

# **SOUTH ASIAN FORUM FOR INFRASTRUCTURE REGULATION**

## **15<sup>th</sup> Steering Committee Meeting: Summary of Discussions**

**10 September 2008**



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## **A1: 15<sup>th</sup> STEERING COMMITTEE MEETING OF SAFIR: SUMMARY OF DISCUSSIONS**

### **Introduction**

- 1.1 The fifteenth meeting of SAFIR Steering Committee (SC) was held on September 10, 2008 at Le Meridien Hotel, New Delhi, India. The SC Meeting was chaired by Mr. Khalid Saeed, Chairman NEPRA, who was also Chairman for SAFIR in 2007-2008. Ms. Bhavna Bhatia, Regional Program Leader, South Asia, Central Asia and Europe, represented PPIAF who is also the funding partner of SAFIR.

### **Welcome Address**

- 1.2 In the welcome address, Mr. Khalid Saeed, Chairman SAFIR welcomed all participants and initiated the discussions. He welcomed the three new members who joined SAFIR during the year. These included The Competition Commission of Pakistan; Petroleum and Natural Gas Regulatory Board – India and Water Supply Tariff Fixation Commission of Nepal.
- 1.3 Mr. Saeed highlighted the need for broadbasing the membership of SAFIR. He wanted to pro-actively seek the participation from the private sector. He emphasised that for financial viability of SAFIR as an organization, broadening the membership forum was important.
- 1.4 The Chairman also recommended for a Permanent Secretariat for the institutional memory. He suggested that for three years it should be located in one country and after that it should be relocated to other SAFIR countries and the same process should be followed after every three years.
- 1.5 Mr. Saeed also suggested to have an Executive Committee that should have representation from all SAFIR countries. This committee should be focussing on implementation of all decisions made during the SC meetings. He also emphasised on working collectively as a forum for attracting investment in respective areas and suggested that SAFIR should organize an investors conference. He also thanked PPIAF, PwC, Government of India and all the regulators in hosting the annual meeting and participating.

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## Opening Remarks

- 1.6 The opening remarks were given by Ms. Bhavna Bhatia. She also welcomed three new members of SAFIR, in particular representation from the Water sector for the first time from the region. She mentioned about World Bank and PPIAF's association with SAFIR since its inception in 1999 and the creation of an informal platform for exchange of ideas and discussion of issues amongst the independent regulators. PPIAF felt that it is important to create such a platform and supported the concept. Till date PPIAF has provided nearly USD 1.2 million of funding support to SAFIR for various activities. Bhavna also mentioned that SAFIR was the first regional forum to get support from PPIAF/World Bank after which World Bank created such kind of platforms in Africa, Central Asia and East Asia.
- 1.7 She raised three important issues to be discussed during the SC Meeting –
1. How do we keep SAFIR relevant and useful?
  2. What would be the appropriate format for SAFIR? – It would be important to set up a few goal posts and agree on certain time frames under which SAFIR members would like to come to a closure on the decisions taken during SC meeting.
  3. How can SAFIR become sustainable? – PPIAF is more interested in becoming a knowledge partner to SAFIR rather than helping it financially.
- 1.8 She concluded by saying that next year SAFIR will complete its ten years so in next few months SAFIR members should decide what SAFIR needs to do and plan something so that next year SAFIR can celebrate its 10 years of evolution and how it can reach a new level by building on its achievement and experience.

## Discussion on SAFIR's Strategic Plan

- 1.9 The strategic plan for SAFIR was presented by C Iyer from PricewaterhouseCoopers. The strategic plan was developed based on responses from SAFIR Members (through a questionnaire) and a benchmarking of SAFIR with the similar international forums. The presentation brought out the clarity and relevance of objectives of SAFIR based on members response, and the need to revisit some of the original objectives of SAFIR. The benchmarking with other institutions helped in comparing SAFIR with other similar forums and understanding its relative strengths and weaknesses.
- 1.10 The strategic plan brought out several questions for discussions which included the following :
- How participation at core course could be enhanced?
  - How can SAFIR increase its membership base?

