

# **REPUBLIC OF RWANDA**



## **RWANDA UTILITIES REGULATORY AGENCY (RURA)**

# **ANNUAL REPORT 2007**

**December 2007**

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## **ABBREVIATIONS**

ADECCO	Association Working Community Development
ADSL	Asymmetric Digital Subscriber Line
AFUR	African Forum for Utility Regulators
ARICEA	Association of Regulators of Information and Communications Technologies for Eastern and Southern Africa
ARTEL	African Rural Telecommunications
CDMA	Code Division Multiple Access
CEDP	Competitiveness & Enterprise Development Project
EAC	East African Community
ELECTROGAZ	National Power and Water Production, Transport and Distribution Company
HF	High Frequency
ICT	Information Communication Technologies
IDA	International Development Association
IPP	Independent Power Producer
ISP	Internet Services Provider
ITU	International Telecommunications Union
KIST	Kigali Institute of Science, Technology and Management
kWh kWh	Kilowatt-hour
MVK	Mairie de la Ville de Kigali
MW	Megawatt
MINALOC	Ministry of Local Administration, Good Governance, Community Development and Social Affairs
MININFRA	Ministry of Infrastructure
MTN RWANDACELL	Mobile Telecommunications Network RWANDACELL
NARUC	National Association of Regulatory Utility Commissioners
NUR	National University of Rwanda
ONATRACOM	Office National des Transports en Commun
ORINFOR	Office Rwandais d'Information
NEPAD	New Partnership for Africa's Development
NDF	Nordic Development Fund
ORINFOR	(Rwanda Information Authority)
PPA	Power Purchase Agreement
RAERESA	Regional Association of Energy Regulators for Eastern and Southern Africa
RBS	Rwanda Bureau of Standards
RITA	Rwanda Information Technology Authority
RURA	Rwanda Utilities Regulatory Agency
RWANDATEL	Rwanda Telecommunications Company
SAT-PHONE	Satellite Phone
STL	Studio-Transmitter-Link
UAF	Universal Access Fund
UHF	Ultra High Frequency
TCRA	Tanzania Communications Regulatory Authority
VAT	Value Added Tax
VHF	Very High Frequency
VoIP	Voice over Internet Protocol
VSAT	Very Small Aperture Terminal

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## **FOREWORD**

*The Rwanda Utilities Regulatory Agency (RURA) was established by Law N° 39/2001 dated the 13<sup>th</sup> September 2001 and is saddled with the responsibility of regulating the following utilities: telecommunications (networks and services), energy, water and sanitation and transportation.*

*With these responsibilities, the improvement of service conditions and the protection and promotion of consumers of these regulated sectors have been the key fundamental activities of RURA. These activities are manifested in processes like the issuance and administration of licenses through certain control and monitoring mechanisms.*

*It is noted that the role of regulating these sectors of the Rwandan economy is a challenging role, key of which is that standards need to be set within each sector ensuring that end users (customers and operators) all benefit from efficient and quality services. The first phase of any such task therefore is to ensure that the foundation is well laid for an appropriate regulatory framework. This involves the identification not only of key requirements in each sector but also ensuring that all legal frameworks are put in place. In addition, the need for a good foundation also demands a well trained staff with knowledge of each sector and effective administrative setups with the prerequisite authority in regulating the sector. These as they stand are reflected in this 2007 Annual Report.*

*RURA's current major achievement has been and is still a demonstration of the Government of Rwanda's commitment and the right foresight in the strategies that have been put in place with regards to liberalisation, privatisation and regulation. Equally important is the cooperation and contribution of all stakeholders without which RURA's activities become ineffective.*

*To all those who contributed to this current setup, those who are part of the daily implementation processes and those for whom the set up is put in place- RURA and its entire management express its gratitude to you all. Together we can be part of the challenging processes of building the Rwandan Economy.*

**Marie Claire MUKASINE**

**Chairperson of the Regulatory Board**

## **EXECUTIVE SUMMARY**

Rwanda Utilities Regulatory Authority (RURA) is tasked with regulating the following utilities and services: Transport, Water and Sanitation, Energy and Information Communication Technologies (ICT). In the year 2007, the above regulated sectors registered growths in their performance of regulatory activities. Highlights in each sector are summarised below:

In the ICT sector the year 2007 registered an increase in the number of licenses due to, among other things, the changing digital technologies in market. In addition, the licences of Rwandatel S A and Terracom SARL were withdrawn due to their failure to comply with the licence conditions of effecting payment to the Universal Access Fund as well as failure to pay spectrum fees for the 2007. Digital Pay TV Broadband and Internet Broadband licenses were also issued to various operators while ISP license fees were increased. Of significance in the ICT sector is the review of a national numbering and spectrum management plan in order to facilitate the smooth management and growth of the sector.

The Energy, Water and Sanitation sector's initiatives and efforts were directed towards the implementation and follow-up of the plan for National Power and Water Utility (Electrogaz). These initiatives and efforts consisted of the creation of regulatory frameworks, participation in the works of relevant sector-related committees, conferences and more particularly in consumers protection activities and dispute resolutions. Illustrative of these were the site visits conducted in Remera, Kicukiro and Kacyiru Electrogaz antennas to ensure that the earthing of electricity connections in households was effectively implemented. It was noted that the absence of a proper earthing system has previously been one of the major causes of accidents. The Energy sector had the privilege to host and chair, from 29<sup>th</sup> to 30<sup>th</sup> October 2007, the very first COMESA meeting aimed at establishing a Regional Association of Energy Regulators of Eastern and Southern Africa (RAERESA).

In the water sector it was observed that water rationing remained a common practice because the water supply and production capacity remained lower than the demand. The existing legislation places water infrastructures under the district authorities with their management delegated to private operators to manage the water supply. In 2007, private operators of water supply increased by 69%. While this is a significant increase, it is noted that the high demand for water and the inability to meet this demand has led to a number of informal markets such as water tanker suppliers. Nonetheless, this situation raises challenges in ensuring the quality of water supplied and the unregulated use of prices within the sector. As a measure to address the challenges, site visits were conducted to the Mutobo water plant, the Electrogaz laboratory as well as other technical visits within the city of Kigali.



Related to the challenges are the constraints in terms of reporting by the operators in relation to their activities, operational and coverage plans. The submitted quarterly reports and budget plans have further brought to light the very crucial regulatory challenges that are currently addressed in the action plans hereunder.

The transport sector was involved in a number of activities during the year 2007. Key areas that the sector considered were: facilitating the registration process for driving schools throughout the entire country, the development of the tariffs (using price-cap regulation), the issuance of transport permits and the setting up of a regulatory framework for the waterway transport sector.

RURA participated in the development of the required legislations for the sector and these include the ICT Bill, laws for Electricity, Gas and water as well as transportation. RURA's interest in these legislations is manifested in its willingness to work with the concerned authorities so as to ensure that RURA can regulate the various sectors within the various frameworks.

A key significant event in 2007 for all regulated sectors was the joining of Rwanda to the East African Community (EAC). This in turn has meant that RURA has now set in motion harmonisation activities as member of the East African Community

With a view to increasing capacity, six professionals were trained overseas and four benefited from training locally on post graduate levels. The ICT sector benefited from a visit by some experienced Kenyan regulators who came as consultants. The local training component included 3 professionals from the ICT sector following a training program on a master's level at Kigali Institute of Science and Technology (KIST). The Director of Finance and Administration also continued with a post graduate training programme with NetTel Africa in collaboration with the National University of Rwanda NUR.

In budgetary terms, the expected revenues for the year 2007, amounted to one billion three hundred and one million two hundred and forty thousand two hundred ninety nine rwandan francs (1 301 240 299 Rwf), of which 882 654 059 Rwf, 248 586 240 Rwf, 114 000 000 Rwf and 56 000 000 Rwf were expected from RURA generated income, CEDP, UERP and E-Rwanda projects support respectively.

All the above activities were carried out within the legal mandate of the Agency. In conclusion, RURA's future programs will be influenced by the need to harmonise its activities within each sector as well as the East Africa Region. Capacity building through training will also constitute a key goal in ensuring that RURA effectively and efficiently meets its obligations in regulation.

## I. REGULATORY BOARD ACTIVITIES

Fundamental changes were effected in the year 2007 on the top leadership structure of the Agency. The main top management changes included: the appointment of a new Chairperson of the Board of Directors - Mrs. Marie Claire Mukasine and the appointment of an Acting Director General - Col. Diogène Mudenge, who was {and still is} at the time of his appointment the Vice Chairman of the Regulatory Board. These two appointments were done by the nomination of the Cabinet on 9th May and 27th June 2007 Respectively.

During the course of the year 2007, the Regulatory Board held 17 Meetings. These meetings centered on the activities that dealt mainly with the supervision of the Agency's macro and micro management, to wit; staffing, putting in place the required legal and regulatory instruments, representing RURA in the ITU and other regulatory fora, licensing, assessing and deciding on other major issues related to the activities of the licensed operators within Rwanda.

In the context of promoting regional and institutional partnership, and at the invitation of RURA, the Regulatory Board on the 31<sup>st</sup> of October 2007, received the Chairman of the Regulatory Board of Tanzania Communication Regulatory Authority (TCRA). RURA equally participated and Chaired the executive meeting of the Association of Regulators for Information and Communication for Eastern and Southern Africa (ARICEA) held in Cairo from 4<sup>th</sup> to 5<sup>th</sup> September 2007; a Regulatory Board Member, Mrs. Nyakurama Rhona Represented RURA in the meeting.

In encouraging the need for required regulatory exposure to the practices and related challenges of regulation internationally, the Board took active part in the preparation and hosting of the ITU T&D forum that was centred on the on-going activities related to the bridging of the ICT standardization gap between developed and developing countries. This forum was proudly held in Kigali from the 2<sup>nd</sup> to 4<sup>th</sup> October 2007. During the forum, The Chairperson and the Vice Chairperson of the Regulatory Board participated as speakers.

In the licensing field, the Regulatory Board granted 4 VSAT Licenses and 6 ISP Licenses. Additionally, it also assigned licenses for Radio and TV communications to 7 operators/ institutions. The Board also assigned a license for use of a satellite phone and renewed 4 Licenses for Radio Communication as captured in the table 1 below

### LICENSING ACTIVITIES OF THE REGULATORY BOARD FOR 2007

Table 1: **Recapitulation of Licensing activities of the Regulatory Board for 2007**

N°	Kind of Request	Institution/ operator	Decision of the board	Date of decision
1.	VSAT License	CARITEX	Approval	18 July 07
		OXFAM GB	Approval	18 July 07
		Family Health International	Approval	18 July 07

		ECOBANK	Approval	22 August 07
2.	ISP License	NUR	Approval	14 March 07
		ALTECH RWANDA	Approval	1 June 07
		Star Africa Media Ltd.	Approval	18 July 07
		AXIS	Approval	30 October 07
		GreenMax	Approval	30 October 07
		Crest Technology	Approval	30 October 07
3.	Assignment of Radio and TV Communications license	CPR	Approval	8 August 07
		Amazing Grace Radio	Approval	8 August 07
		AMUR	Approval	8 August 07
		TOPSEC International	Approval	8 August 07
		Light House TV	Approval	8 August 07
		ELECTROGAZ	Approval	30 October 07
		King Faisal Hospital	Approval	30 October 07
4.	Use of Satellite Phone	IFDC	Approval	18 July 07
5.	Pay TV license	Star Africa Media Ltd.	Approval	18 July 07
		Tele 10	Approval	30 October 07
		GTV	Approval	30 October 07
6.	Renewal of Radio Communication Licenses	Croix Rouge	Approval	8 August 07
		AGESPRO	Approval	8 August 07
		Rwanda Civil Authority	Approval	8 August 07
		Office of UN For Security of Rwanda	Approval	8 August 07

**Source:** Regulatory Board Minutes for 2007

**Note:** On 18<sup>th</sup> August 2007 the Regulatory Board revoked the ISP license granted to TORUS International because it did not fulfill its license obligations.

