting fair competition among public utilities. The Commission also receives and resolves complaints related to the provision of electricity and water services. The Commission has regulation-making powers and is in the process of seeking parliamentary approval for over 15 (fifteen) regulations to enhance quality electricity and water services.

By virtue of Section 19 of the SLEWRC Act (2011), the Commission is an independent body and is not subject to the direction or control of any person or authority in the performance of its functions. SLEWRC is, however, statutorily required to submit audited financial statements and reports of its operations yearly to the Minister(s) of the sectors and subsequently the Minister(s) lay a copy before Parliament. The Commission is enjoined by law, its regulatory policy and good regulatory practice to take reasonable account of representations made to it by consumers before approving any rates.

## The Board Of Commissioners

The nine (9) members of the Commission are appointed by the President on the recommendation of the sector ministers. The Commission consists of a Chairman; a representative each of the Sierra Leone Institution of Engineers; Sierra Labour Congress; the Sierra Leone Consumer Protection Agency; and four (4) other persons with formal qualifications, extensive knowledge and experience relevant to the functions of the Commission (two each from the electricity and water supply sectors), and the Director-General. The Commission is supported by a staff team made up of engineering/technical, economics, financial, customer service, legal and other professions.

The Chairman and other members of the Commission, except the Director-General, are by statute appointed for a three-year term and shall be eligible for reappointment for only a second term of three years. Members of the Commission comprise:

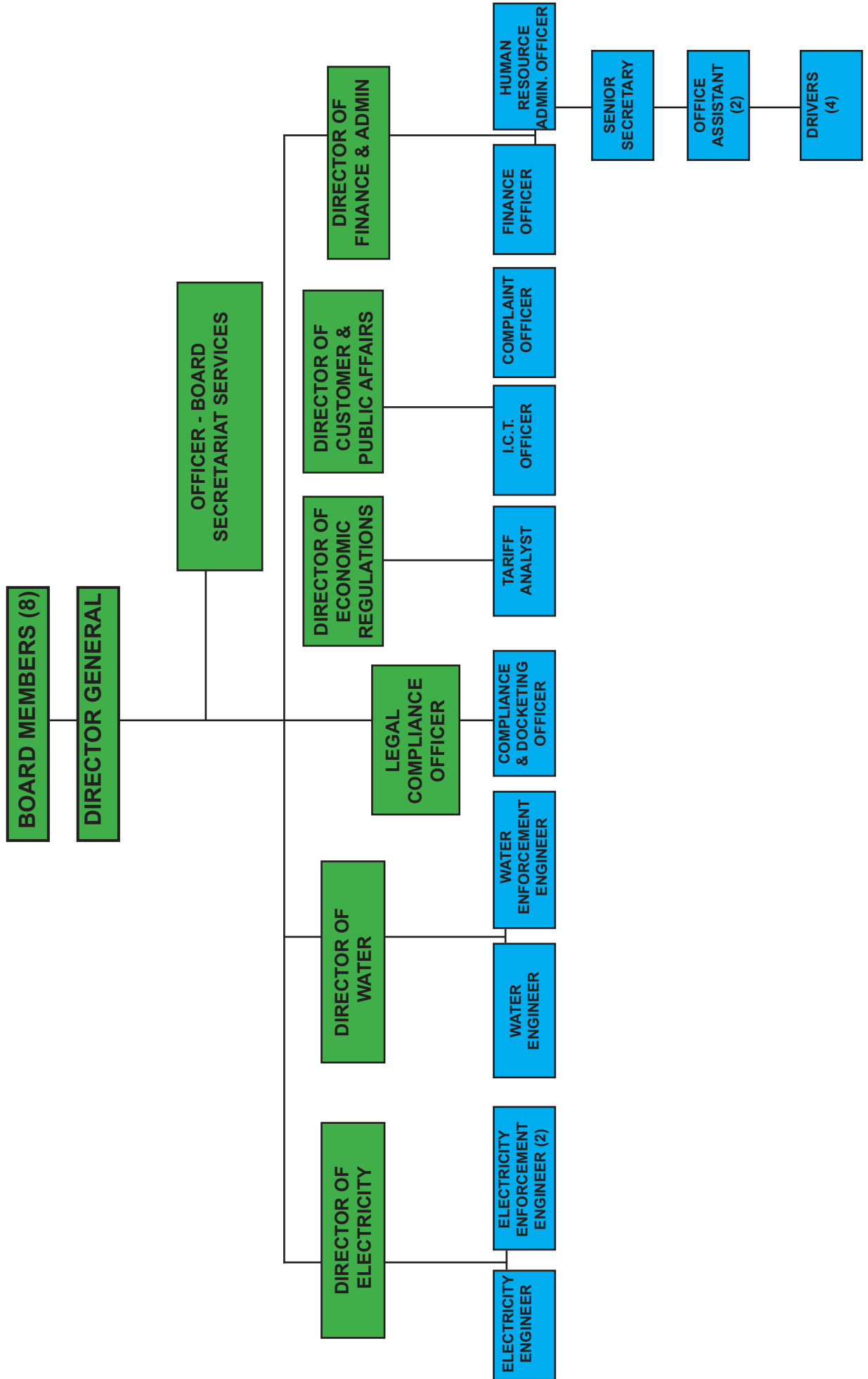


## MANAGEMENT TEAM

The Management is superintended by the Director General and is the executive body that operates under the oversight of the Chairman and of Board of the Commission. The Management serves both as a secretariat and as the provider of expert services. The Management prepares and issue documents for considerations at the Commission meetings, enacts approved decisions and oversees the implementation of those decisions.



# EWRC'S ORGANOGRAM



## OPERATIONS – DEPARTMENTAL REPORTS

### 1. Electricity Technical Regulation

The department took part in the negotiation session for a number of projects relating to transmission power lines. Amongst them are:

- 66 kV Eastern Corridor project by Kalpataru Transmission Co. Ltd
- 225 kV Southern Corridor project by Sieyuan T&D Co. Ltd
- 66 kV Sub-transmission and accompany substations by Tai Kai T&D Co. Ltd.
- 5 MW solar plant at Waterloo by Innovent

Technical and commercial aspects for the project were discussed with a number of action points identified for both GoSL team and the contractor teams to further review.

The department submitted draft Procedures for Billing and Electricity Consumption Estimation to the Energy Recovery department of EDSA for their input into the methodology for Consumption estimation.

The 2020 ERI data validation process was completed with a virtual meeting held with the AfDB. The meeting discussed a number of contentious issues where there were conflicts with the submission made by EDSA and resolutions were reached.

#### **Licenses**

The Department maintains a public register of all licensed entities and individuals whether by full license permits as the case may be. The provision for this requirement is found in section 16 of the SLEWRC Act, 2011. These licenses or permits include Distribution and Supply Utilities, Mini-grid operators, Generating Utilities, Electrical Contractors, Captive Power Generation, Electrical Materials Suppliers, Electrical Energy Metering Service Providers and Aggregators.

A total of 24 licenses and permits were granted by the Commission in 2020.

#### **Breakdown of electricity licenses for 2020**

<b>License type</b>	<b>No</b>
Electrical Energy Metering, Aggregators, And Electrical Materials Supplier Permits	5
Electrical Contractors, Inspectors And Technicians Permits	5
Captive Generation Permits	15

#### **Electricity Grid Code Review**

The review process of the Interim Electricity Grid Code for the governance of the activities of the electricity grid kicked off mid-2020 wherein stakeholders in the electricity sector made technical inputs with a view to properly outline and understand the roles and responsibilities of the different grid participants and stakeholders. The Grid Code review sessions have provided the platform where stakeholders in the sector have made their contributions and expert opinions on the topics covered in the Code. The Committee, comprising of members from the Generation and Transmission utility, Independent Power Producers (IPPs), Distribution utility, large-scale customers, the regional Transmission utility, the Sierra Leone Institution of Engineers, the Ministry of Energy, the PPP Unit, the Electrical Engineering department of Fourah Bah College - USL, the SL Standards Bureau, the Ministry of Justice and the Commission.

The review sessions dealt with Grid Code Governance and General Provisions, Network Planning Principles, Power System Operation and Demand Forecasting, Metering, Information Exchange, Dispute Resolution, amongst others.



