

# Agenda for the 8<sup>th</sup> SAFIR Core Training Course<sup>1</sup>

DAY 1 – SUNDAY 1 <sup>ST</sup> APRIL 2007			
Time	Session	Topic	Proposed Speaker
0900-0945 hrs	Inaugural plenary 1	Address by Keynote Speaker	Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India
0945-1015	Introductions		Participants
1015-1045	Tea break		
1045-1145	Plenary 2	<b>Reform and restructuring in infrastructure sectors</b> This session will review almost two decades of international experience of restructuring infrastructure sectors. Aspects of private participation, commercialization, and liberalization of infrastructure and their impact on sector performance will be analyzed. This session will also address the special features of network industries and how these features present challenges for introducing competition.	Dr. Martin Rodríguez Pardina Macroconsulting S.A.
1145-1300	Plenary 3: Panel Discussion <sup>2</sup>	<b>Special Aspects of Infrastructure Reforms in Developing Countries – A Panel Discussion</b> Almost after a decade of the introduction of infrastructure reforms in the region enough experience has been gained on the special institutional dimensions of reform. In this session the audience will interact with the panel to discuss these institutional constraints and ways to overcome them.	Moderated by Dr. Harsha de Silva. LIRNEasia & Sirasa TV  Keynote speaker, current and past SAFIR chairs, one/two others
1300-1400	Lunch		
1400-1500	Plenary 4	<b>Regulatory governance and regulatory performance: exploring new regulatory design options</b> The performance of regulation in developing countries will be assessed and new regulatory models will be explored. Regulatory design needs to fit local country contexts in terms of the level of regulatory commitment and institutional and human resource capacity. At the heart of regulatory design is the degree of decision-making discretion that is granted to the regulator. Hybrids between independent regulatory agencies, regulation by contract and outsourcing of regulatory functions to third parties may be appropriate in certain contexts.	Prof. Anton Eberhard, University of Cape Town
1500-1530	Logistical 1	<b>Explanation of Regulatory Performance Assignment</b>	Prof. Rohan Samarajiva & Helani Galpaya, LIRNEasia
1530-1600	Tea break		
1600-1700	Plenary 5	<b>Managing Competition in and for the Market: Lessons from the history of IPPs:</b> After covering some very general principles about the drivers for market reform and competition which apply generally to most infrastructure sectors, this session will use the history of introducing competition in the power sector industry through Independent Power Producers, as	Prof. Anton Eberhard, University of Cape Town

<sup>1</sup> Course content organized around 4 thematic modules (Competition and Reforms, Finance and Pricing, Regulator Performance & Legitimacy, Other Topics in Regulation). Each session belongs to one of these 4 modules. Module is identified by 4 different colors (yellow, pink, light blue and purple respectively)

<sup>2</sup> Possibly televised for MTV *BizFirst* program, hosted by Harsha de Silva

		a case study to illustrate the principles of introducing competition for the market and in the market. This lecture identifies the factors that are important to ensure more balanced and sustainable IPP investment and development outcomes.	
1700-1730	Logistical 2	<b>Overview of the Price-Control Review Case Study</b>	Payal Malik, University of Delhi & Vivek Sharma, CRISIL

DAY 2 – MONDAY 02 <sup>ND</sup> APRIL 2007			
Time	Session	Topic	Proposed Speaker
0900 - 1000	Plenary 6	<p><b>Regional approaches to quality of service</b></p> <p>The session will review experiences on performance standards alongside the price regulation being addressed in the South Asian region. Experiences and challenges in implementation of QOS in the region (inter country, inter sector) will be presented. The session will also highlight the work on QOS as regards electricity sector focusing on their linkages with other regulatory instruments, design issues, implementation modalities, nature of details, and pros and cons against lessons learned and challenges in the region.</p>	TBC - Panel including Keynote speaker, current and past SAFIR chairs, one/two others
1000-1030	Tea break		
1030-1145	Plenary 7	<p><b>Regulatory design for effective performance</b></p> <p>Design options for the design of single and multi-sector regulatory agencies in S Asian settings; positioning relative to key government agencies and stakeholders; precautions against organizational atrophy; further elaboration on regulatory performance assignments</p>	Prof. Rohan Samarajiva, LIRNEasia
1045 -1145	Plenary 8	<p><b>Public Private Partnerships (PPPs) in infrastructure</b></p> <p>PPPs have been promoted as an alternative to public provision and privatization, combining the potential strengths of both. This session will examine modes of PPPs and the institutional capacity requirements for executing truly welfare enhancing PPPs.</p>	<b>Dr. Martin Rodríguez Pardina,</b> Macroconsulting S.A
1300-1400	Lunch		
1400-1515	Plenary 9	<p><b>Metrics of regulatory performance: How do we know we are doing well?</b></p> <p>Drawing from LIRNEasia indicators work in ICT, metrics for organizational effectiveness and sector performance for electricity, etc. will be presented</p>	<b>Prof. Rohan Samarajiva &amp; Helani Galpaya,</b> LIRNEasia
1515-1545	Tea break		
1545-1645	Plenary 10	<p><b>How to run a price review</b></p> <p>This session will cover the procedural activities involved in undertaking a price review, including interaction with regulated companies, consumers, and the government, managing the media, and anticipating reactions to the results of the price review, including appeal.</p>	TBC
1645-1730	Logistical 3	Introduction to Price Control Review case study	<b>Payal Malik, U of Delhi &amp; Vivek Sharma, CRISIL</b>