Table 1 above shows that the Regulatory Board contributed and enhanced the development of Radio and TV communications by issuing 6 licenses for radio and 1 license for TV and 3 licenses for Pay TV communications. The issuance of 6 ISP licenses is a clear demonstration and manifestation of the Board's commitment to the promotion and maintenance of competition and quality of service in Internet Service provision within Rwanda's ICT sector.

The Regulatory Board's activities for the year 2007 came to a close with a work retreat held in AKAGERA Game Lodge from the 17<sup>th</sup> to 22<sup>nd</sup> December 2008 during which the Annual Reports for 2005, 2006, the New Structure of RURA, the Action Plan and Budget for 2008 were also deliberated. Table 2 below summarises the major board decisions made in 2007.

Table 2: **Major Board Decisions in 2007**

1	Decision n° 01/2007 of 14 <sup>th</sup> June 2007 on measures taken against the Rwandatel S.A company for failure to fulfill its obligations, because the company had refused to contribute to Universal Access Fund, refused to pay an outstanding payment for spectrum Fees for 2007 and refused to provide required information to RURA.
2	Decision n° 02/2007 of 14 <sup>th</sup> June 2007 on penalties taken against the TERRACOM S.A.R.L Company for failure in its obligations. This decision was taken because the Company had refused to pay an outstanding payment for spectrum Fees for 2007, refused to pay its contribution to Universal Access Fund and refused to provide requested information to RURA.
3	Decision n° 04/2007 of 18 <sup>th</sup> July 2007 granting the Digital Pay TV broadband and Internet Broadband license to Star Africa Media Company Limited.
4	Decision n° 05/2007 of 18 July 2007 determining VSAT License fees
5	Decision n° 06/2007 of 22 <sup>nd</sup> August 2007 determining the license fees applicable to ISP licenses. Given the increased applications for ISP licenses and to ensure that the adequate services were provided to the end user without exploitation, the Regulatory Board set the ISP license fees at US \$ 5,000 (five thousand US Dollars)

Note: The above Regulatory Board's decisions are further detailed in the annex.

## **II. SECTORS' ACTIVITIES**

### **1. THE COMMUNICATIONS SECTOR**

#### **1.1 SECTOR CONTEXT**

One of the major development challenges confronting Least Developing Countries (LDCs), and Rwanda in particular, is to develop the capacities, strategies and mechanisms that are necessary in order to take full advantage of the opportunities offered by ICTs for development.

A larger percentage of the populations of the developing countries, with Rwanda as no exception, live in rural and often isolated areas. This is also where most of the resources are located. Fundamental for any development process is the need for actual and physical access to public utilities like electricity, water and sanitation, transport and Information Communications Technologies (ICTs). This much required access in Rwanda as an LDC is rather inadequate or non-existing.

Given the potential for the ICTs to induce changes, many development analysts believe that these instruments can play an important role in legislation development process that would empower, equip a multi sector agency like RURA with necessary instruments to execute a world class regulation.

In consequence, RURA as a multi sector regulatory agency has since recognized the need to offer regulatory services to the licensed providers and operators of public utilities services and networks and other stakeholders with the ultimate object of creating, maintaining and maximizing the related benefits to the Rwandan community as a whole. In this regard, RURA's mandate, among other things, within the communication sector is, **to license and regulate telecommunications, radio communication services, in Rwanda. This responsibility translates to the following functions:**

- Licensing (telecoms and postal/courier) operators
- Regulating tariffs for monopoly areas
- Establishing interconnection principles
- Type-approving communications equipment
- Managing the radio frequency spectrum
- Formulating telecommunication numbering schemes and assigning them to network operators; and
- Implementing Universal Service Obligation for both postal and telecommunication services.

In addition, the vision within the communications sector is to ensure that the latter contributes to the country's overall development through efficient and enabling regulation, public participation and the prevention of market failure.

## **1.2 MARKET STRUCTURE**

### **1.2.1 EXISTING PLAYERS**

The telecommunication Sector in 2007 also witnessed the reacquisition and the resale of Rwandatel SA, the incumbent fixed telephony operator by the Government of Rwanda to a Lap Green Network a Libyan government-owned consortium. The decision by the Government of Rwanda is based on the poor performance registered by Rwandatel SA since the Company was sold to Terracom S A R L. The fundamentals of the transfer were flouted by Terracom S A R L for a number of years leaving the company with virtually no sense of direction in this age of growing competition in Rwanda.

In effect the (Rwandatel SA and Terracom S A R L) combined majority shares (80%) were sold to Lap Green Network which along with the National Social Security Fund (20%) took over Rwndatel SA with effect from November 2007.

Though the number of Rwandatel Subscribers is still very low, the Company continued to be the main provider in fixed telephony services. The new owners of Rwandatel SA have revealed ambitious plan to transform the firm into a competitive business entity.

MTN Rwandacell continued to be the leading company in mobile telephony services.

**Table 3: Below are the licensed telecom network operators and their respective number of subscribers by the end of September 2007.**

Service	Licensed operators	Number of Subscribers
Fixed telephony	Rwandatel	21 801
	Artel International	490
	MTN Rwandacell	0
Mobile Telephony	MTN Rwandacell	528 932
	Rwandatel	25 710
Internet Service provision	Rwandatel	2709
	ISPA	31
	MTN Rwandacell	1937
	Artel International	28
	Altech	0
	Value Data	0
	Star Africa	0

The pending ISP licenses application within RURA include: Crest Technologies, Interneuronne, GPS, Greenmax and Axis.

### **1.2.2 MARKET PERFORMANCE ANALYSIS**

In the course of 2007, the information on the various statistics was collected on a quarterly basis from various licensed service providers in terms of customer base, investment; traffic and network capacity. The telecom sector profile and the analysis of the data collected are reflected in the following sections:

### **1.2.3 MOBILE TELEPHONY SERVICES**

Currently, MTN Rwandacell and Rwandatel are the major players in the Rwanda telecom market. The two companies both have bundled licenses enabling them to deliver both fixed and mobile telephony as well as internet services.

In the provision of mobile telephony services, MTN Rwandacell registered a significant growth in terms of subscribers from 304,000 subscribers in 2006 to 528 932 subscribers in September 2007. This shows an increasing trend of 68% from 2006. The driving forces of this development were attributed to the strategy of bringing down the cost of handset which has been undertaken in the course of the year 2007.

In September 2007, Rwandatel registered 25,710 mobile subscribers' in 2007 from 18,561 in 2006. This reflects a significant growth of 29% since 2006.

The public mobile phones have continued to be deployed across the country. In September 2007, the number of Mobile Public phones reached 8449 while it was 8000 at the end of 2006.

#### **1.2.4 FIXED TELEPHONY**

The three companies licensed to provide fixed telephony services are: Rwandatel, New Artel and MTN Rwandacell.

Rwandatel remains the major provider of fixed telephony services. In May 2006, the company launched the provision of CDMA fixed telephony.

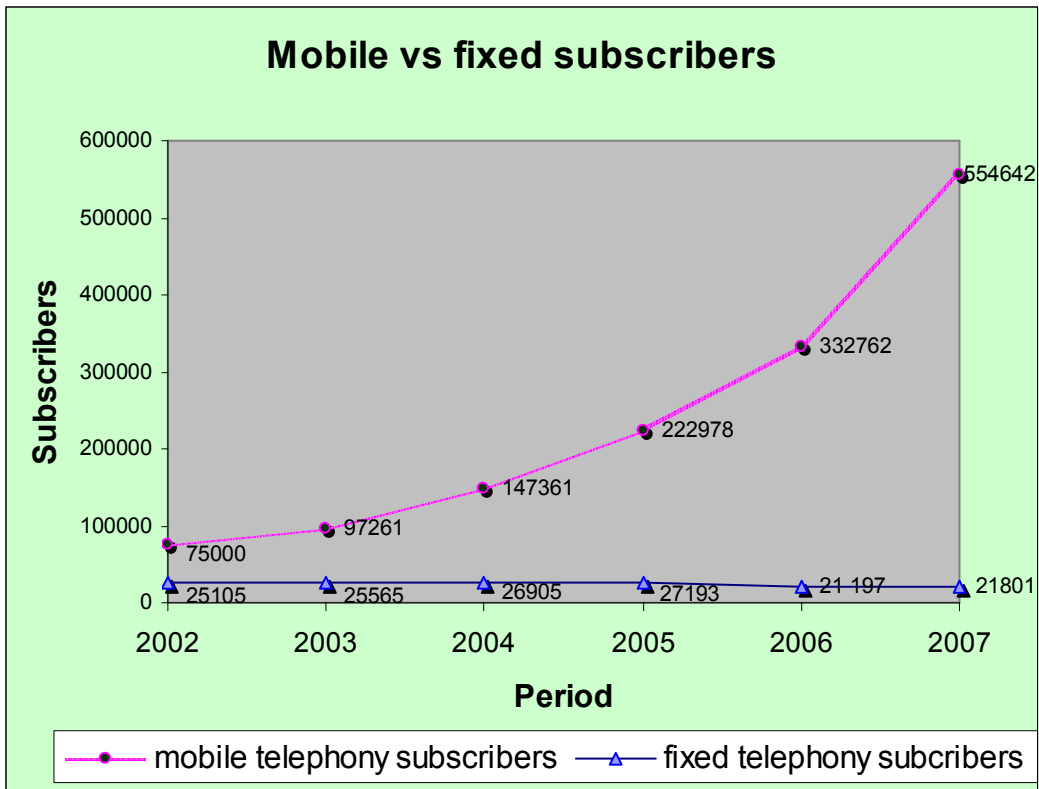
New Artel provides voice telephony in rural areas using VSAT technology. The company encountered many challenges in the provision of rural service and the choice of technology has been a determinant factor. This in part limited the company's performance during 2007. Only 85 VSATs acting mainly as public access phones were set up during the second quarter of 2007 indicating a decrease in New Artel's subscribers. However, for the 3rd quarter of 2007 New Artel has been inactive due to the technological changes on its hub which was being replaced and was expected to be operational by the end of 2007.

Unlike the huge growth in the mobile industry, fixed telephony witnessed a subscriber growth of 3%. Figure 1 below depicts the growth comparison between the mobile and fixed telephony services.