*A session on the draft electricity grid code held at the Brookfields Hotel*



*Cross section of committee's Participants*

### *Electricity Grid quote*

*Energy consumption has to be managed by an intelligent grid when it comes to highly populated areas. Smart-grid technologies allow for the integration of renewable energy into the grid as well as energy from distributed sources.*

*- Joe Kaeser*





*Minister of Energy receiving completed draft of Electricity Grid Code from the DG of EWRC in the presence of the CEO of MCCU Madam Ndeye Fatu Koroma*

### **Mini Grid Regulation and Monitoring**

Mini-grids can be defined as a set of electricity generators and possibly energy storage systems, and a distribution network, supplying electricity to a localized group of customers. They involve small-scale electricity generation (10 kW to 10MW) which serves a limited number of consumers via a distribution grid that can operate in isolation from national electricity transmission networks.

In 2017, a Demand Assessment was carried by UNOPS covering 68 rural communities, and conducting 2,500 interviewees. The analysis showed that 1,950 interviewees with households provided sufficient data for an affordability analysis.



*Solar Pannels at Panguma*

The Commission undertakes monitoring and evaluation visits to these mini grid sites to measure the progress and success of the project according to agreed indicators. Such visits provide a basis for documenting conditions at the start of service provision. This is important because it provides a picture of the status quo or a baseline from which to measure progress. The visits also look at the following:

- Number of customers connected or volume of sales. Assessments would also capture number of potential customers willing to connect to the service
- Communities' collective uses of electricity (schools, community health centres, street lighting etc.)
- Impact on quality of life: Measurement of impact of the mini grid electricity service in the daily lives of the community people who have migrated from traditional means of energy. The effects of this on domestic comfort after acquiring lighting, TV and other electrical appliances
- Productive activity (new or improved activities) and its impact on direct employment leading to poverty reduction and its overall impact on (income). Operators had promised to bring in suitable equipment/electrical appliances to start small business and should this be so, the impact of these would also be measured.
- voltage stability
- monthly energy expenditure
- Overall functioning status of the mini grid system in these locations
- One on one interview with users; giving them the platform to express opinions and obtain answers on the working of the systems and possibly proffer means of improvements.
- From a regulatory perspective, provide meaningful information to donors as to whether or not project is meeting general objectives. This could include key areas like the sustainability of the project and impact on gender (women in these communities)

## 2. Water Technical Regulation

During the year, the department engaged in robust monitoring of companies country wide, to identify and develop a comprehensive database of all existing and new packaged water companies in Sierra Leone. The exercise gave a clear understanding of the operations of these businesses for sound regulatory purposes.



***Cross section of Management with the Deputy Minister of Water Mrs. Nimatulai Bah-Chang***

With support from MCCU, the Commission kicked off a first of its kind Water Code for Sierra Leone inception meeting in December 2020. The Water Code Committee made of different stakeholder in the water sector came together in collaboration with the Ministry of Water Resources for the review and finalization of the Code.

### **Guma Valley Water Company (GVWC) - Monitoring of Facilities:**

The Commission visited the Guma treatment plant at Mile 13 in May 2020 to inspect the water quality process, and procedures for water quality monitoring and sampling. The visit was to observe the records of water quality, pattern and procedure in carrying out the process, how frequent the tests are done, where they obtain samples and what informs the decisions on sampling.

### **Sierra Leone Water Company (SALWACO) - Monitoring of Facilities:**

As part of the monitoring schedule for 2020, a team from the Commission headed by the Director General visited SALWACO's facility at Lungi to obtain first-hand information on the level of service, status of the water supply system and challenges faced at the plant. The information gathered during such visits is used to effectively regulate the sector's water supply and proffer solutions that will enhance sustainability and general operational efficiency of the water supply system in Sierra Leone.

### **Packaged Water Producers**

The Commission instituted an enforcement drive during the course of year to shut down all non-compliant packaged water companies in the countries. In addition, a monthly publication of all compliant sachet and bottle water companies was done on all print and electronic media to protect consumers.

A concept to review licence fees for packaged water companies was developed and the board of Commissioners review the licence fees for all categories accordingly. In October 2020, the rollout of the fees was implemented.

The department together with stakeholders developed a memorandum of understanding for the harmonised monitoring team consisting of the Ministry of Health and Standards Bureau. All roles were harmonized and a document was developed, with the roles of every stakeholders agreed upon and highlighted.

#### **Support to other Departments of the Commission**

- The Water Department provided a revised database of water producers to facilitate licensing processes.
- Supported the Economic Regulation Department in developing a Uniform System of Accounts for water utilities that will aid tariff processes.
- Supported the Consumer and Public Affairs department in handling complaints from water producers, public consultations and radio talk shows.



*Dilapidated Ultrafiltration Membrane System-*



*Intake Pipes-Port*

### Interim Water Code

The Electricity and Water Regulatory Commission (EWRC) with support from the MCC Threshold Program on Tuesday 8th December, 2020 kicked off a first of its kind Water Code for Sierra Leone meeting at the Bintumani Conference Center. The meeting comprised of participants from across the water sector including the representatives from Sierra Leone Institution of Engineers, SALWACO, GVWC, Sierra Leone Standards Bureau, Ministry of Local Government, Freetown City Council, Ministry of the Environment, Ministry of Health, Ministry of Works, NWMRA, Consumer Protection Agency amongst others.

The Code focuses on technical requirements for design and construction of water infrastructure and purchase specifications for infrastructure products. He further added that the Interim Water Code covers the planning, design and construction of transmission/trunk, distribution and reticulation drinking water mains and service pipes nominally from 15mm (½ inch) up to and including 700mm (28 inch).



“The Water Code Committee will thoroughly review code in subsequent and highlight practices of regional peers relating to how their Water Codes have addressed these topics. Members are then required to work through the document, making their contributions and comments, and above all, understanding their roles and responsibilities within the code”

***Ing. Michael Kargbo, EWRC's Director of Water Regulation.***

### 3. Legal and Compliance

In accordance with the SLEWRC Act 2011, the Commission is mandated to issue out licenses, and supervise terms and conditions of these licenses. Licenses and permits are processed by the Legal Department for new applications and renewals. This was greatly impacted by the covid-19 pandemic in 2020.

It is hoped that compliance rate will improve, as a result of the recently enacted Enforcement Regulation.

#### **Regulations**

In December 2020, the Sierra Leone Electricity and Water Regulatory Commission completed a four (4) days public engagement sessions on its approved regulations with concern stakeholders representing different institutions. The public engagement sessions were held to ensure that utility service providers in electricity and water sector are aware of the approved regulations, which aims to improved quality services in these sectors. The engagement was integral in helping stakeholders to understand the interpretations of the approved regulation and the consequences for non-compliance.

The Commission is currently drafting procedures for Billing and Electricity Consumption Estimation Regulations”. Draft of the Procedures has been submitted to the Energy Recovery department of EDSA for input into the methodology for Consumption estimation.

#### **Sierra Leone Police Signs Mou With The EWRC**

The Sierra Leone Police on Thursday 3rd December, 2020 signed an MOU with the Sierra Leone Electricity and Water Regulatory Commission at its headquarters at George Street in Freetown. The purpose of the MOU is to facilitate institutional support on both sides in the course of enforcing the laws of Sierra Leone as they relate to the specific mandates of both institutions. It is also a way to build effective synergies for the tracking, investigation and prosecution of crimes related to a breach and non-compliance of laws of the Commission and in Sierra Leone and also share information and knowledge on regulatory crimes, breach of terms and conditions, non-compliance and their impact on the market and Consumers and develop pathways for compliance and enforcement of the legal and regulatory framework on them.



*The DG EWRC signs the MOU between the Commission and the SLP as the I.G. looks on*



*In order of appearance - AIG Jalloh, AIG Memunatu Konteh Jalloh, Mrs. Joan M.S. Bull, Mrs. Elizabeth Turay, Mr. Emmanuel Mannah, IG Ambrose Sovula, Ms. Desireemarg Black, Brima Kamara.*

#### **Types of Water License: [Water Sector](#)**

The Water department pursued the licensing of various operators in the sector. A public register is maintained, as required by section 16 of the SLEWRC Act, 2011, for water licensees into:

- Production Utilities
- Distribution Utilities

#### **Types of Electricity License : [Electricity Sector](#)**

A public register is maintained, as required by section 16 of the SLEWRC Act, 2011, for the undermentioned categories of electricity licensees:

- Distribution and Supply Utilities
- Mini-grid operators
- Generating Utilities
- Electrical Contractors
- Captive Power Generation
- Electrical Materials Suppliers
- Electrical Energy Metering Service Providers
- Aggregators

#### **Licenses Overview**

With the development of a license monitoring tool and recruitment of a dedicated staff that monitors compliance, the Commission has been able to maintain an updated public register of licences, available in its website at <http://www> Table 1 below shows the licenses that were issued for 2020.