DAY 3 – TUESDAY 03 <sup>RD</sup> APRIL 2007			
Time	Session	Topic	Proposed Speaker
0900-1015	Plenary 11	<p><b>Issues in a price review</b></p> <p>This session will discuss the main regulatory objectives and instruments available to regulators and their use during a price review. The focus will be on the technical issues that are to be addressed in undertaking a price review. A case study of a tariff review will be used to illustrate the main points</p>	Dr. Partha Mukhopadhyaya, Centre for Policy Research
1015-1045	Tea break		
1045-1145	Plenary 12	<p><b>Price regulation – price caps and incentives</b></p> <p>The session will provide the rationale for price/revenue cap approaches, and their use and evolution within the UK.</p>	Dr. Partha Mukhopadhyaya, Centre for Policy Research
1145-1300	Plenary 13	<p><b>Design and Implementation of Concessions and related regulation</b></p> <p>Design of robust concession agreements is a pre requisite for the success of private sector participation in infrastructure. This session will review the elements of a good design and implementation of a concession contract</p>	<p><b>Dr. Martin Rodríguez Pardina</b></p> <p>Macroconsulting S.A.</p>
1300-1400.	Lunch		
1400-1515	Plenary 14	<p><b>Financial techniques - accounting approaches and asset valuation</b></p> <p>The session will look at key building blocks in the financial analysis underpinning price regulation. It will cover the treatment of depreciation and other key accounting issues, and will also look at different techniques employed for asset evaluation</p>	Ian Alexander, Cambridge Economic Policy Associates
1515-1545	Tea		
1545-1645	Plenary 15	<p><b>Other techniques for price regulation</b></p> <p>The session will review alternative methods of setting prices covering rate of return, sliding scale, hybrid approaches, and other techniques, which relate prices to measures of performance. The session will also present applied examples of multi-year price controls and related issues</p>	Dr. Partha Mukhopadhyaya, Centre for Policy Research
1645-1745		Price control case study	Payal Malik, Vivek Sharma, and participants

**DAY 4 – WEDNESDAY 04<sup>TH</sup> APRIL 2007**

<b>Time</b>	<b>Session</b>	<b>Topic</b>	<b>Proposed Speaker</b>
0900-1015	Plenary 16	<p><b>Cost of capital - theory, concepts, and application</b></p> <p>The success of regulatory agencies in providing a framework conducive for investments is increasingly a focus of concern. The importance of fixed costs in the overall cost structure of network utilities means that the appropriate treatment of investment is important for consumers. But in most network utilities it is difficult, if not impossible, to precisely predict investment requirements several years forward. This session looks at the detailed mechanisms by which regulators have tried to review investment decisions and incorporate them in a utility's asset base and provides a framework for different approaches based on the particular conditions prevailing.</p>	Ian Alexander, Cambridge Economic Policy Associates
1015-1045	Tea break		
1045-1145	Plenary 17	<p><b>The challenge of legitimacy: Managing expectations and perceptions</b></p> <p>In addition to what is required by law, what can regulatory agencies do to gain legitimacy among stakeholders. Also serves as introduction to media management.</p>	Prof. Rohan Samarajiva, LIRNEasia
1145-1300	Plenary 18	<p><b>Measuring efficiency and performance</b></p> <p>The session will provide an overview of how regulators can use efficiency measures as well as review some of the techniques used for benchmarking and calculating efficiency and the special problems likely to be encountered in the South Asia region</p>	Ian Alexander, Cambridge Economic Policy Associates
1300-1400	Lunch		
1400-1515	Plenary 19:	<p><b>USO (universal service obligation) and incentives for service expansion</b></p> <p>The session will cover some of the main conceptual and practical issues involved in addressing incentives for system expansion administration of USO Fund, based on research on the workings of the Indian USF.</p>	Payal Malik, University of Delhi
1515-1545	Tea break		
1545-1645	Plenary 20: Panel discussion	<p><b>Decentralized and small-scale service providers</b></p> <p>The infrastructure in rural areas in developing countries is generally not on par with the infrastructure available in urban areas. Creating profitable market strategies for the poor is also a challenge. This session will present an overview of international experiences of decentralized and small-scale service providers and focus on several examples from South Asia in transforming the rural lifestyles, and encouraging entrepreneurs with an orientation to improving the accessibility of services and knowledge resources (health, education, employment, business, etc.) for rural people.</p>	Local panel assembled in consultation with Director General, Public Utilities Commission, Sri Lanka
1645-1745	Group work	Individual teams/groups meet to work on assignments	