With the privatisation of Rwandatel there was the expectation of an improvement in its operational efficiency; stimulating the growth in telecommunication sector. Conversely, at the end of the third quarter 2007, no significant improvement was achieved especially in fixed telephony.

The figure below is the subscriber growth rate of both the fixed and mobile telephony in Rwanda from 2002 to 2007.

Figure 1: Mobile vs. fixed telephony development



### 1.2.5 INTERNET SERVICE PROVISION

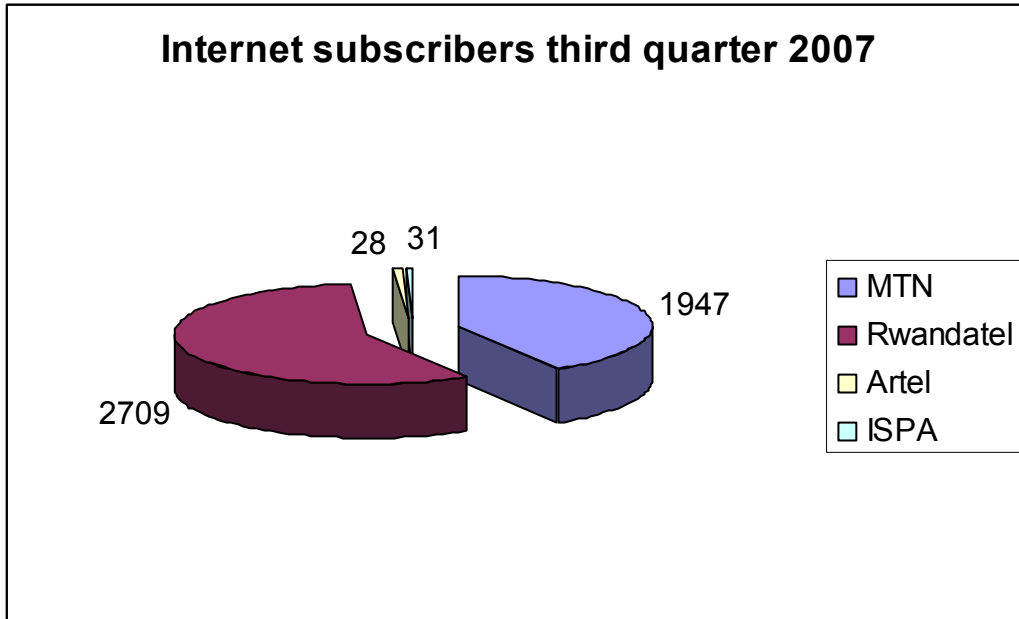
Internet Service Providers include: Rwandatel, New Artel, ISPA, MTN Rwandacell, ALTECH, Value data and Star Africa. The last three ALTECH, Value Data and Star Africa were licensed at the end of 2007 and are yet to begin full operations.

Rwandatel and Terracom have introduced ADSL and CDMA mobile Internet access with EVDO cards which have improved residential Internet subscriptions. Rwandatel remains the predominant player in internet provision.

MTN Rwandacell has upgraded its network to GPRS in 2007 and provides internet services. In the figure below ARTEL’s internet subscriber base is of limited significance. Figure 2 below depicts the number of internet subscribers at the end of 2007.



Figure 2: Internet Subscriptions



### 1.3 ANALYSIS OF THE 2006 FINANCIAL STATEMENTS

#### 1.3.1 TRENDS IN INVESTMENTS

Based on the 2006 financial statements, figure 3 and 4 below depict the trend of investments in the telecom sector for 2007.

Figure 3: Trends in telecom investments by operator

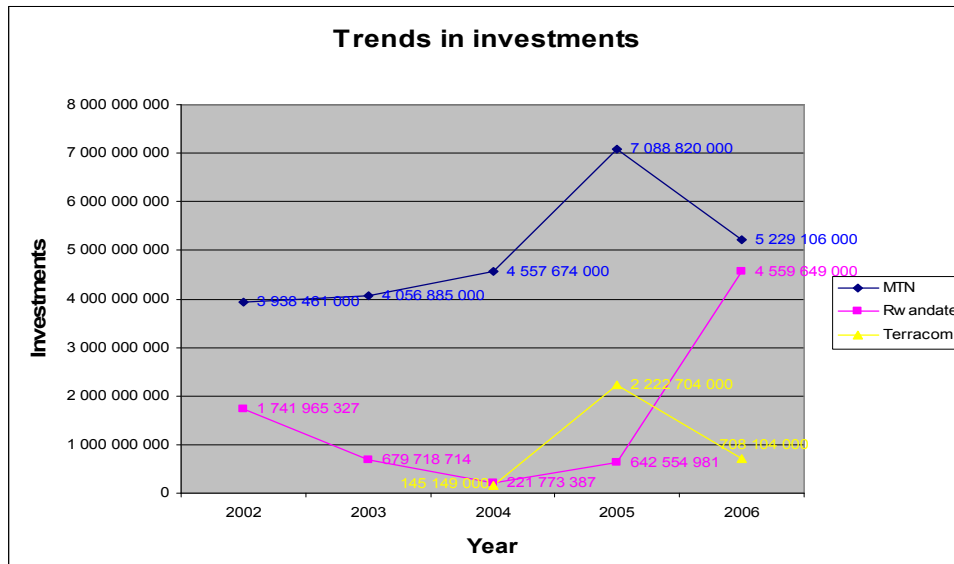
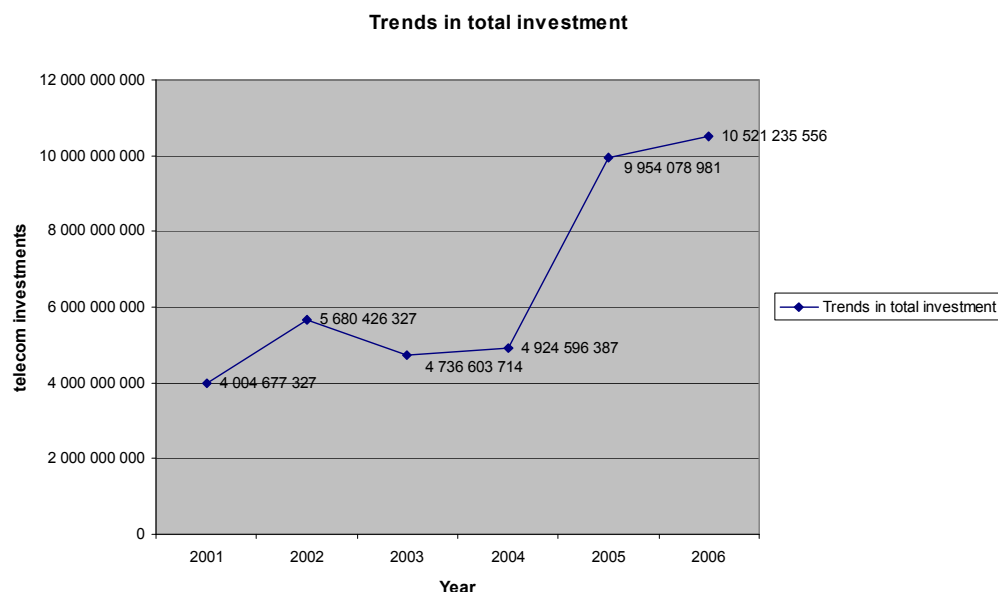


Figure 4: Trends in total telecom investment



### 1.3.2 TRENDS IN TELECOM REVENUES (x1000 RWF)

Table 4 Trends 2001 – 2006

	Rwandatel	TERRACOM	MTN	ISPA
2001	7 751 557	-	11 240 887	-
2002	8 436 618	-	13 501 865	-
2003	10 599 163	-	15 840 553	-
2004	10 412 437	393 214	21 428 391	-
2005	8 087 746	1 006 257	23 101 730	-
2006	6 908 672	3 456 986	34 543 360	41 889

Significant changes as depicted from table 4 above are :

- Rwandatel’s revenue has registered a continuous decline from 2004 to 2006. The rate of decline in revenue was registered at 17.6%, 22.3% and 14.6% respectively.
- MTN’s revenues have increased overtime from 35% to 49.5% in 2004, 2005 and 2006 respectively.
- Terracom S A R L’s (the former majority shareholder of Rwandatel SA) revenues also registered an increase over the two years 2005 and 2006 from 156% and 243.5%.
- The total revenue (year 2006) for ISPA was estimated at RwF 41,889,206.
- ARTEL did not provide its financial statements for the year 2006.

## 1.4 ACHIEVEMENTS

The following 8 programmes were initiated at the beginning of 2007 within the communications sector:

- ❖ Mapping of Telecommunications Networks
- ❖ Monitoring and Enforcement of Licence obligations
- ❖ The Numbering Plan
- ❖ Guidelines for type approval
- ❖ Internet service
- ❖ Clear Interconnection and tariff regulatory regime
- ❖ Universal service implementation
- ❖ Spectrum Management and monitoring

### 1.4.1 PROGRAMMES IN DETAIL

#### 1.4.2 MAPPING OF TELECOMMUNICATIONS NETWORKS

The main objective of this programme was to map the existing Telecommunications Networks in Rwanda. It was envisaged that the mapping would assist in enhancing the capacity and strength of Rwanda's Network Master Plan and as well become the template upon which future information is added and further assist in the implementation of universal access. The following methodology was used:

1. Data on the current infrastructure levels and roll-out plans was collected from operators (Broadcasting, fixed, mobile and internet operators).
2. A survey was commissioned to access the telecommunications services within local administrations.
3. In an endeavour to build local capacity, the **Centre for Geographic Information System of the National University of Rwanda in Butare** was commissioned to map the data. Unfortunately no maps were produced but it is envisaged that this will be done in early 2008.

The table below shows a summary of the level of access to telecommunications services, in local administration offices and other surrounding social and public institutions.

**Table 5: Level of access to telecommunications services**

Zones	Local administration sectors covered with		
	Mobile telephone	Fixed telephone	Internet services
Southern province			
Sector administrative bureau	78%	2%	1%
Other infrastructures	79%	7%	2%
Western Province			
Sector administrative bureau	75%	10%	3%

Other infrastructures	78%	9%	3%
Northern Province			
Sector administrative bureau	71%	16%	2%
Other Infrastructures	72%	9%	1%
Eastern Province			
Sector administrative bureau	89%	15%	5%
Other Infrastructures	79%	9%	2%

### 1.4.3 MONITORING & ENFORCEMENT OF LICENCE OBLIGATIONS

As part of its mandate, RURA is tasked with ensuring that licences are not only issued but also monitored and enforced to ensure that all conditions as per the license agreements are complied with. Below is summary of monitoring and enforcement activities conducted in 2007.