**Table 1: Issued Licenses**

License Category	Sector	Number
Electrical Contractors	Electricity	5
Electrical Material Vendors	Electricity	5
Electric Utilities	Electricity	-
Standby Genset Permit	Electricity	15
Packaged Water Producers	Water	20
<b>Total</b>		<b>40</b>

The Commission in December signed a Memorandum of Understanding with the Sierra Leone Police to facilitate institutional support in the course of enforcing laws that relate to specific mandates of the Commission in terms of licencing.



**Cross Sections of the participants at the roll out of the approved regulations**

**Legal and Compliance Officer presenting on Electricity and Water Licences Rules**



## 4. Consumer and Public Affairs

The performance of the Department is linked to the Commission's strategic goals 5 and 7 which border on Consumer Protection and engagement with national stakeholders. Another key deliverable of the department is the propagation of all news worthy items on the Commission's website at [www.ewrc.gov.sl](http://www.ewrc.gov.sl). Activities undertaken during the year focused mainly on Stakeholders awareness of the strategic mission and activities of the Commission.

### **Website and Social Media**

The Commission's website was completely overhauled in 2020 with an independent page on complaints created. The first newsletter published by the commission during the year was also uploaded, together with useful information for public consumption. The internet speed was also upgraded to twice the usual bandwidth in 2020.

[www.ewrc.gov.sl](http://www.ewrc.gov.sl)

### **Public Education and Outreach Programme**

Several Electricity and Water Regulatory talks, including recently passed regulations, were done via different radio and television stations across the country. The department also undertook an assessment visit to those areas experiencing issues with services, to get first-hand information of their complaints and proffer a way forward.

The Commission created social media accounts including Twitter, LinkedIn and YouTube in order to disseminate information relating to the commission on these platforms. A brochure on packaged water licences process flow was also done.

### **Consumer Complaints and Resolution**

With consumer concerns being paramount to the commission, the Commission continues to record and follow-up on complaints reported and monitors progress to redress. An automated complaints shared data entry form for the Commission to ensure effective monitoring is underway. This will possibly be sheared with public utilities.

### **Service Provider Complaints and Resolution**

A letter was received from Sierra Leone Standards Bureau (SLSB) advising the Commission to stop issuing Licences to Good Faith Pure Drinking Water and Evsumo Water Company, owing to the fact that they are currently investigating a case of suspicion of fake certificate. The Commission issued 'Suspension of Licence' letters to Good Faith Pure Drinking Water and Evsumo Water Company, informing them about the Commission's decision to suspend their Licences based on the advice by the Sierra Leone Standards Bureau. The issue was resolved and Licence issued.

The Commission received a complaint from Lawyer, Mr. Andrew Johnson in January 2020, regarding poor water quality from Grafton's Spring Water in Freetown. The water department submitted a report on the findings after inspections were carried out on Grafton's factory to the Communication department. From the inspection carried out, it was confirmed that the treatment system and handling of the product was not proper, and suggests an indication of poor-quality product. The issue has been resolved and the quality of was has been improved.

In February 2020, a complaint from an anonymous individual of poor water quality from Abby's Diamond Spring Water located at No. 1 Sangarie Close, Adonkia. Upon receipt of the complaint, the water department, undertook an unannounced inspection of Abby's Diamond Spring's factory on the same day. A draft of the inspection report for Abby's facility was completed and submitted, revealing that the said water Company was compliant.





In March 2020, a complaint from Mr. Dauda Wurie of poor water quality from Family Fresh Water Company located at Amputee Camp, Hastings; Peace Market and Bai Bureh road. The inspection report for Family Fresh Water Company facilities was completed. From the inspection carried out, it was confirmed that the treatment system and handling of the product was not proper, and suggests an indication of poor-quality product. The proprietor was called in to address the issues and he acted swiftly.

The Commission received complaints from the Councillor of Sandaru, Kailahun district about fallen cables over houses. The issues was forwarded to EDSA and a follow up done. The reported issue was resolved in good time.

A complaint was made by Umaru M. Sesay from Kamaranka about the absence of power supply by Winch Energy. Follow up of complaints was made with Winch Energy. Winch Energy confirmed that the damaged equipment that caused the power outage, was maintenance and transported to Kamaranka.

A complaint from a customer in Penguia managed by PowerGen states that that the power house caught fire in May and since then there has been no electricity supply at that location. According to customers, there has been no word from the operators on the issue or plans for repairs. This issue is yet to be resolved.

Complaint received from EDSA Customer: A complaint was received from Amara Nelwa, an EDSA customer regarding faulty meter which he says occasionally reads 'tampered'. EDSA is yet to resolve this issue despite having reported the matter since June 2018.

Complaint received from a Grafton consumer as to the poor quality of drinking water and Grafton's lack of response to the Commission's queries. This was resolved by the Water Department personnel

## 5. Economic Regulation

The regulation of tariffs for all customers is a key role and a priority of the Commission. The regulatory process ensures stronger tariff stability and a balance between the interests of a supplier (Utility service provider) and customers. Under the current tariff setting regime, a company can make investments in improving its business as well as earn a reasonable profit for its shareholders.

Tariffs in the Year 2019-20 were applied across the WP-1 sites which were mostly subsidized by the GoSL

WP-2 sites are implemented in a 'split assets' model where Generation Assets are procured by Private Partner and the Distribution Assets are subsidized by the GoSL

### **Electricity Tariff Promoting Renewable Energy Services for Social Development (PRESSD) Project**

The Rural Renewable Energy Project (RREP), an initiative of the Government of Sierra Leone, start its commercial operation by providing electricity in fifty-four (54) sites across the country and thus completing the first phase of the project or the so-called 'Work Package 1 (WP1)'. This project is implemented by the Ministry of Energy and three private partners in a Public-Private-Partnership (PPP) with support from the United Nations Office for Project Services (UNOPS) and grant financing by DFID. The sites under WP1 have already been handed over to the private partners by UNOPS and the Ministry of Energy.

### **PowerNed Limited**

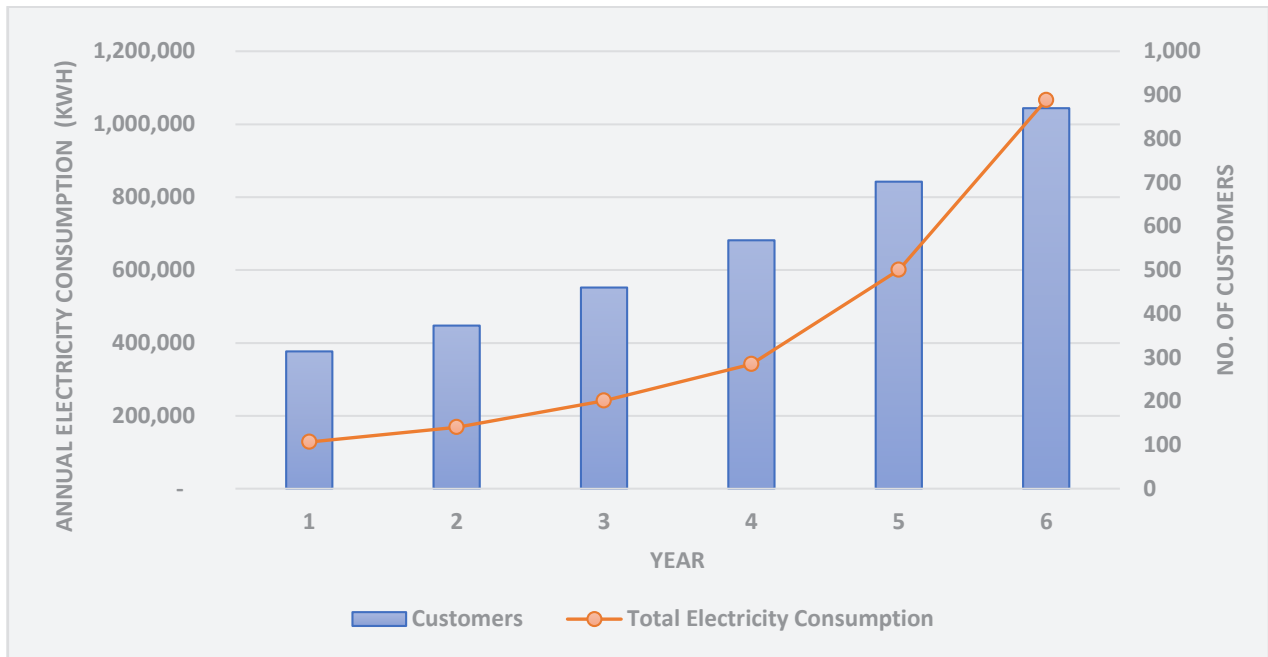
This is a single site mini-grid utility service provider, providing electricity to the Yele community, Gbonkonlenkeh Chiefdom, Tonkolili District. The project is supported by Energy4Impact and is operating on a generation hydro power with turbines installation with power poles, overhead powerline connectors, and transformers for meter distribution line. PowerNed is operating with a pre-paid and Post-paid meters.