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- 1.11 The plan also brought up a few thoughts for discussions on the the future activities of SAFIR:
- SAFIR can interact with other regional forums like SAARC energy centre, etc.
  - SAFIR should have a permanent secretariat beyond November 2008, when agreement with PwC will come to an end.
  - What kind of future partnership is required from PPIAF and how other funding sources could be explored?
  - Website of SAFIR also provides opportunity to interact with members. Being an Administrative Partner, PwC had initiated 'Member in Focus' in its website for active interaction with the members.
- 1.12 During the question answer session some important issues were discussed that are summarized below:
- 1.13 One of the members expressed that SAARC energy centre is likely to have external influence SAFIR should be kept away from external influences.
- 1.14 It was suggested that all recent regulatory developments and tariff orders should be uploaded on SAFIR's website. Further effort should be made to see if all regulatory members from the region are covered
- 1.15 It was agreed that the base of SAFIR membership should be increased and funding should be increased with participation and interaction with private players. Ms. Bhavna Bhatia insisted that if SAFIR wanted to have interaction with other forums, it should be made sure that it should not get politicised and its basic instinct of informal platform should continue.
- 1.16 Mr. Saeed raised some important issues:
- SAFIR's membership base should be increased. New regulators and existing regulators in other infrastructure areas especially telecom regulators should be roped in.
  - Chairpersons of all the regulatory commissions should share the work of their respective areas during the SC meeting through short presentations that will add more value to the meeting.
  - The topics chosen for the workshops should be relevant for the members.
  - Need for self financing by making a knowledge workforce that can not only collect raw data but can also collate it and interpret it and disseminate to all the members.

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- He added that there is a need for introspection as to how much time each member can devote for this organisation

### **Sub-committee on Core Course**

1.17 Mr. S K Misra gave presentation on SAFIR core course. Last year there was a fruitful meeting on core course and various issues were raised which was followed by the formulation of this sub committee on core course. For the Core Course, the following key issues were put up for debate :

- Host country and venue?
- Minimum commitment from participants.
- Whether a shorter 5 day course is preferred to reduce the costs?

1.18 He also raised some other issues like:

- The present fee (i.e. US\$ 2000 per person) of core course is very high so most of the state regulators cannot afford to sponsor their staff for the core course.
- To reduce the cost it should be made 5 days course – the three days course on infrastructure regulation and the rest of the two days for specific infrastructure areas like electricity, water, telecom, etc.

1.19 Mr. Yogesh Khanna suggested that to increase the participation from the member commission the membership fees should include the training fees (in terms of training surcharge).

1.20 On the subject of Core Course, the following conclusions were drawn:

- Course fee should be restructured – Transportation cost should be reduced and hotel cost should also be reduced by selecting the hotels smartly.
- PPIAF funding should be diverted to the capacity building exercise like training programmes.
- Core Course could be sponsored
- Course content should be made more attractive and it should be made more cross-sectoral.

- Core course should be of 5 days – SAFIR should look for other options than LiRNE Asia. Initial dialogue will be made with LiRNE Asia to organize and market this flagship event of SAFIR. But if this dialogue fails then it was requested that Dr. Joseph Wilson should interact with LUMS on the time and cost of organizing the core course. Similarly, it was suggested that Dr. Deo, Chairman CERC, should look for options to have an association with any university or institute in India to organize the 9<sup>th</sup> core course of SAFIR. This subject will be deliberated further by the Executive committee of SAFIR.

### **Sub-committee on Certification Programme**

1.21 Mr. J L Bose gave presentation on certification programme. During the presentation he raised the following issues:

- Certification could be conducted through a partner agency like IIM, IIT, TERI, etc.
- The Certification outline and content should be approved by SAFIR's sub-committee.
- SAFIR's chairperson/members of the sub-committee should be present during the workshop/seminar and issue of certificates.
- Course should be designed for middle level officers.

1.22 Mr. Amer Tufail suggested that this is not an immediate priority for SAFIR and SAFIR should focus on its core course training programme.

1.23 Mr. Alok Kumar asked whether there is any need felt for such certification programme. Ms. Bhavna Bhatia mentioned that the idea was mooted by Clive Harris from the Bank and that it is a useful tool but it is for SAFIR members to decide how to go ahead with that.

1.24 Mr. K B Wakhley, CEO Bhutan Electricity Authority, emphasized on making the regulatory authorities autonomous before going for the certification programme.

1.25 A sub-committee was formed with three members i.e. Prof. T L Sankar, Prof. V Ranganathan and Dr. Joseph Wilson who will be working on the course content (drawing broad outlines for the course).

### **Permanent Secretariat**

1.26 There was a serious debate on having a permanent secretariat for SAFIR that will be useful for maintaining the institutional memory and for smooth operation of the activities of the forum. PwC, the Administrative partner estimated an amount of USD 36,000 was required annually for maintaining the permanent secretariat.