#### 1.4.3.1 RWANDATEL SA /TERACOM SARL

- An assessment of Rwandatel/Terracom was carried out with particular focus on their coverage and roll out obligations, quality of service, investments and financial performance. Thereafter recommendations were submitted to the licence issuing authority within the relevant law for appropriate action.
- Investigation into Rwandatel/Terracom licensing obligations revealed that they were not complying with their Universal Access and frequency obligations. Recommendations were made based on the law's provision on non-payment to the Board for further action.
- Monitoring of Terracom's number range revealed that the number range "04" was in use by Terracom yet it had not been assigned by RURA. A letter requesting that operations cease from this number range was made to Terracom who subsequently complied with the regulative directive.
- A compliance inspection of Rwandatel/Terracom's investments for the year 2007 as per its strategic plan was carried out. Visits were made to all sites of the country and a report showing what was achieved by the company was submitted.
- A number of correspondences on the subject of non-compliance between the Agency and Rwandatel and Terracom have also centred on their Infrastructure deployment permits, CLI, SMS, etc.
- Two Dispute resolutions were concluded :
  - Low Internet Service Provision complaint filed by Rwandatel and Terracom customers (MVK, Norwegian Church Aid, MINEDUC).
  - Infrastructure sharing complaint filed by Rwandatel/Terracom and other operators.

### 1.4.3.2 MTN RWANDACELL

With regards to MTN Rwandacell the following were accomplished;

- Dispute resolution between MTN Rwandacell and Rwandatel/Terracom on issues regarding sending CLI, SMS and Infrastructure sharing.
- Resolution of disputes regarding MTN's numbering scheme.
- Evaluation of MTN Rwandacell's fulfilment of its mobile licence obligations and a report sent to the office of the Director General of the Agency;
- Harmonization of MTN Rwandacell's mobile licence for its renewal with its fixed one and a draft licence sent to the licence issuing authority.
- Dispute resolution between BCS (Sub-contractual of MTN Rwandacell) and its customers on fraud. This was done in collaboration with the Legal Department.
- In response to the public complaint for MTN Rwandacell call back services termination the agency intervened to facilitate restoration of the service.

### 1.4.3.3 VALUE ADDED DATA RWANDA & TORUS

- Enforcement notices were issued to both Value Added Data Rwanda and Torus with a view to revoking their licences if they did not implement and or commence their services within a month in accordance with provision of their ISP Licence. A recommendation was prepared in accordance with feedback received from the two operators
- Consequently, the issued ISP license for TORUS International was revoked and the Value Added Data received an extension period to implement its licence obligations

### 1.4.3.4 CONTRIBUTION ENFORCEMENT

Table 6 below shows the outstanding contributions in arrears that were to be paid by the operators to the Agency for their operations for the year ending 2006:

**Table 6 Contribution Arrears of the operators**

Company	1% of turnover (Rwf)	2% of turnover (Rwf)	Total (Rwf)	Outstanding amount (Rwf)
Rwandatel	56 540 860	113 081 720	169 622 580	169 622 580
Terracom	34 569 860	69 139 720	103 569 860	103 569 860
MTN Rwandacell	319 432 000	638 863 000	958 296 000	50 265 168
ISPA	399 292	798 584	1 197 876	1 197 876

**SPECIAL NOTE:** MTN Rwandacell is having Universal Access cumulative arrears amounting to 49 057 879Rwf which were due in 2004 and 2005 thus making a total outstanding contribution in arrears to 99 323 047 Rwf. Planned contacts have been designed to secure the above outstanding contributions

### **1.4.3.5 NUMBERING**

The existing numbering plan was altered and resulted in the development of a national numbering plan based on international standards (E.164 and E.129 ITU recommendations). The draft of the proposed National Numbering Plan has been put in place and the implementation is scheduled for early 2008.

In parallel at the request of the Ministry of Health for a need for an emergency call service, an Emergency Call service for the medical services was implemented and is currently working.

### **1.4.3.6 TYPE APPROVAL GUIDELINES**

The following provisional certificates were issued for the year 2007:

- Provisional type approval certificate to Intel Wireless WIFI Link
- Provisional certificate to Advanced Data Technology Corporation (one laptop per Child)
- Authorization to sell and import telecom equipment granted to Swift Supplies and Logistics (new) and SOCOMERWA (renewal)

Preparatory meetings in collaboration with RBS have been conducted during the year 2007 with a view to coming up with Type Approval guidelines for all telecom equipment.

### **1.4.3.7 INTERNET REGULATORY POLICY FOR VOIP, DOMAIN NAME & IP ADDRESS**

At the beginning of the year, a plan was put in place for a Consultant to be hired on a technical assistance basis to work in RURA for 6 months. While the consultant is yet to be hired, a number of activities notwithstanding were carried out:

- Preparation of ISP and VSAT Licence: 9 VSAT Licences were renewed, 3 new VSAT have been granted to Family Health International, CALTEX and OXFAM GB and 1 satellite phone granted to IFDC.
- ISP Licence for AXIS and ALTECH STREAM Rwanda were drafted.
- Analysis of Rwanda Digital TV project related to DVB-T technology from Star Africa Communication Company was conducted
- A number of participatory meetings were organized by MININFRA and RITA with regards to reviewing ICT regulatory framework.
- A follow up and evaluation of the current status of the Rwanda domain name “.rw” was done. Rwanda ICT Association has been following the issue of the domain name in line with the current ICT bill that is under legislative consideration. The recommendation made for RURA to regulate this domain name has been accepted.

### **1.4.3.8 INTERCONNECTION AND TARIFF REGULATORY REGIME**

Two key activities were carried out in this segment:

- Interconnection guidelines have been drafted by a consultant, discussed with industry and are awaiting approval from the Regulatory Board before implementation.
- Tariff guidelines were equally drafted by a consultant and are currently subject for the approval of the Regulatory Board.

### **1.4.3.9 UNIVERSAL SERVICE IMPLEMENTATION**

Since telecom regulation is a key instrument for ensuring that commercial necessities are recognized and achieved, there is a need for suitable mechanisms that will ensure that all geographical and demographic sections of the society have reasonable access to services and that operators are not allowed to concentrate solely on the most profitable areas to the exclusion of all others. To this end, in addition to their license rollout obligations, all licensed telecom network operators and service providers in Rwanda, contribute to the universal access fund a sum of up to 2% percentage of their total turnover of the given year as determined by regulatory board.

This is in line with the Presidential Order governing the functioning of the Universal Access Fund (UAF) and pursuant to the regulatory board decision n0 01/2004 of 31 march 2004, all public telecom companies licensed to operate in Rwanda are liable for annual contributions to the UAF. The figures for 2006 were calculated on the basis of revenues realized during the year December 2005 by all public telecom service providers. This contribution is to be used in facilitating ICT implementation in remote and rural areas of Rwanda.

The major responsibilities of RURA with regard to the universal access program are to ensure progressive availability of telecom services on affordable terms. In the course of 2007, the major activities carried out within the frame work of universal access included:

- Collection of public operator's contributions to universal access fund (UAF)
- and support to Artel rural telephone service provision

Rwandatel, Terracom, ISPA and MTN Rwandacell were the key operators that were bound to contribute to the fund in 2007. However, only MTN Rwandacell was able to make good 2007 UAF contribution.

#### 1.4.4 FINANCIAL STATEMENT UNIVERSAL ACCESS FUND/SUBSIDY

*Table 7 Universal Access Contributions depicting the fund movement*

<b>1. REVENUE</b>	
Balance on the 01 Jan. 2007	402,532, 268 Rwf
MTN Contribution 2%	588,597,832 Rwf
<b>Total Revenue</b>	<b>991,130,100 Frwf</b>
<b>2. EXPENSES</b>	
Payment made to ARTEL	115,000,000 Rwf
Payment made to New Sky	46,296,944 Rwf
Payment to Intelsat	409,384,800 Rwf
Payment to Rugemalira	314,000 Rwf
Bank charges	88,000 Rwf
<b>Total Expenses</b>	<b>571,083,744 Rwf</b>
CASH AT HAND:	
<b>Balance as on 30/Nov07</b>	<b>420,046,356 Rwf</b>

#### 1.4.5 TERMS OF REFERENCE TO e-RWANDA/WORLD BANK

In order to fulfill the provisions of the presidential order governing the functioning of the UAF, RURA in collaboration with e-Rwanda project under RITA drafted Terms of Reference {based on the World Bank procedures} to hire a consultant to conduct a survey early 2008 with a view to identifying the current level of telecom service coverage at 3 levels (Province, District, Sector administration levels) in all provinces of Rwanda.

#### 1.4.6 SPECTRUM MANAGEMENT

The Spectrum Management Department's mandate, among other things, is to ensure efficient, rational, and economic usage of radio frequencies. This is in force by virtue of law No 44/2001 of November 30, 2001 governing telecommunications in Rwanda.

To efficiently achieve its tasks, the Spectrum Management Department covers the following sections:

- Spectrum Planning: an exercise was undertaken with a view to ascertaining the current frequency band users before forecasting for the future exploitation or usage of the scarce resource for other radiocommunication systems.
- Frequency Assignment: The purpose was to allocate frequencies to users that fulfilled the required conditions.
- The Spectrum Monitoring section supports Spectrum Planning and spectrum frequency assignment sections by supplying them with information that is used in determining compliance. The monitoring of the frequencies used is accomplished by identifying illegal utilization of the spectrum.



Spectrum Management Department has in addition to the above, continuous and regular regional/international coordination efforts on frequency spectrum management. The following report describes the activities conducted with the purpose of attaining the objective of the Spectrum Management Department during the year 2007.

The activities have been divided into four main parts namely: frequency spectrum planning, frequency assignments, frequency spectrum monitoring and enforcement, and international/regional frequency coordination.

#### **1.4.7 FREQUENCY SPECTRUM PLANNING**

A number of activities were carried out within this segment in 2007, namely:

- The spectrum planning section identified the current usage of frequency and proposed the channelization based on ITU recommendations in the following bands: 900 MHz, 1800 MHz, 2.3 GHz, 2.5GHz, 3.5 GHz, STL and WCDMA band in order to avail the radio frequency assignments to applicants.
- Meetings with operators to ensure optimum and efficient utilization of the assigned radio frequency while guaranteeing trouble free transmission.
- Information on utilization of the assigned frequencies was required to update frequency band utilization, review and prepare guidelines to have a proper spectrum planning. To achieve this, the issue of frequency assignment in the following band was communicated to the operators: ISM band, 3.5 GHz band, potential candidate for IMT- 2000 and Microwave frequencies like 7GHz, 8 GHz, 15GHz, and 23GHz.

Internal and external preparations and consultations were made by the spectrum management department to prepare for World Radio Conference 2007. The activity deals with reading the report that was based on the work of the NPC and the summary of the agreed EAC common proposals on WRC-07 agenda items were made. This was further followed by coordination on the current national use of spectrum by different radiocommunication services. The evident constraint in such an ambitious initiative is that a national table of frequency allocation does not exist. In the event of a difference between the results of ITU studies and the current national spectrum usage there is bound to be difficulties in matters of setting priorities. For the purpose of the World Radio Conference 2007 an invaluable reference document was developed and used by the members of the Rwanda's delegation to the WRC- 2007 .

## **1.4.8 FREQUENCY ASSIGNMENTS**

The assignment of frequencies to new operators and the renewal of radiocommunication licenses were the main activities carried out on a daily basis within the spectrum management department.