Based on the review of the tariff applications from the private operators and the effective community engagement sessions, the Commission considered approving the tariff to be charged in the first year of commercial operation in Yele Community under the Work Package 1 of the RREP

**Table 2: RREP Work Package 1**

Operator	Connection fee (SLL)	Average tariff (USD / kWh) excl. GST	Average tariff (SLL / kWh) excl. GST (1 USD=9,5SLL)	Tariff structure (excluding GST)
PowerNed	150,000	\$0.22	Le2,100	<ul style="list-style-type: none"> <li>SLL1, 680 per Kwh for Residential Post-meter and Prepaid.</li> <li>SLL1,780 for a post-paid meter for businesses</li> </ul>

*Table 3: Yele Community Electricity Consumption*



*PowerNed demand assumptions over the years*

Table 4: Tariff Structure

Mini grid tariff structure

<u>2019-20 Tariff Level*</u>			<u>Recently Approved Tariff Level 2020-21</u>		
Operator	Average tariff (US\$/kWh)	Average tariff (SLL/kWh)	Operator	Average tariff (US\$/kWh)	Average tariff (SLL/kWh)
OGP (Lot 1 and 2)	\$0.82	6,990	OGP (Lot 1 and 2)	\$0.82	7,980
Winch (Lot 3)	\$0.86	7,481	Winch (Lot 3)	\$0.81	7,915
Power Leone (Lot 4)	\$0.87	7,482	Power Leone (Lot 4)	\$0.74	7,196

**Communication of Winch Energy’s revised tariff**

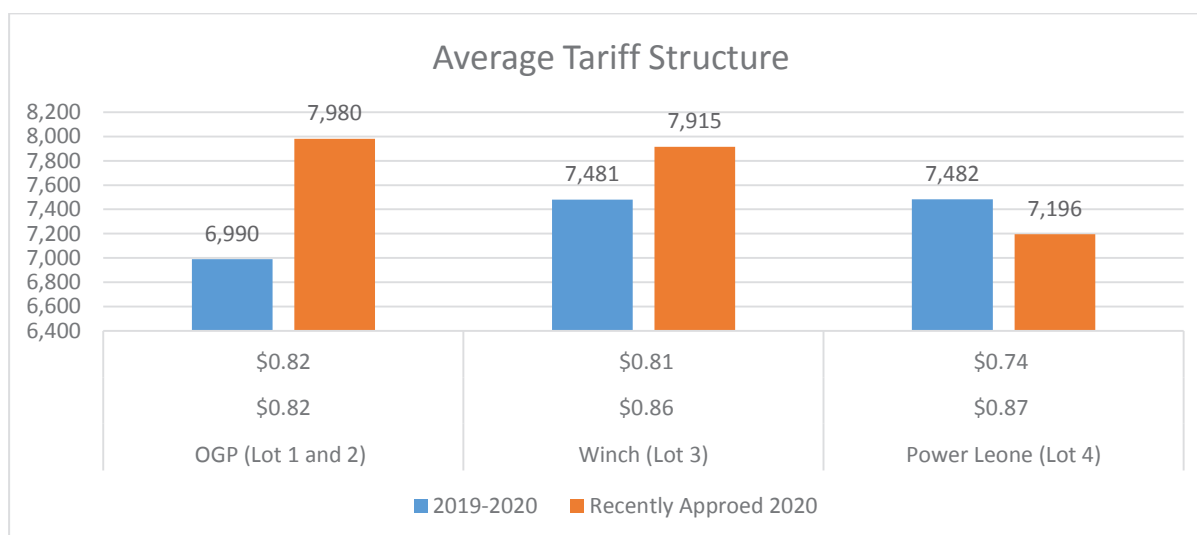
A cross section of EWRC’s staff in October, 2020 visited a number of Winch Energy mini grid locations to communicate Winch’s proposed tariffs presented to the Commission for review. The visits were aimed at getting feedback from the consumers in these locations as to the revised tariffs and also get the people’s feedback about the service offered by the mini grid operator in those areas where service has commenced. As per the SLEWRC Act 2011, the Commission is mandated to consult with customers who are to be affected by any rate change and as such, a series of community engagements were undertaken to some of the sites operated by Winch Energy including Kondembaia, Falaba, Dogoloyia, Rokonta, Mara Malal, Kamaranka, Kagbere and Gbendembu Chiefdoms to hold a pre-tariff community engagement with key stakeholders and consumers in the said communities.

The Rural Renewable Energy Project under the Ministry of Energy is a DFID supported and UNOPS implemented Project with an overall objective of achieving sustainable energy for all through an initial 50 beneficiary locations with the intention of reaching unserved areas with electricity services in rural Sierra Leone. An additional 40 locations are currently under installation and are expected to be in operation by early 2021. Winch Energy is one of the three operators of the ninety mini grid sites that has presented to the Commission a tariff review application for all sites under its management in Work Packages 1 and 2.



**Meetings with heads and community members in various locations visited communicating Winch Energy Revised tariffs**

Table 5: Average Tariff Structure



### **EDSA Tariff**

Approved Tariff for EDSA in December 2019 is still in effect, as shown in Table below:

Table 6: EDSA Tariff

Tariff Category	Units per kWh	Le per kWh	GST 15%	Tariff inc GST	Service Charge
		Le	Le	Le	Le
<b>T-1 Residential – Social</b>	<b>0-25</b>	<b>560</b>	<b>84</b>	<b>644</b>	<b>10,500</b>
<b>T-1 Residential – Normal</b>	<b>Above 25</b>	<b>1,600</b>	<b>240</b>	<b>1,840</b>	
<b>T-2 Commercial</b>	<b>All units</b>	<b>1,870</b>	<b>280.5</b>	<b>2,150.5</b>	<b>14,115</b>
<b>T-3 Institutions</b>	<b>All units</b>	<b>1,800</b>	<b>270</b>	<b>2,070</b>	<b>14,730</b>
<b>T-4 Large energy users</b>	<b>All units</b>	<b>1,890</b>	<b>283.5</b>	<b>2,173.50</b>	<b>75,630</b>
<b>T5-5- Street Lighting</b>	<b>All units</b>	<b>1,678</b>	<b>251.7</b>	<b>1,929.7</b>	<b>29,460</b>
<b>T-2 Welding</b>	<b>All units</b>	<b>1,900</b>	<b>285</b>	<b>2,185</b>	<b>39,570</b>

### **Water Tariff**

#### **Guma Valley Water Company**

Tariff applied by Guma Valley Water Company in 2020 remained at amounts approved in 2016 and as shown in Table below:

Table 7: GVWC Tariff

Charge Description	Category	Details	Approved Charge (Le)
Service Charge	Residential		15,000
	Commercial		38 Multiply by Assessed Annual Value
	Schools, Colleges, Churches and Mosques		15,000
	Government		38 Multiply by Assessed Annual Value
Usage Charge Per Kilo Litre (Kl)	Residential	1-13,000 Litres	2, 500 Per Kl
		Above 13,000 Litres	3,000 Per Kl
	Commercial		5,000 Per Kl
	Commercial-Major	5,500	5,500 Per Kl
	Commercial-Slam	5,500	5,500 Per Kl
	Commercial- Super Major	10,000	10,000 Per Kl
	Institutions	Same as Residential Above	
	Government		5,000 Per Kl
Ship Bunker		10,000 Per Kl	
Flat Charge Per Month	Residential		50,000
	Commercial	Small Business	100,000
		Large Business	250,000
		Small Hotels & Restaurants	250,000
		Large Hotels & Restaurants	500,000
	Commercial-Major	Based On Assessment	
	Commercial-Slam		
	Commercial- Super Major		
Institutions		100,000	
Energy Surcharge (Per Connection Account)	Residential		20,000
	Non-Residential		50,000

### **SALWACO**

SALWACO tariff also remained at 2016 rates which is a tariff of Le. 5.00/ litre for residential customers and Le. 10.00/litre for commercial and other institutions on a provisional basis.