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- 1.27 Mr. B K Mansingh wanted to see the proposal for SAFIR secretariat where the details of the structure of the organisation, manpower requirement, office area, logistics and budget are enclosed.
- 1.28 It was unanimously decided that there should be a permanent secretariat for 3 years in one country and then it can be moved to other member country. The staff will be hired for three years contract. Mr. B K Mansingh pointed out that this kind of secretariat would be a kind of moving secretariat rather than a permanent secretariat.
- 1.29 Some of the key decisions were:
- CERC will house the permanent secretariat of SAFIR in its office from Nov 2008 for a period of three years. SAFIR will pay an amount of US\$20,000 per year to CERC for meeting all expenditure related to SAFIR including its staff. Dr. Pramod Deo Chairman CERC agreed to the proposal and accepted the responsibility. It was further decided that the secretariat will be shifted to Pakistan from November 2011 for next three years.
  - Legal advice should be sought by CERC for registration of SAFIR.

### **SAFIR Accounts**

- 1.30 Mr. Chandrashekar Iyer, PwC, as a representative of Administrative partner of SAFIR, gave a presentation on the accounts of SAFIR. He mentioned that a separate bank account was opened by SAFIR, when PwC took over as Administrative Partner. TERI had then transferred Rs. 5,28,000 in 2007.
- 1.31 In 2007 the expense of organizing SC meeting and workshop was reimbursed by the PPIAF since SAFIR account had low balance. The amount reimbursed was Rs. 7,98,557.
- 1.32 Over the last two years based on the membership fee collections, the current balance of SAFIR was Rs 36,41,412.
- 1.33 Mr. Saeed suggested that next Secretariat should see how much SAFIR requires annually and rest of the money can be deposited in fixed account so that something can be earned out of that. He also suggested that travel expense of corporate members should not be reimbursed by SAFIR.
- 1.34 A few members suggested that the expense of workshop should be sponsored so that total cost can be curtailed.
- 1.35 Key decisions taken during the meeting:
- Membership fee has to be increased but actual amount will be decided during Executive Committee meetings.

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- Since the newsletters were discontinued, PPIAF will have savings of about USD 30,000 from PwC's contract. PPIAF mentioned it can provide these savings to SAFIR on hiring consultants, supporting speakers for core course, etc.
  - The executive committee would interact with PPIAF regarding the above issue.

### **Executive Committee**

- 1.36 For the implementation of the decisions taken during Steering Committee meetings all the members felt the need for an Executive committee.
- 1.37 Thus, with the consensus of the Steering Committee members, five members were selected for this Executive committee and all these members are representatives from each SAFIR Member country. The members of Executive committee are – Dr. Pramod Deo, India; Mr. Khalid Saeed, Pakistan; Mr. B K Mansingh, Nepal; Mr. K B Wakhley, Bhutan; and, Prof. H.Y.R. Perera, Sri Lanka.

### **Election of new Chairman**

- 1.38 Due to rotation policy existing in SAFIR, it was suggested that the next chairperson for SAFIR should be from Bhutan. With the consensus of all the members present during the SC Meeting, Mr. Wakhley was elected as the new Chairman of SAFIR.
- 1.39 Mr. Wakhley addressed the SC members in his capacity as Chairman SAFIR 2008-2009. He thanked all members for the support of all the members to select Bhutan for the Chairmanship of SAFIR. .
- 1.40 Prof. T L Sankar also congratulated the new Chairman of SAFIR and appreciated the rotation policy of SAFIR that is totally non-discriminatory.

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**A2: ANNEXURE 1 – LIST OF PARTICIPANTS****1. Mr.Alok Kumar**

Secretary  
Central Electricity Regulatory Commission  
5th Floor, Core 3, NTPC Building, Scope Complex  
Lodhi Road  
New Delhi -110005  
Tel: 24360004

**2. Mr. Amarendra Tewary**

Secretary  
DERC  
Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar  
New Delhi-110017  
Tel: 011 26673602

**3. Mr. Amer Tufail**

Chief Financial Officer  
Sui Norther Gas Pipelines Ltd., Gas House  
21-Kashmir Road, P.O.Box 56  
Lahore  
Tel: 0092 42 9201413

**4. Mr. A Velayutham**

Member  
MERC

**5. Ms.Bhavana Bhatia**

Regional Programme Leader  
South Asia  
The World Bank  
50M, Shantipath  
New Delhi