The 2007 period was remarkably marked by the new requests for licenses of the use of new technologies such as:

- WiMAX
- i-Burst
- IPTV
- pay TV services

Apart from this, RURA addressed the following demands:

- Applications for the renewal of HF, VHF, UHF, SHF, VSAT, and satellite phone licenses
- New applications for HF, VHF, UHF, VSAT, and broadcasting licenses
- Temporary radiocommunication license applications
- Regular requests of notification to ITU of HF broadcasting from Deutsche Welle Kigali Relay Station

Technical advice was provided to different frequency users in order to make the use of frequencies easier.

The activity of issuing radiocommunication licenses was done concurrently with indicating fees and issuing bills for various radiocommunication services. The calculation is done taking as reference the Ministerial Decree No 03/RURA/05 of July 14, 2007 determining fees for radiocommunications services.

## **1.4.9 MONITORING AND ENFORCEMENT**

The main tool that provides sustainable success of both frequency assignments and frequency planning is the provision of information on the spectrum usage. For this to be effectively implemented, field visits were carried out in order to ascertain:

- Illegal frequency users and ensure that they follow the provisions of ITU recommendations and law governing telecommunication in Rwanda
- The collection of technical specifications of radiocommunication systems to be used by the spectrum planning and frequency assignments units.
- Investigation on the frequency use to prepare for radiocommunication systems users to operate within a safety environment.

The collection and analysis of all frequency users was the main activity achieved during the 2007 period. This data will be used for planning of future use of frequency spectrum.

The findings from this activity were categorized in accordance with the frequency band that is used for radiocommunication exploitation:

- HF users
- UHF users
- VHF users
- SHF
- VSAT
- Sat-Phones

For broadcasting systems, the process of spectrum monitoring contributed a lot to the settlement of interference that would occur at times where new spectrum users tried to test their equipment on the station which was not allocated to them.

The daily activity of finding out the status of users of radiocommunication systems contributed to the quality of providing better services in Rwanda. Quantitative and qualitative analysis is seen as an operating tool that ensures and provides accurate data to ensure effective implementation of the country's plans and policies in the telecom sector.

Different field visits were also organized by conducting investigations on the efficient use of some frequency bands including ISM band, STL frequencies and those that are used for WiMAX technology.

However, while the Agency has tried to ensure that it fulfils its role in monitoring, a number of challenges affected the Agency's efficiency in monitoring. Two key areas that the Agency is looking into include:

- lack of frequency spectrum monitoring tools including mobile station, fixed station, and portable station that can facilitate sustainable use of frequencies.
- The lack of guidelines on an efficient monitoring system.

#### **1.4.10 REGIONAL AND INTERNATIONAL COORDINATION**

The coordination meeting with ARCT delegation (Burundi) was held to discuss on frequency planning and other related activities. A key agenda was to find solutions to a proper regional use of frequencies especially those that are used in broadcasting systems.

Regional/international coordination was carried out to arrive at an agreement with the Tanzania Communication Regulatory Authority on a matter of broadcasting frequency.

The above coordination activities have not only provided a streamlining of issues within the region but have also created more awareness on the mandate of the Regulatory Agency especially in regard to its roles in spectrum management.

In addition, the spectrum department as part of ITU obligations is currently doing required preparations to ensure that all radio frequency assignment is recorded in the

Master International Frequency Registrar. This is for both terrestrial and orbit spectrum utilization).

#### **1.4.11 OTHER ACTIVITIES**

Other key activities carried out in 2007 include:

- Organization of the 14<sup>th</sup> ARICEA General Meeting (AGM) held in Kigali in February 2007
- Participation in a meeting organized by MoPay East Africa and National Bank of Rwanda to see how Rwanda E-commerce can be introduced in Rwanda using the mobile phone
- Preparation of Right of way for telecom services
- Proposal on Quality of Service (QoS) parameters which will help RURA to set minimum performance standards.
- Participation in the review and preparation of Rwandatel's new license
- Research on equipment to be used for QoS monitoring (GSM,CDMA,and WCDMA networks). The cost of the said equipment is estimated at 120 000 Euros.

## **2. THE ENERGY, WATER AND SANITATION SECTOR**

### **2.1 SECTOR CONTEXT**

There are reform measures in place within the energy and water sector and these are enshrined within the framework of reform as prescribed by the Government. The purport is for the attainment of a progressively liberalized sector with a view to creating conducive environment for private sector investments.

The first attempt comprised the handing over of the management of Electrogaz to a private operator in the name of Lahmeyer International for a 5 year period. The management contract in relation to this arrangement came to a halt in 2006 after 2 years. However, it did help to highlight some of the best principles of transparent management through the set up and the monitoring of various performance indicators for the regulator's certification and approval.

During the year 2007, lack of enough energy meant that power generation through diesel generating units continued as a mode of managing the shortage. The directorate was therefore involved in searching for alternative forms of energy supply. One of the ways envisaged to reduce that crisis was to convert the gas energy potential from Lake Kivu's gas deposit into power generation. However, the pilot phase of Kibuye Power 1 project to generate 4.2 MW did not materialize in 2007 as expected due to logistical delays. In addition, Dane Associates Ltd, a company that was previously involved in a similar project could not go on as it fell short of complying with a number of engagement requirements of the Gas Concession Agreement and Power Purchase Agreement that were respectively signed with Government of Rwanda and Electrogaz

Nonetheless, the pilot phase under the Government of Rwanda's financing is still underway and is being carried out by an Israeli company called LUDAN. In addition, other foreign companies such as Contour Global, a US-based company expressed interest in generating 100 MW (in two phases of 20 and 80 MW) of electrical power from the methane gas of Lake Kivu.

The water sector on the other hand, is guided by a number of general frameworks and policies such as the Government of Rwanda Vision 2020, decentralization policy and the Millennium Development Goals (MDGs). Like in the energy sector, the GoR is working towards the encouragement of private investments in water systems management and the year 2007 witnessed an increase in the number of water systems under private management. In addition, a national sanitation policy has also been developed.

## **2.2 ACTIVITIES ACHIEVED**

As in the previous years, the Energy, Water and Sanitation sector has placed much efforts in the follow-up of the strategy and development plan for the National Power and Water Utility (Electrogaz) in the post management contract era, the set up of electricity and water tariffs, the follow-up in setting up the energy legal and water regulatory frameworks. The other regulation-related activities like the active participation in putting in place norms and standards in the power sector, the involvement in consumers protection activities and dispute resolution, etc were equally initiated.

### **2.1.1 THE FOLLOW-UP OF ELECTROGAZ OPERATIONS**

Key activities carried out in 2007 are listed below:

- Site visits were conducted in Remera, Kicukiro and Kacyiru Electrogaz antennas to ensure the earthing of electricity connections in households. The absence of proper earthing systems had previously been one of the major causes of accidents. It was later found that Electrogaz had started enforcing protection measures.
- In the water sector, site visits were conducted to Mutobo water plant as well as to the Electrogaz laboratory. In addition, other technical visits were made especially in Kigali city. It was observed that water rationing remained a common practice because water supply and production capacity remained lower than the demand. This has brought about the development of informal markets such as: water tankers and water vendors. Nonetheless, this situation has also raised several other problems such as: water quality and uncontrollable prices.
- As part of fulfilling its mandate in regulating the sector, the directorate continued to monitor all contracts made with operators. This facilitated knowledge on the improvement in operations, financial and commercial sustainability of the utility which still enjoys the de facto monopoly. However, the post management contract period was characterized by the reluctance of the concerned operator to provide these reports despite an insistence by the Regulator Agency. So far only the first, second and third quarterly reports and a 3 year budget plan have been submitted,

while its 2006 annual report is yet to be submitted. The reports that were handed in were analyzed and feedback sent to the operator.

- In a bid to increase the working relationship between the operator and the Agency, a number of technical meetings were organized and held with the management of Electrogaz on issues pertaining to:
  - Reporting requirements
  - Payment of annual regulatory fees
  - Performance indicators
  - Quality of services

It is believed that the Operator will make the necessary efforts towards improved collaboration. This was manifested through the willingness of the latter to start complying with the legal requirement of paying the arrears of annual regulatory fees.

## 2.1.2 REGULATION OF THE ELECTRICITY AND WATER TARIFFS

The new tariff structure for water and electricity was adopted by Cabinet 13<sup>th</sup> November, 2006 and made effective on the 1<sup>st</sup> January 2007.

### 2.1.2.1 ELECTRICITY TARIFF

The tariff set-up in line with discussions with stakeholders (in 2006) in the industry was implemented in 2007. Key elements of the tariff are:

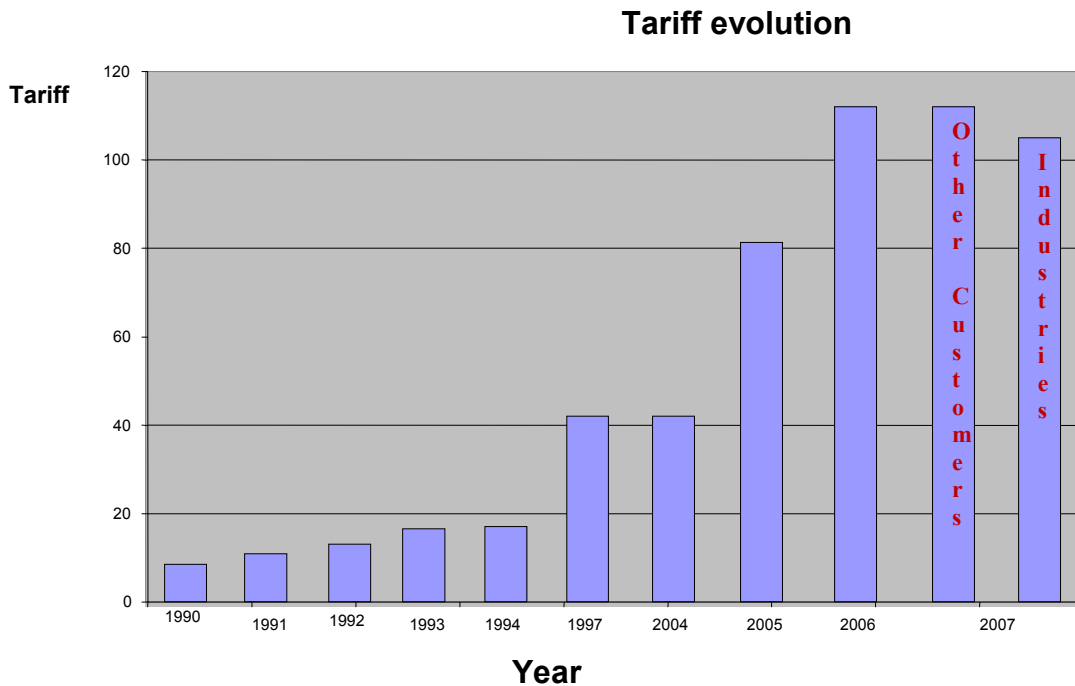
- 112 Rwf/kWh (VAT exclusive) as an average tariff applicable to customers using ordinary and pre-payment (cash power) meters.
- 105 Rwf/kWh (VAT exclusive) as an average tariff applicable to Electrogaz and other industries.