## **6. Financial Performance For 2020**

The operating results is based on accrual accounting. This means that not all incomes earned in the year were received, similarly, not all expenses incurred were paid during the year under review. Table 9 below represent the draft financial statements presented to the Auditor-General for audit-

ing as required by the Act. Table 14 and Figure 1 show comparative analyses and financial ratios. 2020 was considered a good financial year for the Commission despite challenges leading to a slight reduction in incomes by 4% mainly due financial difficulties regulated utilities; expenditures increased by 17%, there was a surplus of Le 3.4 billion. EWRC's main internally generated funds from levies show a 37% decrease over the 2019 levels. The foregoing tables duly supported by notes and ratio analysis present EWRC's financial results for the year 2020.

**Table 8: Statement of Activities**

Statement of Activities		In Thousand Leones (Le '000)	
Notes	Income	2,020	2,019
3	Income from GoSL	3,969,098	3,286,665
4	Internally Generated Income	4,557,446	7,214,568
5	Other Income	1,550,444	-
		10,076,988	10,501,233
	Operating Expenses		
6	Commissioners Allowances & Expenses	(805,334)	(799,512)
7	Staff Emoluments	(4,262,943)	(3,095,999)
8	Programme & Administrative Expenses	(1,601,875)	(1,826,011)
		<b>(6,670,153)</b>	<b>(5,721,522)</b>
	<b>Result for the Period</b>	<b>3,406,835</b>	<b>4,779,711</b>

**Table 9: Statement of Financial Position**

Statement of Financial Position		In Thousand Leones (Le '000)			
Non-Current Assets	Notes	2020	2020	2019	2019
Property Plant and Equipment	9		1,052,043		1,028,487
Intangible Asset	9.1		9,411		9,411
<b>Current Assets</b>					
Receivables and Prepaid Charges	10	16,180,652		16,571,565	
Bank Balance	11	4,998,480		988,090	
<b>Total current assets</b>		<b>21,179,133</b>		<b>17,559,655</b>	
Creditors: Amount falling due within one year	12	(163,685)		(110,111)	
<b>Net Current Assets</b>			<b>21,015,447</b>		<b>17,449,544</b>
			<b>22,076,901</b>		<b>18,029,169</b>
<b>Represented By</b>					
Deferred Fund	13		21,436,005		17,570,896
Creditors: Amount falling due after one year	14		640,896		458,273
			<b>22,076,901</b>		<b>18,029,169</b>

**Table 10: Statement of Cash Flow**

Statement of Cash Flows	In Thousand Leones (Le '000)	
	2020	2019
Cash Generated from Operating Activities	4,033,945	(31,443)
Investing Activities		
Property, Plant & Equipment	(23,556)	(27,904)
Intangible Assets		-
Cash used for investing Activities	(23,556)	(27,904)
<b>Net Cash Flow</b>	<b>4,010,389</b>	<b>(59,347)</b>
<b>Reconciliation of Result for the Period to Net Cash Generated from Operating Activities</b>		
Result for the Period	3,406,835	4,779,711
Adjustments for:		
Depreciation	-	349,913
Adjustment accumulated fund		330
Changes in Operating Assets and Liabilities		
Changes in Receivables	390,912	(5,414,449)
Change in Creditors falling due within one year	53,574	37,489
Changes in Creditors falling due after one year	182,623	215,563
	<b>4,033,945</b>	<b>(31,443)</b>
Analysis of Cash and Bank Balances during the year		
Balance at the start of the year	988,090	1,047,437
Net Cash Flow	4,010,389	(59,347)
<b>Balance at the end of the year</b>	<b>4,998,480</b>	<b>988,090</b>

**Table 11.: Statement of Changes in Funds**

Statement of Changes in Funds	In Thousand Leones (Le '000)		
Year ended 31st December 2020	Deferred Fund	Accumulated Fund	Total Funds
At the start of the year	1,037,899	16,995,279	18,033,178
Movement during the year	23,556	3,383,280	3,406,835
Balance as at end of the year	1,061,455	20,378,558	21,440,013
Year ended 31st December 2019	Deferred Fund	Accumulated Fund	Total
At the start of the year	1,359,907	11,891,111	13,251,018
Movements during the year	(322,008)	5,104,168	4,782,160
Balance as at end of the year	1,037,899	16,995,279	18,033,178



**Table 12: Comparative Analysis**

Ratio Analysis	2020	
	Year-on-Year Comparison	Makeup
Income analysis	4% (decrease)	100%
Income from GoSL	21%	39%
Internally Generated Income	37% (decrease)	45%
Other Income	-	15%
	Year-on-Year Comparison	Makeup
<b>Operating Expense comparison year on year</b>	<b>17%</b>	<b>100%</b>
Commissioners Allowances & Expenses	0.7%	12%
Staff Emoluments	38%	64%
Programme & Administrative Expenses	12%	24%
<b>Balance sheet analysis</b>		
Working Capital ratio (current liabilities cover)	129.39	Times
Quick ratio (cash cover)	30.54	Times
Debtors to total current assets	76%	
Cash to total current assets	24%	
Assets Base ratios		
Property Plant and Equipment (PPE)	1,052,043	5%
Net Current Assets	21,015,447	95%

**Table 13: Notes to the accounts**

Notes	Item Description	2020	2019
<b>3</b>	<b>Government of Sierra Leone Subventions &amp; Grant</b>		
	Salary Grant	3,969,098	3,286,665
	Recurrent Expenses Grant	-	-
		<b>3,969,098</b>	<b>3,286,665</b>
<b>4</b>	<b>Internally Generated Income</b>		
	Levy	4,135,536	6,972,295
	License Fees	421,910	242,273
		<b>4,557,446</b>	<b>7,214,568</b>
<b>5</b>	<b>Other Income</b>		
	Other Income	1,550,444	-
	Donation	-	-
		<b>1,550,444</b>	<b>-</b>
<b>6</b>	<b>Commissioners Allowances &amp; Expenses</b>		
	Allowances GoSL (incl NASSIT)	609,250	588,800
	Sitting Fees & Refreshments GoSL	129,238	183,750
	Other Expenses	66,846	26,962
		<b>805,334</b>	<b>799,512</b>
<b>7</b>	<b>Staff Emoluments</b>		

Salaries and Allowances	3,359,144	2,583,855
Employers NASSIT Contribution	225,194	181,716
End of Service Cost	338,419	287,617
Other Employee Cost	340,186	42,811
	<b>4,262,943</b>	<b>3,095,999</b>

8	Administrative Charges	2020	2019
	Office Running Expenses (including books, newspapers & periodicals)	50,527	9,214
	Bank Charges	-	-
	Fuel and Oil	162,380	157,975
	Communication Expenses	112,221	85,988
	Office Supplies and Cleaning Materials	12,426	35,848
	Public Relations and Adverts	57,475	132,332
	Electricity and Water Charges	48,000	39,991
	Oversea Training Travelling Expenses	5,507	266,599
	Stationery & Printing	157,232	129,267
	Office Rent	342,857	297,927
	Depreciation	-	349,912
	Audit Fees	59,450	47,550
	Security Services	88,318	62,270
	Insurance	107,875	83,086
	Repairs & Maintenance	182,213	-
	Other Administrative Cost	1,999	3,600
	Community Outreach Programme	213,396	124,452
		<b>1,601,875</b>	<b>1,826,011</b>

## 9. Property Plant and Equipment

Cost/Valuation	Office & Computer Equipment	Office Furniture & Fittings	Motor Vehicle	Work-in Progress	Total
At the start of the year	329,956	236,634		170,156	2,192,011
Additions	12,190	11,366	-	-	23,556
<b>Balance at the end of the year</b>	<b>342,146</b>	<b>247,999</b>		<b>170,156</b>	<b>2,215,566</b>
Depreciation					
At the start of the year	316,224	135,128	712,172	-	1,163,524
Charge for the year	-	-	-	-	(1)
<b>Balance at the end of the year</b>	<b>316,224</b>	<b>135,128</b>	<b>712,172</b>		<b>1,163,523</b>
Carrying Amount					
<b>As at 31st December 2020</b>	<b>25,922</b>	<b>112,871</b>	<b>743,093</b>	<b>170,156</b>	<b>1,052,043</b>
<b>31st December 2019</b>	<b>13,732</b>	<b>101,506</b>	<b>743,093</b>	<b>170,156</b>	<b>1,028,487</b>