**DAY 5 – THURSDAY 05<sup>TH</sup> APRIL 2007**

Day Off

**DAY 6 – FRIDAY 06<sup>TH</sup> APRIL 2007**

Time	Session	Topic	Proposed Speaker
0900-1015	Plenary 21	<b>New forms of working in regulatory agencies</b>  Commences with presentations by two groups on adaptations/critiques of the ideal organizational structure presented in Plenary 6. Introduces alternative regulatory practices that seek to inoculate regulatory agency from the ill effects of excessively adversarial tactics and to increase legitimacy.	Prof. Rohan Samarajiva, LIRNEasia
1015-1045	Tea break		
1045-1145	Sectoral Breakout 1	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1145-1300	Sectoral Breakout 2	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1300-1400	Lunch		
1400-1515	Sectoral breakout 3	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1515-1545	Tea break		
1545-1645	Sectoral breakout 4	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1645-1745	Group work	Individual teams/groups meet to work on assignments	

**DAY 7 – SATURDAY 07<sup>TH</sup> APRIL 2007**

Time	Session	Topic	Proposed Speaker
0900-0945 hrs	Sectoral breakout 5	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1015-1045	1015-1045		
1045-1200	Sectoral breakout 6	4 Parallel sessions in each of 4 sectors: Electricity, Telecom, Transport and Pipeline Industries. See below (Sectoral Breakout section) for details on lecture topics, content and speakers	
1200-1400	Lunch/Prayers		
1400-1515	2 Parallel Sessions	<b>Preparing for a news conference</b> Includes team presentations	Prof. Rohan Samarajiva, LIRNEasia & Chulie de Silva, World Bank
1515-1545	Tea break		
1545-1745	Group work	Individual teams/groups meet to work on assignments	

DAY 8 – SUNDAY 08 <sup>TH</sup> APRIL 2007			
Time	Session	Topic	Proposed Speaker
0900-1015	Two parallel sessions	News conferences	Prof. Rohan Samarajiva, LIRNEasia & Chulie de Silva, World Bank
1015-1045	Tea Break		
1045-1300	Two parallel sessions	<b>Price control hearing</b>	
1300-1400	LUNCH		
1400-1530	Two parallel sessions	<b>Price control hearing</b>	
1530-1600	Tea Break		
1600-1700	Summary and participant feedback		
1700-1745	Presentation of awards and certificates & closing		