Table 8 and figure 5 below depict how the electricity tariff has evolved since 1990.

**Table 8 Electricity tariff from 1990 to 2007**

Year	1990	1991	1992	1993	1994	1997	2004	2005	2006	2007	
Rwf/kWh	8.5	10.8	13.0	16.5	17.0	42.0	42.0	81.26	112	112	105

**Figure 5 Tariff Evolution**



From the above figure, there is a spectacular tariff increase of 197% between 2004 and 2007, a trend that does not encourage industry competition at the regional level in general. Equally important is its contributory impacts of the slowing down of the inflow of private investments in the country.

### 2.1.2.2 WATER TARIFF

In rural areas, a water tariff vary according to the region and is dependent on the type of infrastructure. For example: gravity and pumping systems.

New urban water tariffs are shown in the following table:

**Table 9 Water tariff**

Customer Type	Blocks (m <sup>3</sup> )	RWF/m <sup>3</sup>
Public water kiosks	NA	240
Lifeline	0 – 5	240
Very Small	6 – 20	300
Small	20 – 50	400
Medium	51 – 100	650
Large	≥101	740
Industries		593

### **2.1.2.3 LEGAL & REGULATORY FRAMEWORK: ENERGY/WATER**

Through the World Bank financing project called Urgent Electricity Rehabilitation Project (UERP), a process was put in place to elaborate both electricity and gas legislations and regulations that had been initiated in 2006 and evolved in 2007. An ad-hoc task force with representatives from Mininfra, Minijust, RURA, and Electrogaz was set up and tasked to regularly review various draft reports developed by the consultant Pierce & Atwood. To aid in this process, a number of workshops were organized in Gisenyi and Kigali which discussed on the contents of the legislations and regulations produced by the consultant. The final report was officially submitted on November 27th, 2007 and is awaiting review before it is forwarded to the Parliament for enactment.

In addition, existing and potential operators in the energy sector approached the Agency requesting for licenses. In order to accommodate these requests the Agency begun preparations on the following documents:

- Proposal of a license model for electricity generation,
- Proposal of a license model for gas production
- Proposal of license requirements in the energy sector

The above documents are considered as provisional instruments that will enhance the enactment of the Electricity and Gas Acts. They are to be discussed and approved by the Regulatory Board before being handed to the concerned applicants.

In the water sector, discussions are underway in the creation of water legislation with the project draft law currently in Parliament for discussion. In addition, other regulatory instruments are being developed. For example: guidelines on Minimum Required Service Level (MRSL) and guidelines on water tankers and resellers. These guidelines on MRSL have been developed and discussed with Electrogaz and are already in the process of being approved by the Regulatory Board.

### **2.1.2.4 SET-UP: NORMS AND STANDARDS IN POWER SECTOR**

In close collaboration with the Rwanda Bureau of Standards (RBS), RURA along with other public and private institutions such as the Ministry of Infrastructure, Electrogaz, NUR, had several sessions aimed at adopting standards to be used in electro-mechanical and electronic equipment. Further to the approval by that panel of experts, a good number of standards have been availed to the public for use.

### **2.1.2.5 REGULATORY ACTIVITIES IN RURAL AREAS**

#### **2.1.2.5.1 ELECTRICITY**

The Government of Rwanda's Vision 2020 targets the transformation of social conditions in rural areas. One of the ways of achieving this objective is through the provision of affordable energy.



In this regard, efforts to encourage and promote the flow of investments in rural energy projects were made in remote areas. A number of micro power and photovoltaic projects under the financing of both GoR and private organizations kicked off in various remote areas of the country. In addition, the Agency issued provisional licences to many developers involved in the construction and rehabilitation of micro-hydro power plants in the areas.

To ensure implementation of these projects, the Agency simultaneously started conducting site visits before and after the issuance of licenses. For example: a site visit was conducted to the micro power plant along Kiryango river (Southern Province) to assess the sustainability of the projects. Table 10 below highlights the licenses issued in 2007.

**Table 10 Provisional licenses issued to private developers in 2007:**

Type	Installed Capacity (KW)	Location	Validity Period
Construction and exploitation	400	Gasekere river	12 months
Construction and exploitation	400	Mazimeru	12 months
Construction and exploitation	128	Mpenge river	12 months
Construction and exploitation	110	Kavumu – Mwange river	12 months
Construction and exploitation	150	Maruruma	12 months
Construction and exploitation	250	Jali mountain	12 months
Total	1438		

### 2.1.2.5.2 WATER SERVICES IN RURAL AREAS

Under the existing legislation, water infrastructures belong to district authorities and their management is delegated to certain identified private managers at the level of the districts. The number of these managers increased by 69% in 2007. The key activities carried out within this segment included:

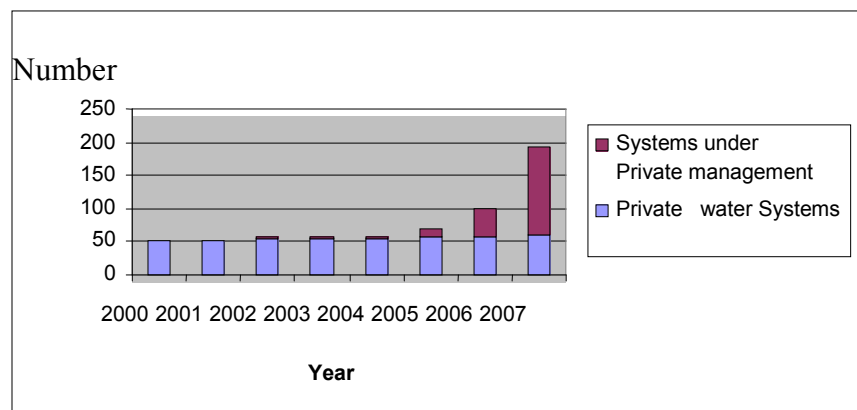
- Site visits: these were conducted through the year 2007 to ascertain the service level: Nyamasheke (Western province), Byimana, Save and Akabilira (southern province), and Karege (Eastern province)
- A contract was executed between Rubavu district and AQUAVIRUNGA (a joint venture between a national company and a Dutch company) for the management of Bungwe- Bikore for 15 ans.

Table 11 below shows the evolution of water systems management over the year 2000-2007, while figure 6 shows the gradual increase of water systems during the same period.

**Table 11 The evolution of water systems and managements**

Year	Number of private Systems	Number of systems under private management	Cumulative Total	% of private systems under private management
2000	51	0	51	6.5
2001	51	1	52	6.6
2002	54	3	57	7.2
2003	54	3	57	7.2
2004	54	4	58	7.4
2005	56	14	70	8.9
2006	57	41	98	11.6
2007	60	133	193	22.8

**Figure 6 Number of water systems**



While there has been significant progress over the years in the management of water services to rural areas, there are a number of challenges that the Agency has faced. Two of which are highlighted below:

1. Although Public Private Paternership (PPP) initially showed promise at being more efficient and professional, there are noticeable weaknesses in the contracts such as: proper detailing of the responsibilities of the parties concerned and proof of the professional capability of a number of operators.
2. Districts need to be strengthened in drafting and monitoring contracts. For the districts to have harmonized water tariffs, an economic study would be required as well as putting in place an appropriate cross-subsidy mechanism.

### **2.1.2.6 DISPUTE RESOLUTION: CONSUMER PROTECTION**

As with other regulatory departments, the Energy and water departments have also been involved in dispute resolution activities.

In the Energy sector, the Agency resolved disputes that arose between Electrogaz and Terracom over voltage issues in Gitarama antenna. The responsibility of both parties was established and the parties thereafter agreed to address their respective issues.

In the water sector, the year 2007 registered two cases of disputes:

- In Gisagara district, a dispute arose over tariff issues between a private operator who manages two water systems (Save and Akabirira) and Marist Brother manages a parallel water system,
- In Bulera district, a dispute arose between Electrogaz that manages Mutobo and the District. The dispute arose when the District privatized a part of the network served by Electrogaz (Mutobo) without any consultation with Electrogaz.

### **2.1.2.7 OTHER ACTIVITIES**

A number of other activities were carried out during the year 2007, a summary follows:

- Follow-up of the construction of Lake Kivu Methane Gas extraction plant with Kibuye Power 1 pilot phase.
- Active participation in the workshop on the economic and financial studies of the Kenya Pipeline Company pipeline extension from Eldoret to Kampala-Kigali-Bujumbura.
- Participation of the Regulatory Agency as a member of the Technical Advisory Group on the capacity building workshop to establish Tumba Technical College. The workshop took place on November 20<sup>th</sup>, 2007.
- Participation to follow up meeting on the capacity building programs under the WB financing through the Urgent Electricity Rehabilitation Project UERP.
- Participation in the Rwanda Negotiating Team to negotiate Gas Concession Agreements and Power Purchase Agreements with Contour Global - a US based company interested in generating 20 and 80 MW of electrical power from methane gas deposit.
- Hosting and chairing the Comesa meeting aimed at establishing a Regional Association of Energy Regulators within the Comesa region. The meeting took place in Gisenyi from 29 to 30<sup>th</sup> October, 2007.

- Participation by the Water sector in various meetings in the national coordination sub-committee on Water and Sanitation.
- Participation by the Water sector to the Lusaka meeting organized by the African Forum for Utility Regulators (AFUR- Water and Sanitation sector committee) in January 2007
- Equally, contacts have been initiated with the Water and Sanitation Programme (WSP) in a bid to get their assistance in putting in place a Consumer Voice. To that effect, two experts have paid a visit to the Regulatory Agency and have actually helped in identifying domains of intervention from the consumer voice such as the development of consultation mechanisms with consumers, communication strategies and capacity building development.

### **3. TRANSPORT SECTOR**

#### **3.1 SECTORAL CONTEXT**

This sector is tasked with overseeing the regulatory activities within the transport sector. At the beginning of the year 2007, the transport sector of the economy was affected by hiking fuel prices resulting in slight increase of transport tariffs.

In addition to the above, the sector also encountered the problem of limiting the importation of right steering cars. This decision discouraged the operators who were used to the importation of minibuses with right steering, thereby limiting the fleet in public transport.

The absence of the legal and regulatory framework in the transport sector continues to hinder the development of the entire sector even though new operators keep on entering the sector.

#### **3.2 ACHIEVEMENTS**

The key activities planned and organized for the year 2007 are as follows:

1. Driving school implementation across the country.
2. The development of the tariffs (price-cap regulation).
3. The setting up of permits in the transport sector.
4. The setting up of a regulatory framework for waterway transport.

### **3.2.1 DRIVING SCHOOLS**

One of the key problems within the transport sector is the rise of illegal driving schools. To this end, the directorate defined the approval criteria that would offer quality service and conforms to the standards that had been set out by the Agency after several consultative meetings with stakeholders. Out of the 30 driving schools that were visited the majority did not meet the standards.

Training scheme for drivers was elaborated and various meetings of validation of the document were organized to this end.

The fact is, that there is a plethora of driving schools which function illegally. The Directorate defined the approval criteria that would allow the Regulatory Agency to keep only those that offer a service of quality, conforms to the standards. Mission of control was carried out and 30 driving schools were visited. Most of the driving schools do not meet the standards. Some of them function without any unspecified authorization.