9.1 Intangible Asset		2020	2019
	Computer Software		
	At the start of the year	28,234	28,234
	Additions	-	
	Balance at the end of the year	28,234	28,234
	Amortisation		
	At the start of the year	18,823	9,411
	Charge for the year	-	9,412
	Balance at the end of the year	18,823	18,823
	Carrying Amount		
	As at 31st December 2020	9,411	
	31st December 2019	9,411	9,411

10. Receivables and Prepaid Charges			
	Receivables – Levy& Licences	16,123,351	16,146,405
	Charges		
	Prepaid Rent	-	342,957
	Staff Loans and Advances	57,302	82,202
		<b>16,180,652</b>	<b>16,571,565</b>

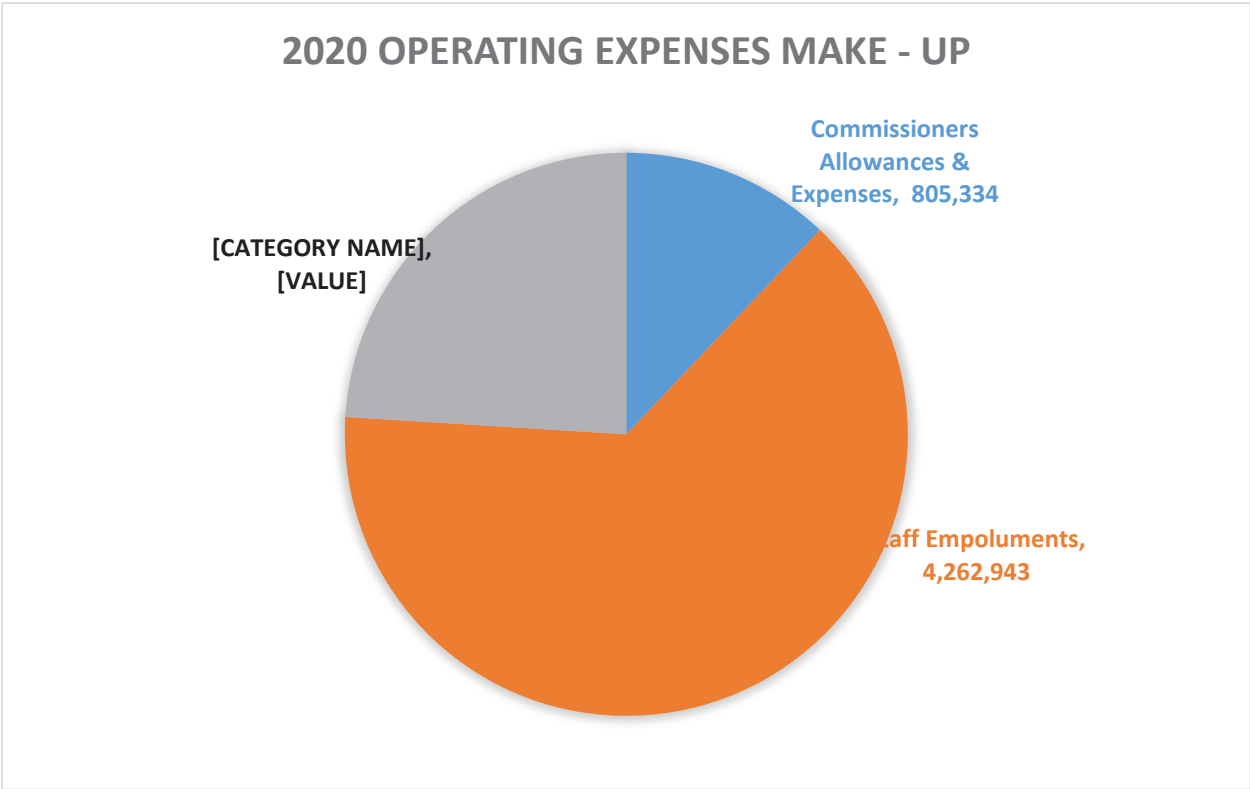
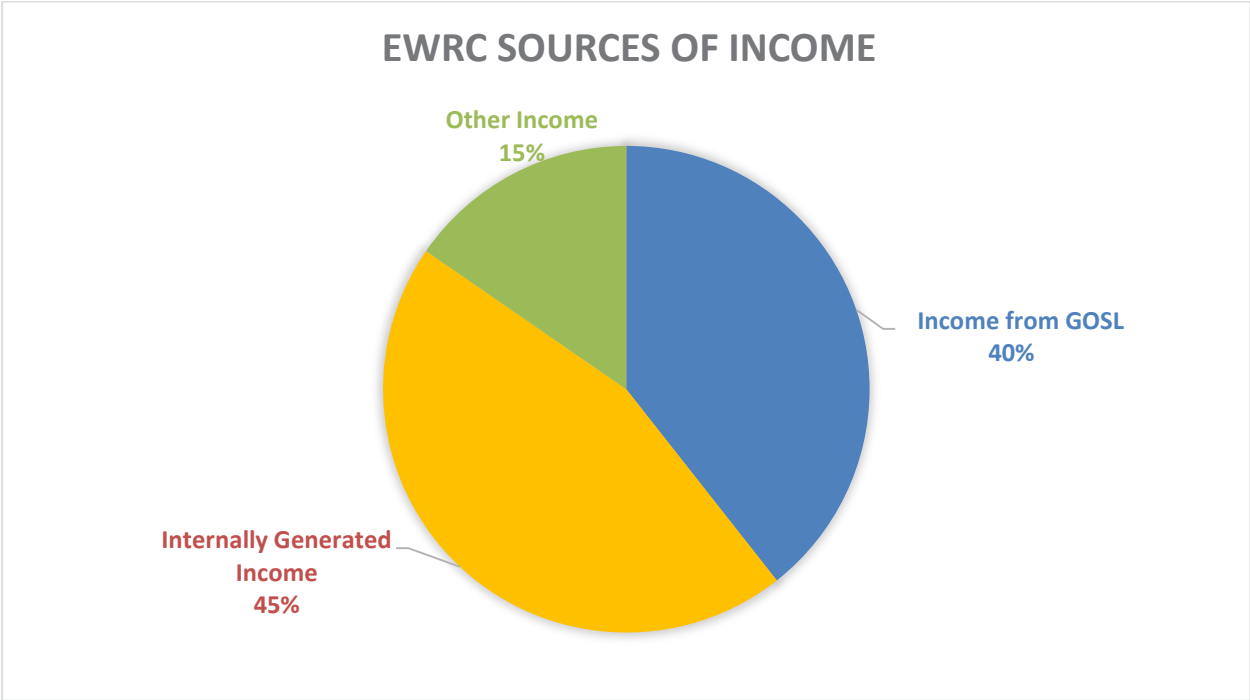
11. Bank Balance			
	Cash at Hand	738	1,775
	Bank of Sierra Leone	4,997,743	986,315
		<b>4,998,480</b>	<b>988,090</b>

12. Creditors: Amount falling due after one year			
	End of Service Provision	640,896	458,273
		<b>640,896</b>	<b>458,273</b>