**6. Mr.Tarun Kumar**

The World Bank  
50 M, Shantipath  
New Delhi

**7. Mr.B K Mansingh**

Chairman  
Water Supply Tariff Fixation Commission of Nepal  
Nepal

**8. Prof. H.Y.R.Perera**

Director General  
PUCSL, Level 06, BOC Merchant Tower  
28 St. Michael's Road, Colombo-00500  
Sri Lanka  
Tel. 94 11 2392608

**9. Dr. J.L.Bose**

Chairman  
Madhya Pradesh Electricity Regulatory Commission  
Urja Bhawan, Shivaji Nagar  
Bhopal - 462016  
Tel: 0755-557819

**10. Dr. Joseph Wilson**

Competition Commission of Pakistan  
Islamabad

**11. Mr. Jayanta Barkakati**

Chairman, AERC, A.S.E.B Campus Dwarandhar  
G.S. Road, Sixth Mile  
Guwahati – 781 022  
Tel. 0361 2234442

**12. Mr. Jai Singh Gill**

Chairman  
PSERC  
Sector 34-A,  
Chandigarh – 160022  
Phone: 0172- 2611991

**13. Mr. Kumar Yonjan Tamang**

Member  
Water Supply Tariff Fixation Commission of Nepal  
Nepal

**14. Mr.Khalid Saeed**

Chairman, NEPRA  
OPF Building, Shahrah-e-Jamhuriyat  
G-5/2, Islamabad  
Tel: 0092 51 9220902

**15. Mr. K B Wakhley**

Chief-Executive Officer  
BEA, Department of Energy, Ministry of Trade & Industry  
Thimphu, Bhutan  
Tel - 00975-2-327317

**16. Mr. Mukhtiar Singh**

Chairman  
JSERC  
2nd Floor, Rajendra Jawan Bhawan  
Sainik Bazar, Main Road, Ranchi - 834 001  
Jharkhand;  
Tel: 0651-2330923

**17. Dr. Pramod Deo**

Chairman  
Central Electricity Regulatory Commission  
5th Floor, Core 3, NTPC Building, Scope Complex  
Lodhi Road , New Delhi -110005  
Tel: 24360004

**18. Mr. S. K. Misra**

Chairman  
CSERC  
Civil Lines, G.E. Road  
Raipur (C.G.) - 492001  
Tel: 0771 – 4073550

**19. Mr. S. M. Taha**

Manager  
Pakistan State Oil Co. Ltd. PSO House, Khayaban-e-Iqbal  
Clifton, Karachi  
Pakistan  
Tel: 92 21 9203824/5

**20. Mr. Rashid Farooq**

VC/Member (Oi)  
OGRA  
Tariq Chambers, Civic Centre, Sector G-6, Islamabad  
Pakistan  
Tel: +92 51 9221715-18

**21. 18. Mr. Rodriguez Pardina**

Utility Regulation Consultant  
Macroconsulting  
Buenos Aires-Argtentina

Tel: 0054 11 4312 0366

**22. Mr. Ratna Sansar Shrestha**

Member

Water Supply Tariff Fixation Commission of Nepal  
Nepal

**23. Prof. T L Sankar**

Advisor

Administrative Staff College of India  
Bella Vista, Hyderabad - 500082  
Tel: 040 6653 4211

**24. Prof. V Ranganathan**

Professor of Economics and Energy  
Chairman of Economics and Social Sciences Area  
Indian Institute of Management  
Bannerghatta Road  
Bangalore 560076  
Phone 91-80-26993155

**25. Mr. V. J. Talwar**

Chairman

UERC, 80, Vasant Vihar, Phase-I  
Dehradun, Uttranchal  
Tel: 0135-276340

**26. Mr. Yogesh Khanna**

Chairman

HPERC

Keonthal Commercial Complex  
Khalini  
Shimla  
Tel: 177 2627263

**27. Mr. Vijoy Kumar**

Chairman

UPERC

Kisan Mandi Bhawan, II Floor  
Gomti Nagar, Lucknow-226010  
Tel: 0522 2720708

**28. Mr. Chandrashekar Iyer**

PricewaterhouseCoopers

- 29. Mr. Rahul Raizada**  
PricewaterhouseCoopers
- 30. Ms. Vineeta Kanwal**  
PricewaterhouseCoopers
- 31. Ms. Iti Tripathy**  
PricewaterhouseCoopers
- 32. Mr. Praveen Kumar**  
PricewaterhouseCoopers