Throughout the year, consultation meetings were organized with the association of the owners of driving schools with the object establishing standards and uniformity within the sector.

### **3.2.2 PUBLIC TRANSPORT TARIFFS**

The activity of regulating transport prices is done all year around as the need arises and is done using a system of 'price-cap' regulation. With the increase in fuel prices during first half of the year, the transport -tarrif structure was re-examined. The calculations done revealed that the rise in the fuel cost did not result in a significant increase on the transport tarrifs. In addition, the cost of transport tariff was not greatly affected by the price increase on gasoline. The tariffs were re-examined as follows:

- Urban transport
  - o Cost per km : 216 Frw
  - o Cost per traveller-km: 14,98 Frw
- Inter-urban transport
  - o Cost per km : 237 Frw
  - o Cost per traveller-km: 14,64 Frw

Hiring of vehicles, as calculated on a per km pricing as follows:

Category 1 (VIP)	: 187 Frw
Category 2	: 161 Frw
Category 3	: 153 Frw

### **3.2.3 THE ISSUE OF PERMITS IN THE TRANSPORT SECTOR**

This activity is done daily and requires continuous follow-up. The transport authorizations (permits) were delivered as follows:

**Table 12 Transport authorizations issued in 2007**

Month	Minibus	Motobikes	Taxi cab	Total
January	655	783	126	1564
February	513	492	99	1104
March	403	606	129	1138
April	362	701	191	1254
May	308	744	101	1153
June	446	818	89	1353
July	496	759	104	1359
August	561	1032	95	1688
September	415	691	75	1181
October	390	884	69	1343
November	364	801	68	1233
December	***	***	***	***
Total				

A number of fraud cases in matters of authorizations permits of transport were discovered and reported to the police for investigation.

A process of computerizing this service is now being put in place. To this effect, a study was commissioned on an efficient way of managing matters of vehicle registration and other aspects of public transport such as database set up.

### **3.2.4 LICENSING**

A number of requests for license permits were made during the course of the year. The following transport permits were issued to the following operators:

- Zebra Country tours
- Rugari Travel Agency
- Le Belvedere lines and
- Rwanda Tourism and Travel Agency.
- Kampala Coach Ltd

### **3.2.5 WATERWAY TRANSPORT REGULATION**

A major problem in the transport sector is that of Water transport. A key area that needed attention is that of transport on lake Kivu. Within this framework, the Directorate of transport organized visits to the Western Province in order to get acquainted with the problems affecting this type of transport. An inventory of the operative means of transport in the districts of Rubavu, Karongi and Rusizi was made. Currently detailed data on all the boats which ensure transport in these places is available. Local authorities

were contacted so that they could organize meetings with the operators on improving lake transport by: -

- The recording of the required means of transport;
- The acquisition safety measure equipment;
- Public awareness campaigns against the accidents;
- The establishment of associations that would provide a good working framework.

During the year, the directorate organized meetings with the stakeholders in public transport (ATRACO, Police, MVK, ONATRACOM, MVK) in order to seek appropriate solutions to the problems affecting the transport sector, and especially with regards to the traffic within Kigali city.

Finally, the directorate has been keen to ensure continuous training in the sector. In this regard, one month training in the field of Economics of the transport was conducted in 2007.

## **4 SUPPORT SERVICES**

### **4.1 LEGAL AFFAIRS AND CONSUMER PROTECTION DIRECTORATE**

#### **4.1.1 EVOLUTION OF LEGAL AND REGULATORY FRAMEWORK**

##### **4.1.1.2 REVISION: LAW NO 39/2001 OF 13/9/2001 ESTABLISHING RURA**

Since 2004 the law establishing RURA has been under review with a view to having it harmonized with the organic law n° 14/2004 of 26/5/2004 on general provisions on public institutions. This draft law was discussed by all stakeholders, and now it is before the Parliament for adoption.

##### **4.1.1.3 PREPARATION: SECOND LEGISLATION IN ICT SECTOR**

In 2007, the Ministry of Infrastructure took the lead to finance consultancy services for certain legislations that were not yet in place in the communication sector. These legislations include: Presidential Order, Ministerial orders and Regulatory Board Decisions. The consultants were to collaborate with the Legal affairs directorate in the drafting of the missing regulations, but the process of recruitment has not been successful.

The directorate managed to draft the Ministerial Order amending the Ministerial Order n° 03/RURA/05 of 14/07/2005 for the determination of the radiocommunication license fees. The main reasons behind this amendment were:

- Harmonization of the French and English version.

- Removing the fees to be paid for VSAT licences from the fees determined by the Ministerial order in order to take into account the need for controlling and discouraging the usage of VSAT for non-commercial activities.

The draft of that Ministerial Order amending the existing one was submitted to the Regulatory Board for approval.

#### **4.1.1.4 ELABORATION OF THE LAWS ON ELECTRICITY AND THE GAS**

The Legal affairs and Consumer Affairs Directorate has been involved in putting in place a legal and regulatory framework in the energy sector. The directorate actively participated in the drafting of the laws and regulations that will govern the electricity and gas sectors. The drafts on these laws and regulations were presented to all stakeholders for comment. They are now at the stage of translation before being submitted to the Cabinet for approval.

#### **4.1.1.5 FOLLOW UP OF THE LAW GOVERNING THE WATER SECTOR**

The draft of the water law was submitted to Parliament towards the the end of 2006 and it has not yet been examined by the parliamentary commission. Given the difficulties in regulating without the proper legal and regulatory framework, RURA has expressed its concerns and needs to ensure that the law is examined by competent authorities ..

#### **4.1.1.6 THE REGULATORY FRAMEWORK IN TRANSPORT SECTOR**

Given that there is a legal vacuum in transport sector, and noting the lengthy process of putting in place the required law, the legal affairs directorate has proposed a number of measures to be put in place while waiting for the elaboration, adoption and publication of the sectorial law. These activities include:

- Drafting of the Ministerial Order amending and completing the Ministerial Order determining the fees to be paid. This draft has been submitted to the Regulatory Board for approval. The objective behind the above draft is to harmonize the latter with the provisions of article 35 of the law establishing RURA which provides that the expenses of running the Regulatory Agency are derived from fees levied for the application for and grant of licenses, approvals, permits, contracts, concessions and allocations to each utility operator. The importance of changing the Ministerial Order to enable RURA to collect the authorization fees paid to the public treasure in the Rwanda Revenue Authority was therefore important.



- In the same vein, in order to control the functioning of driving schools, the legal directorate drafted the driving schools regulations and submitted the draft to the Regulatory Board for approval.

#### **4.1.1.7 DRAFTING OF THE REGULATORY BOARD DECISIONS**

During the year 2007, a number of Regulatory Board Decisions were drafted. The following are the decisions approved by Regulatory Board:

- Decision n° 01/2007 of 14<sup>th</sup> June 2007 on measures taken against the Rwandatel S.A Company for failure to fulfill its obligations to contribute to the Universal Access Fund, to pay outstanding payment for spectrum Fees for 2007 and to refuse to provide required information.
- Decision n° 02/2007 of 14<sup>th</sup> June 2007 on penalties taken against TERRACOM S.A.R.L Company for failure to pay outstanding payment for spectrum fees for 2007, failure to pay its contribution to Universal Access Fund and failure to provide required information.
- Decision n° 04/2007 of 18<sup>th</sup> July 2007 granting the Digital Pay TV broadband and Internet Broadband license to Star Africa Media Company Limited.
- Decision n° 05/2007 of 18 July 2007 determining VSAT License Fees
- Decision n° 06/2007 of 22<sup>nd</sup> August 2007 fixing license fee applicable to ISP licenses. Given the, increased applications for ISP licenses and the need to ensure that operators who could provide the services would not exploit their licenses, the Regulatory Board increased the ISP license fees to US \$ 5,000 (five thousand US Dollars).
- Decision n° 07/2007 of 1st June 2005 granting the ISP License to ALTECH STEAM RWANDA

#### **4.1.1.8 LICENSING AND ENFORCEMENT**

During the year 2007, the legal affairs directorate evaluated and granted licences as follows;

- ISP Licenses granted to the Company Star Africa Media, Altech Stream

- Pay TV Licenses granted to the Company Star Africa Media

The Legal affairs directorate carried out monitoring and evaluation of the level of compliance with the relevant laws and regulations governing the operators. Within this framework, it was proposed that measures be taken against Rwandatel and Terracom for breaching the applicable laws and their license obligations.

#### **4.1.1.9 ADVICE GIVEN TO THE AGENCY**

The directorate also took part in providing legal advice and service to the Agency. In addition, it also participated in activities related to the drafting and negotiation of contracts with RURA's partners, handling corporate legal issues and providing legal advice to the management and the Regulatory Board on any legal issue relating to the daily management.

#### **4.1.1.10 CONSUMER PROTECTION DIVISION**

This directorate is charged with ensuring that the rights of all consumers are not affected in all sectors. This task not only requires each sector to comply with meeting its regulatory obligations to the consumers but also requires that all service providers in each sector provide the requisite services as per their license or statutory obligations. These functions are manifested in the 2007 activities as under.

#### **4.1.1.11 PROMOTION OF THE CONSUMER RIGHTS**

The main achievements of Consumer Protection division in this field are as follows:

- A Consumer Forum took place in May 2007 where all stakeholders were represented. The theme was "Consumer Rights in Telecommunication sector", Announcements on the role of RURA in consumer protection were made via radio, TV, Newspaper etc.
- A meeting was held with opinion leaders of Kicukiro District on the role of RURA in consumer protection
- A meeting was also held with executive secretaries of Gasabo District in consumer protection.

#### **4.1.1.12 INVESTIGATIONS AND COMPLAINT HANDLING**

The Consumer Protection Unit handled consumer complaints as follows:

- Out of twelve complaints against Electrogaz, eleven have been successfully resolved.
- Four complaints against Rwandatel on abusive termination of services has been resolved without any problem.
- Seven complaints against Terracom related to the Quality of Service (low speed of Internet) were registered. However, only one complaint of Kigali City has been resolved.
- Consumers lodged complaints against Terracom SARL and being dissatisfied with the response of Terracom SARL matters were forwarded to RURA – through; Norwegian Church Aid, one from Kigali City, MPFUNDA TEA COMPANY, one from Gasabo District, and two from different people.

#### **4.1.1.13 GUIDELINE ON CONSUMER PROTECTION - ELABORATION**

Two instruments were drafted:

- the Termination of Service procedure
- and a Consumer Complaints procedure.

#### **4.1.1.14 ONLINE ADVICE AND INFORMATIONS**

General informations on RURA's activities and legal advices on consumer protection were given to consumers via the hotline. This is an activity intended to serve all customers but more particularly some corporate customers.

### **4.2 DIRECTORATE OF ADMINISTRATION AND FINANCE**

#### **4.2.1 INTRODUCTION**

This report outlines the activities carried out in the department of finance and human resource management during the financial year 2007.