## Sectoral Breakout - ELECTRICITY<sup>3</sup>

<b>Breakout 1: Introduction of Competition in Electricity markets in Developing Countries: Macro Considerations and Market Microstructure Options</b>	After discussing the regulatory design and other pre-conditions essential for introducing competition in the electricity sector, this session will critically analyze the different market structure options and the broad organizational forms of restructured wholesale markets for electricity that have emerged. While doing this we use some illustrative examples of a few country experiences without providing the details of the entire restructuring exercise.	Payal Malik, University of Delhi
<b>Breakout 2: Achieving Regulatory Objectives: Lessons form the Regulation of the Indian Power Sector</b>	It has been argued that regulation is a means for disciplining and improving the performance of state-run utilities. This session will analyze the regulatory contractual agreements for performance improvements that have been formulated by the Indian electricity regulators for their respective licensees and how far have the regulatory objectives been achieved through these incentive regulations.	Anup Wadhawan, WSP-SA, New Delhi
<b>Breakout 3: Privatization of Electricity Utilities: Lessons from International Experience</b>	Under public ownership of electricity utilities, regulation may not yield desired outcomes on account of hard budget constraints & punishments not being binding. Theoretical literature has demonstrated that privatization improves the internal efficiency of the firms and makes utilities more responsive to regulation. However, some analysts have pointed out that reforms emphasizing ownership over market structure are misguided. These analysts stress the importance of product-market competition as the source of both allocative and productive efficiency. This will be discussed in the context of the outcomes of Karachi and Delhi Electricity Supply privatization. It is perhaps time that we restart the debate, since not much of privatization has occurred recently in either South Asia or other parts of the world in the electricity sector.	Anish De, Ernst & Young, India
<b>Breakout 4: Multi Year Tariff regime</b>	The implications of a pricing regime have a direct affect on the progressive innovative tools employed to govern and manage the electricity industry. Thus, it is imperative that to have clear understanding of how tariffs will evolve, and how they will determined over a period of time. Mr. Abdul Rahim, in this session, will share the experience, criteria and formulae in which Pakistan's Electric and Power Regulatory Authority sets the Multi-year Tariffs for the distribution companies.	Mr Abdul Rahim Khan, NEPRA (Pakistan)
<b>Breakout 5: Electricity Markets in South Asia and Potential for Trade.</b>	The economics of electricity market varies from country to country, although the underlying economic principles governing market behavior remain the same. To promote trade in the SAARC region, the initial step is to analyze the energy markets of these Countries, the expected demand in the next 20 ~ 30 years, the potential each country has to generate and export and the scope of exploiting the potentials on South Asia basis. The presentation will come out with a set of recommendations and a possible road map for the ever increasing demand within the South Asia.	Mr. Amir Zia, NEPRA
<b>Breakout 6: Regional Trade in Energy SAARC: Legal and Technical Issues Involved</b>	Trade in energy is the need of the hour. However, there are numerous legal and technical issues that need to be resolved before trade can be facilitated in the SAARC region. A case study of two SAARC counties will be presented with a view to highlight the technical and legal issues involved in trade in energy. Countries where trade is carried out successfully will be studied as well, with a view to learn from their experiences.	Dr. Joseph Wilson, Lahore University of Management Science

<sup>3</sup> Lectures with a primarily practical (and) regional focus are highlighted in blue. Lectures with primarily theoretical and international focus are in white (not highlighted).



## Sectoral Breakout - TELECOM<sup>4</sup>

Topic	Description	Proposed Speakers
Breakout 1: Market entry: Licensing and spectrum. International experience	New thinking on licensing, authorizations and unlicensing will be discussed. In light of the significant integration between system and spectrum licensing, the two will be discussed together.	Prof. Rohan Samarajiva, LIRNEasia
Breakout 2: Market entry: Licensing and spectrum. Comparing Pakistan and India approaches	India is an innovator in unified licensing; while the architecture of Pakistan's recent reforms rest on a clear separation of fixed and mobile. This presentation will draw out the pros and cons of the two approaches.	Payal Malik & Dr. Joseph Wilson
Breakout 3: Auction design: Licenses, subsidies, short codes	It is accepted that scarce resources should be given out using the most transparent means. Economic theory also favors the use of auctions in such circumstances. Based on several case studies, this presentation will lay out the general principles.	Dr. Harsha de Silva, LIRNEasia
Breakout 4: Issues in opening international markets	Drawing from the experience of countries that have fully opened their international markets (for voice as well as leased lines) and those that have not, this presentation will address the key issues that need to be considered in designing appropriate liberalization regimes.	Divakar Goswami, LIRNEasia
Breakout 5: Interconnection: Issues and regional experience	Interconnection remains a difficult challenge for the region's regulators. This presentation will assess the experience in the region.	Sumathi Dharmawardene, Attorney General's Department, Sri Lanka
Breakout 5: Extending networks to rural areas: Issues and regional experiences	Based on recent research, primarily in India and Nepal, the presentation will lay out the key issues and lessons, with emphasis on what falls within the purview of regulators.	Payal Malik & Dr. Harsha de Silva

<sup>4</sup> Lectures with a primarily practical (and) regional focus are highlighted in blue. Lectures with primarily theoretical and international focus are in white (not highlighted).