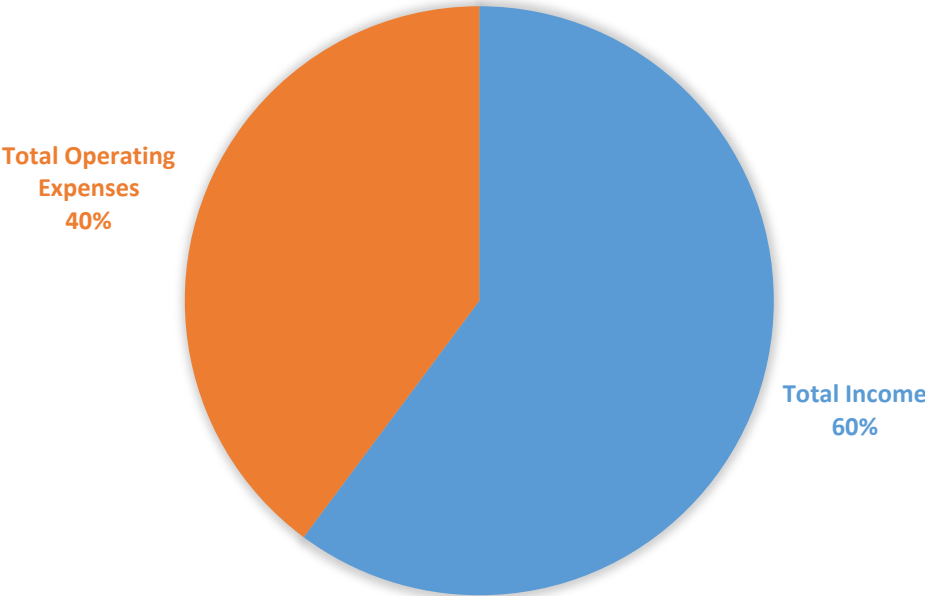
13. Creditors: Amount falling due within one year			
	Accrued Audit Fees	45,000	40,000
	PAYE Payable	23,471	22,857
	Withholding Tax Payable	22,195	47,254
	Other Payables	73,019	-
		163,685	110,111

14. Deferred Fund			
	Opening Deferred Fund	18,029,170	13,249,128
	Grants Received during the period	10,076,988	10,501,234
	Grants Utilised during the period	(6,670,153)	(5,719,074)
		<b>21,436,005</b>	<b>18,031,288</b>

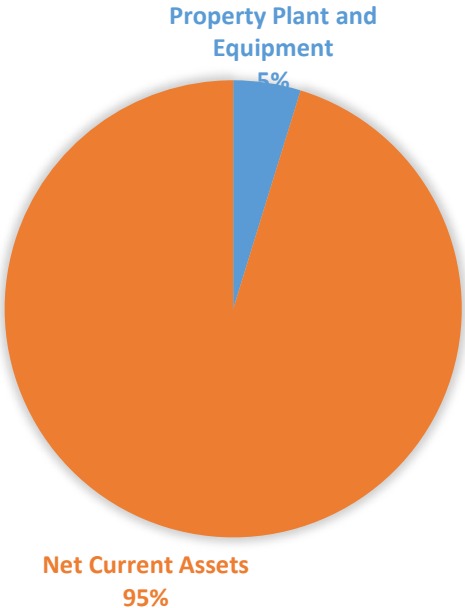
Figure 1: Comparative Financial Ratios

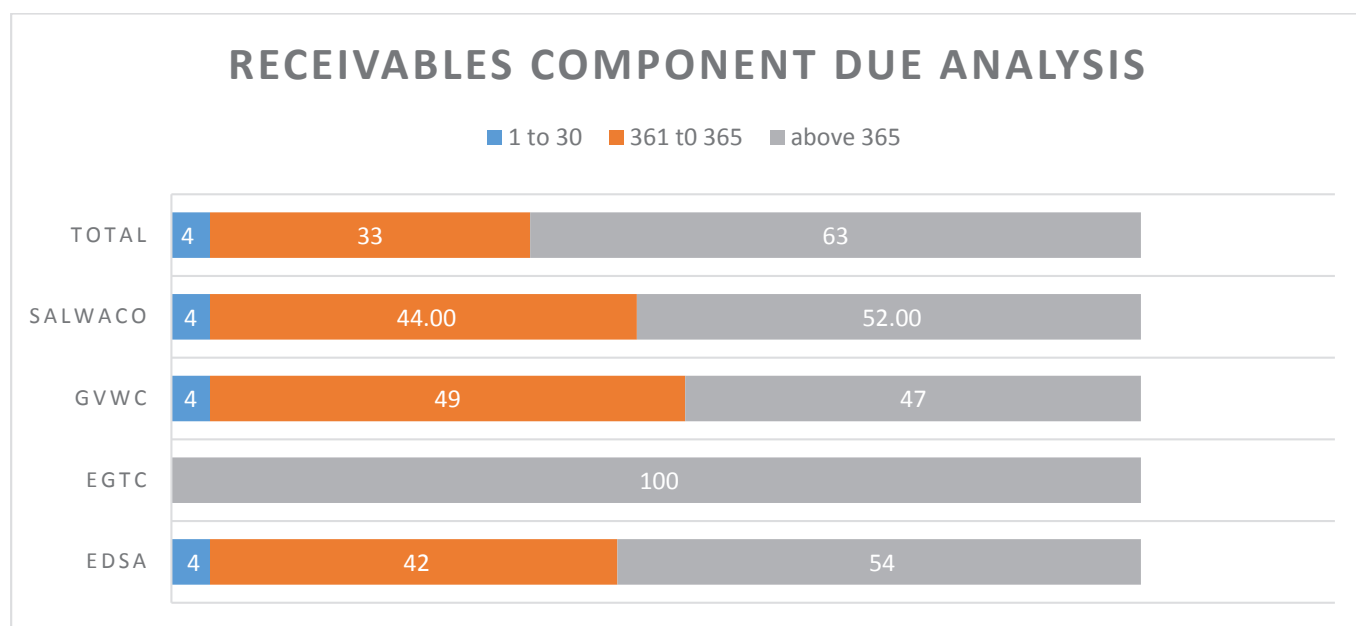


### EWRC INCOME TO EXPENDITURE



### EWRC ASSETS BASE





### **Human Resource and Administration**

Under the current EWRC organisational structure there are six departments namely: Finance and Administration, Legal and Compliance, Consumer and Public Affairs, Water, Electricity and Economic Regulation. The staff complement of the Secretariat at the end of 2020 stood at 24 as analysed in Table .

**Table 14: 2020 Staff Complement**

Staff Complement by Department	
DG's Office	3
Finance and Administration	8
Electricity	3
Water	3
Legal	2
Consumer Affairs	3
Economic Regulation	2
Total	24

### **Promotion**

It is the policy of the Commission to promote to a higher position or grade based on merit, as found in section 3.8 of its Staff Handbook. Factors considered include qualification, competence, a favorable appraisal report for the staff and recommendation of the Appraisal Committee.

The usual management by objectives style of appraisal exercise was done for all Management staff in 2020. Performances were evaluated against predetermined objectives set by the Commission, to evaluate their skills, strength, and determine areas of improvement. It was concluded by the Members of the Board in a meeting held in August 2020, that based on each of the Head's increased experienced gained on the job, their consistently high level of performances with a demonstration of skills set that matches the envisioned role, a unanimous decision was taken to promote all of Heads of the various Department to Directors of their individual departments effective in September 2020.

**Recruitment**

3 (three) staff were recruited during the year under review to replace the three vacant positions. Of the three vacant positions, two were as a result of resignation and retirement respectively, and the third was due to summary dismissal. The Commission with suitable support can make many institutional changes which will improve its organisational health and help it to attract and retain staff. But a pre-condition to sustainability must be the resolution of its financial position. The Commission is yet to receive its financial independence as it receives significant amount of its expenditure requirements including staff salaries from Government subventions.

**Summary Dismissal**

An ex-staff Ing Alieu Sesay who served in the capacity as Electricity Enforcement Officer was summarily dismissed on the proof of defrauding a regulated entity of the Commission. A report was received from a package water company of having been defrauded by Ing. Sesay of their license fees. Upon admitting to wrong doing, Ing. Alieu was dismissed from the Commission's employ and requested to assist the police with the investigations. The Commission's process for licensing was further reviewed and stringent measures have been put in place to mitigate against such in the future.

**Staff Capacity Building**

Due to Covid – 19, not much capacity building programmes were engaged in during 2020. Table 15 below shows a list of training programmes during the year:

***Table 15: Staff Capacity Building***

Number of Staff	Details of Training	Location and Date	Funded by
1 Staff	Head of Communications Training	Ghana, December 2020	ERERA

**Administration**

The Commission in 2020 upgraded its network infrastructure to support future administrative software and ensure effective monitoring. To support this upgrade, the internet bandwidth was increased to twice the previous size, available on a 24 hours basis, and allows for remote monitoring as well. The commission also revised its staff handbook to reflect current statutory requirement.

**The Commission's Anti-Corruption Efforts**

Following a month long visit from the Anti – Corruption Team, the Commission made the following efforts as part of its commitment to implementing recommendations:

**Internal Auditor support**

Internal Auditors upon request from the Commission, were assigned by the Ministry of Finance to strengthen the Control Environments improving level of compliance. Recommendations from issues raised are being implemented in preparedness of the 2020 Financial Statements Audit

**New Procurement Officer**

Segregation of Procurement roles from accounting roles was of key Concern of the Anti - Corruption team. In compliance, the Commission employed a Contract Procurement Officer, responsible for procuring goods and services required by the commission.