## Sectoral Breakout – PIPELINE INDUSTRIES<sup>5</sup>

Topic	Description	Proposed speaker
1. Natural Gas in India: Infrastructure and Market Development and Regulation/ Issues in Transnational Gas Transport	This session will cover the evolution of gas market in India and the policy and regulatory framework for the same	Anish De, Associate Director, Ernst & Young, India
2. Policy and Institutional Reform for Accountability and Service Delivery in the Urban Water and Sanitation Sector (UWSS)	Urban water utilities in India are characterized by poor services as manifested by intermittent water supply, high unaccounted for water (UFW) and deteriorating water quality. The growing crisis has prompted wide debate and experiment on ways to reform UWSS, What are the appropriate institutional arrangements to do the same?	Anup Wadhawan, Lead Utilities Specialist, WSP-SA, New Delhi
Urban Piped Gas Supply: Policy and Regulatory Issues	City gas distribution infrastructure is in position in 10 cities of India including Delhi and Mumbai. The Ministry is currently drawing up a comprehensive policy to encourage investment in building infrastructure to provide Piped Natural Gas to 10 million urban households in cities and towns within the next three years. This session will present what should be the appropriate policy governing supply of gas and construction of infrastructure for urban piped gas.	Anish De, Associate Director, Ernst & Young, India
3. Sustainable Use of Ground Water	The SAARC region is one of the most densely populated regions of the world, and is endowed with vast water resources, which are however unevenly distributed and their availability is contingent upon and space and time. To date, the agriculture sector in this region remains the largest consumer of water. The policy apparatus in all the three major SAARC countries (Bangladesh, India and Pakistan) remains geared towards harvesting, engineering and managing water resources for agricultural purposes. With increasing population, natural disasters, growing urban centers, greater urban, industrial and agricultural pollution, and poor infrastructure countries in the region are facing enormous pressure on its water resources. The South Asian governments have shown great eagerness to address the infrastructure related problems. However, little attention has been paid to management and sustainable use of water resources. All focus on conduit with no attention to content will leave us with little water to flow through the pipelines. This session will highlight the legal and environmental issues which beg for adopting measures that will make the use of scarce water resource efficient.	Dr. Joseph Wilson
4. Implementing Oil and Gas Regulations: The Experience of a Regulator		Mr. Munir Ahmad (TBC) Oil and Gas Regulatory Authority of Pakistan
5. Transborder Gas Pipelines: Obstacles and Opportunities		Mr. Munawar Baseer Ahmad (TBC) Sui Southern Gas Company, Karachi, Pakistan

and international focus are in white (not highlighted).

## Sectoral Breakout – TRANSPORT

Topic	Description	Proposed speaker
<b>1. Performance Based Regulation of Port Services</b>	Port services are usually unregulated economically, if there is sufficient competition or regulated using a cost-plus system. Victoria, Australia was the first to essay performance based regulation of specific port services using a price-cap methodology. This session will discuss the issues involved in adopting such an approach.	Sohail Hasnie, Asian Development Bank
<b>2. Choosing a Regulatory Approach to Urban Transport Services</b>	City and Inter-city transport services are regulated in many different ways across countries. There are many special challenges, such as the provision of service on uneconomic routes and at uneconomic times and the regulation of a large number of small operators, which begs the question as to the extent and nature of regulation that may be needed. This session will discuss the various forms of regulation that can be adopted and the kinds of situations in which each of them may be relevant.	Prof. Amal Kumaraige. University of Moratuwa
<b>3. Regulating a Provider with Multiple Revenue Streams: Case of Rail Mass Transit</b>	Rail Mass Transit is now often advocated as a solution to urban transport congestion. However, the initial costs of the project are often a multiple of other options. New approaches are being sought to enhance financial viability but they will require regulators to separate rail services from other revenue earning services, which are in principle, competitively provided. This challenge will be explored in this session.	Akhileshwar Sahay, President Feedback Ventures. Ltd
<b>4. Open Access Issues in Transport – Fair Access to Rail Track</b>	Rail services have traditionally been provided only by the government but this is now changing in many countries with private providers making an entry even in the region. This session will discuss issues of fair access to rail track for different service providers, some of whom may be publicly owned or subsidiaries of the Rail department.	Sohail Hasnie and Akhileshwar Sahay
<b>5. Panel Discussion: Relative Merits of Regulation by Contract and Agency</b>	The economic regulation of the transport sector has not usually been through a specific agency but rather through specific contractual provisions in individual projects. This permits some flexibility and pre-commitment but can also be difficult to modify in altered circumstances, which may prove to be a hindrance in transport, since it has such large spillover effects with public policy implications. The panel will debate relative merits of these two approaches.	TBC
<b>6. Case Study on Choosing a Concession</b>	The short case study discusses the choice of a concession method for a highway. It brings out how the method of concession can change given the objectives of the highway, such as congestion-relief or economic development and the variation in risk allocation that is embedded in the different concession approaches.	Partha Mukhopadhyay