**Securitized Licenses**

An issue of Licences fraud in the Commission, was reported and investigated in November 2020. This lead to the Summary Dismissal of Ing. Allieu Sesay (former Electricity Enforcement Officer) in December. To prevent such fraud from recurring in future, the Commission has introduced a new Electricity and Water Licence, with securitized features, which cannot be easily imitated.

## Challenges and Recommendations for the Reporting Year 2020

During the period under review, the achievements made have been tempered by challenges that the Commission strived to overcome, in close collaboration with all stakeholders. Some of these challenges are not new and the Commission is set to develop, adjust, and refine relevant policies and strategies, based on the lessons learned. However, when the pandemic hit the country in March 2020, thousands of public and private sector workers began working from home – an unprecedented and ongoing phenomenon facilitated by high-tech information systems.

The Commission adopted a one day in, one day out working policy for all its staff to reduce the number of persons at the office per time, adopted virtual means for all meetings with external stakeholders. A number of planned trainings for new and existing staff had to be put on hold due to travel restrictions placed on non-essential travels.

On an individual Department basis, below is a list of challenges faced amidst the above scenario:

### Finance and Administration Division

Challenges of the Finance Unit:

- **Low Revenue Generation:** Revenue is considered low in 2020 compared to the previous year. This could be attributed to nonpayment of levy by main utilities, and reduced operations of water companies due to Covid – 19, thereby reducing income generated from the collection of Licenses fees.
- This could be remedied by increased expansion into provincial areas with large concentration of water producing companies. There will be increased monitoring to ensure compliance with Licence procedures and enforcement actions taken for non-compliant utilities.
- Challenges of the Administration Unit: Lack of Technical staff to support recent expansion: There is lack of technical staff to support the recent expansions into three provincial headquarter towns namely Bo, Kenema and Port Loko.
- Procedures for recruitment are underway. The newly recruited staff are expected to start work by the first quarter of next year.

### Water Division

#### Challenges

The Commission made significant efforts to pursue its mandate and implementation of its Organisational Development Plan, nevertheless the Water department was faced with the following challenges:

- Limited number of staff within the department
- No inspectorate division to enhance the work of the limited number of staff within the department
- Limited logistics and regulatory tools (ICT related item like GPS and other survey tools, Mobile water testing kits.)
- Inadequate funding for operational activities.
- Reluctance of GVWC and SALWACO to pay levy to the Commission
- Low level of compliance from regulated entities generally.

### Recommendations

Publish on a biweekly or monthly basis in all print and electronic media the list of only fully compliant companies. This will spur the non-compliant companies to be licenced with the Commission in order for them to be recognized by the public.

- Vehicles and other office equipment and logistics should be made available to personnel to carry out their duties effectively.
- Establishment of an inspectorate division to be supervised by the technical departments to enhance frequent and effective monitoring.



## Economic Regulations Division

### *Challenges*

- Unavailability of Regulatory software(s) for rate-setting;
- Limited number of staff within the department;
- Non-compliance or negligence of utilities on data submission;
- Late submission of data from the utilities and mini-grid operators;
- Unapproved rates charged by the Sachet and Bottled water producers causing chaos;
- Internet Disruption

### **Recommendations**

- Provision of Regulatory software for rate-setting and decision making
- Creation of a Regulatory Unit or dedicated focal person/s at the utilities to address regulatory issues including data collection and submission as requested.
- Recruitment of additional staffs
- Levies and penalty charged for non-compliance to the regulatory instruments and the Act;
- Consideration of better Internet service possibilities

## Electricity Division

In the discharge of its duties in 2020, the Electricity department experienced the following:

### *Challenges*

- Lack of data and reports from the regulated entities
- Lack of a regulatory compliance unit nor focal person in the utilities to liaise with
- COVID-19 restrictions mean we couldn't move around to carry out inspections
- Delays in the Captive Power Generation Survey project meant inspectorate section couldn't carry out some tasks so as not to duplicate the work of this project
- Equipment for inspections and testing came in quite late in the year
- Regulated utilities demonstrated low appetite for compliance to the regulator.

### **Recommendations**

- Need for regulated utilities to set up a regulatory compliance unit to liaise with the regulator
- More cooperation with the regulator especially in data reporting
- Vehicle to be assigned for department so as to avoid clashes with other users when inspections are to be carried out by the department
- Training of department staff to use and operate the equipment received from MCCU under the Threshold Programme so as to capacitate staff to perform more efficiently

## Consumer and Public Affairs Division

### *Challenges*

- Not being able to implement planned activities: the department was constrained to carry out planned activities especially those that border on monitoring and evaluation of mini grid services to consumers in the provinces due to provincial travel restrictions
- Personnel gap at the IT section: The IT unit is manned by one officer only. This status would need to be reviewed considering the significant support given by the MCCU in this area.
- No clear communication to all staff as to the strategic direction is headed based on the Commission's inability to carry out its proposed all-staff retreat.
- There were no capacity building sessions owing to not only government but Covid-19 restrictions.
- No access to modern software technological tools for designing
- No adequate tool to record complaints data

## **Recommendations**

- It is recommended that planned activities are implemented as budgeted for.
- Year-end/start of year retreats for all staff should be a must in order that all can be guided as to the strategic direction of the Commission.
- There is a need for an IT intern or recruited officer to assist the current Information Technology Officer.
- Scheduled capacity building activities should be followed through to close the gap in skills and knowledge.
- Provision should be made for the use of modern technological tools like the Adobe creative cloud software tools.
- An introduction in the use of an adequate software that can easily capture and generate data on complaints is vital

## **Legal and Compliance Department**

### ***Challenges***

- Staff challenge as support as there are limited number of staff within the department
- Inadequate and timely response for the use of office vehicles for operational activities
- Inadequate funding for operational activities.
- Some level of Non-Compliance shown by public utilities to be licensed

### **Recommendations**

- Vehicles for official operations should be allocated to each department of the Commission
- Office equipment and logistics should be made available to staff to carry out their duties effectively.
- Allocation of sufficient funds for operational activities through a scale of preference.
- Recruitment of additional staffs that are trained and equipped to give support to the department.
- Stakeholders' intervention in addressing stiff resistance of Public utilities in adherence to licensing.

Abbreviation	Meaning
CEO	Chief Executive Officer
CLSG	Cote D'Ivoire, Liberia, Sierra Leone and Guinea
DfID	The United Kingdom Department for International Development
ECOWAS	Economic Community of West African States
EDSA	Electricity Distribution and Supply Authority
EGTC	Electricity Generation and Transmission Company
ERI	Electricity Regulatory Index
ERERA	ECOWAS Regional Electricity Regulatory Authority
EWRC	Electricity and Water Regulatory Commission of Sierra Leone
GVWC	Guma Valley Water Company
Kl	Kilo Litre
kWh	Kilowatt-hour
MCC	Millennium Challenge Corporation
MCCU	Millennium Challenge Coordinating Unit
MoF	Ministry of Finance
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPA	National Power Authority
NARUC	National Association of Regulatory Utility Commissioners
ODP	Organisational Development Plan
OPM	Oxford Policy Management
PPA	Power Purchase Agreement
PPP	Public-Private-Partnership
PRESSD	Promoting Renewable Energy Services for Social Development
RBF	Results Based Financing
RREP	Rural Renewable Energy Project
SLLECA	Sierra Leone Licensed Electrical Contractors Association
SALWACO	Sierra Leone Water Company
UNOPS	United Nations Office for Project Services

## Rollout of Regulations in pictures



*Senior Representative from SALWACO*



*Cross Section of Day Two's Participants*



*EWRC's Chairman during his opening statement at the roll out of Parliamentary approved regulations.*



*Presentation of Certificate to Raymond Awoonor-Williams of Guma Valley Water Company by EWRC'S Chairman*

**Review of intrim water code in picture**



*Ansumana Swarray - Director of Water, MCCU*



*EWRC's Director General, Dr. Emmanuel Mannah*



***Mr. Amadu Barrie: Senior Lecturer at the Civil Engineering Department, Fourah Bay College***



***Participant at the Review Session of the intrim water code***

**Meeting with the Executive of the Package Water Union in October 2020**



*Members of the Union advocating for an extension of the period for its members to regularise their license status with the Commission*