With respect to financial management, a comprehensive report will be presented in financial statement to be availed early 2008. To that effect, emphasis is put on the execution of the budget in the present activity report.

#### **4.2.2 FINANCE**

##### **4.2.2.1 BUDGETED REVENUES AND EXPENDITURES**

For the year 2007, expected revenues amounted to one billion three hundred and one million two hundred and fourty thousand two hundred ninety nine Rwandan francs (1 301 240 299 frw), of which RWF882 654 059, RWF248 586 240, RWF114 000 000 and RWF56 000 000 were expected from RURA generated income, CEDP, UERP and E-Rwanda projects support respectively. Budgeted expenditures were of the same amount.

##### **4.2.2.2 EXECUTED BUDGET**

Figures available on budget expenses are reported as actuals to the month of November and while those for the month of December 2007 are estimates.

### 4.2.2.3 EXPENSES

**Table 13 Level of execution per main budget component**

	<b>Forecast</b>	<b>Actual</b>	<b>gap</b>	<b>Pourcentage</b>
<b>Salaries</b>	506.936.859	374.640.473	-132.296.386	0,73
<b>Functioning</b>	442.816.349	170.951.421	-271.864.928	0,39
<b>Consultancy</b>	257.778.568	107.751.442	-150.027.126	0,42
<b>Training</b>	93.708.523	87.711.178	- 5.997.345	0,94
<b>Total</b>	<b>1.301.240.299</b>	<b>741.054.514</b>	<b>-560.185.785</b>	<b>0,57</b>

**Source:** Financial service of RURA 2007

### 4.2.2.4 COMMENTARY

The rate of budget expenses for expenses was estimated to be about 57 % for the year.

Main reasons for this low rate of expenses are:

1. Low rate of achievement of planned activities;
2. The component of consultancy shows a particularly low rate of execution due to a number of factors; among which the quasi-non use of the relatively important resources put on consultancy in CEDP and UERP projects.
3. It is noted that with an execution rate of 94 %, the item related to training scored the highest expenditure rate, reflecting the organizational policy of putting priority on capacity building.

We are also presenting the development of our total expenses for the last three years in the table below:

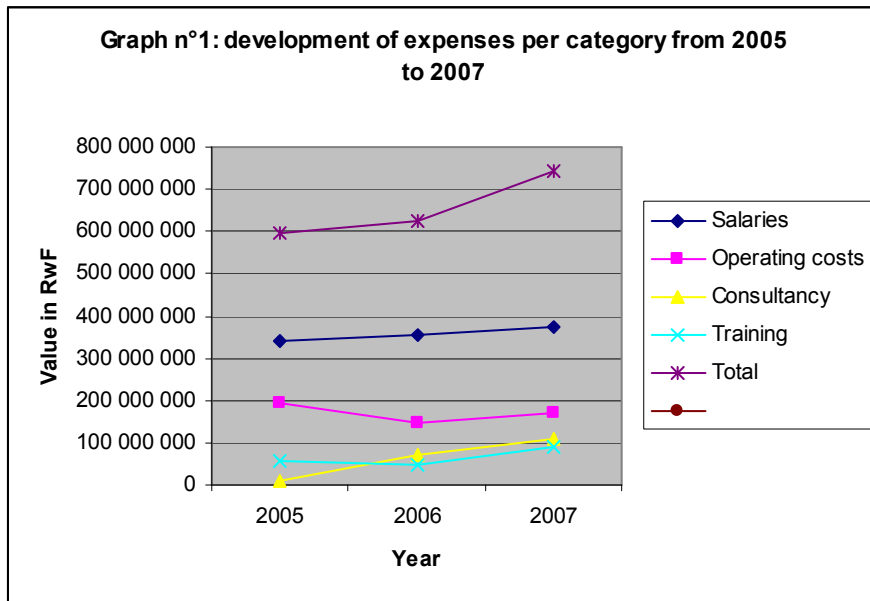
### 4.2.2.5 EXPENSES FROM 2005 TO 2007

**Table 14 Expenditure from 2005 to 2007 in Rwandan francs**

<b>Dépenses</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Salaries	340.620.665	354.239.144	374.640.473
Operating costs	192.713.852	147.540.705	170.951.421
Consultancy	8.554.839	71.904.530	107.751.442
Training	54.787.016	49.615.903	87.711.178
<b>Total</b>	<b>596.676.372</b>	<b>623.300.282</b>	<b>741054514</b>

**Source :** Accounting service of RURA

Figure 7 Expenditure 2005 - 2007



Source : idem

Figure 8 Development trend of total expenses 2005-2007

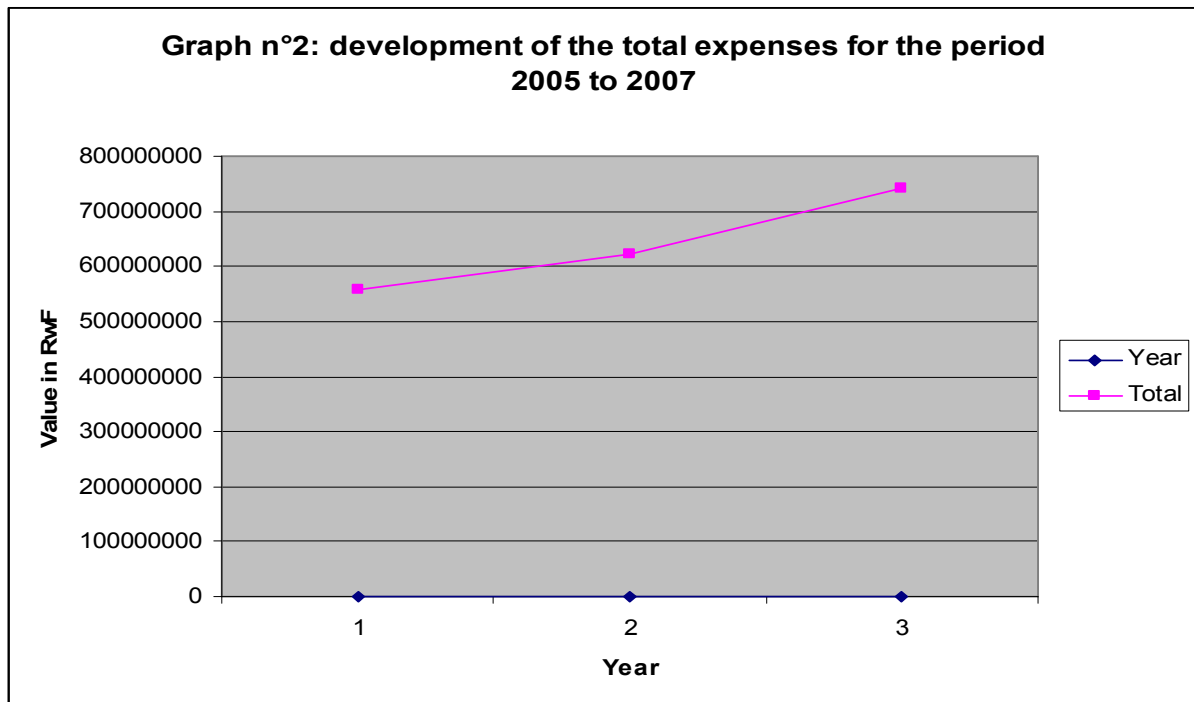


Figure 9 Structure of expenses 2005

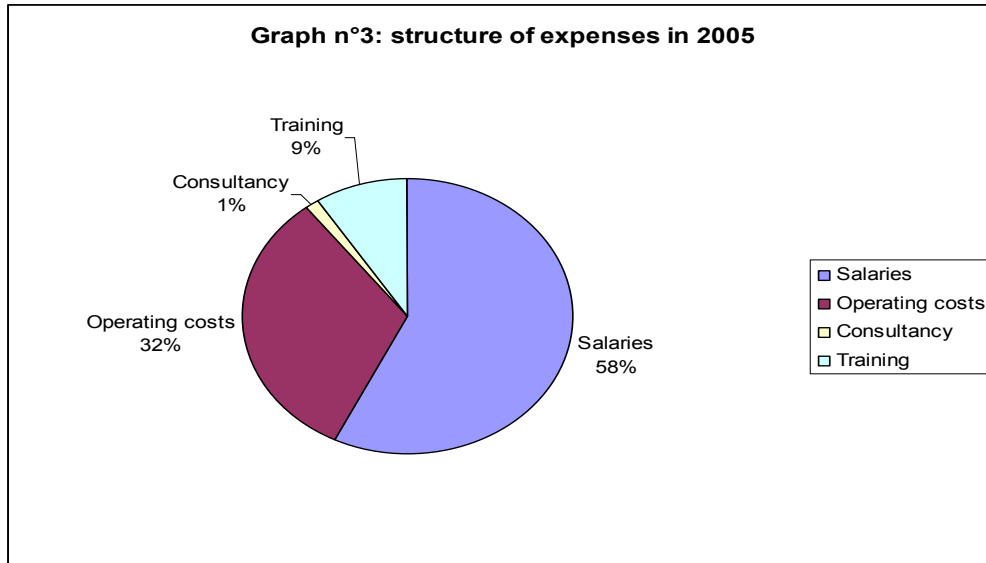


Figure 10 Structure of expenses 2006

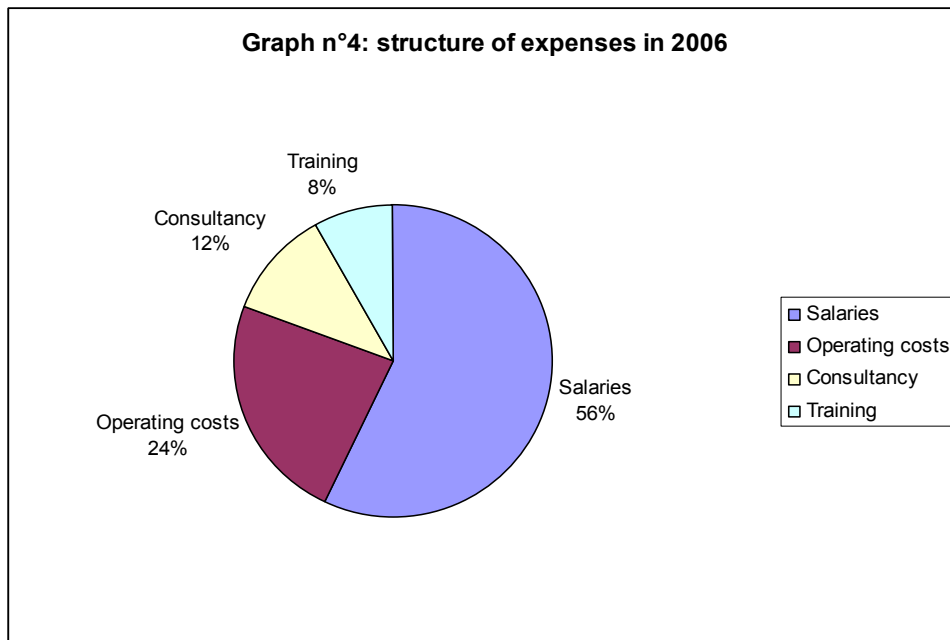
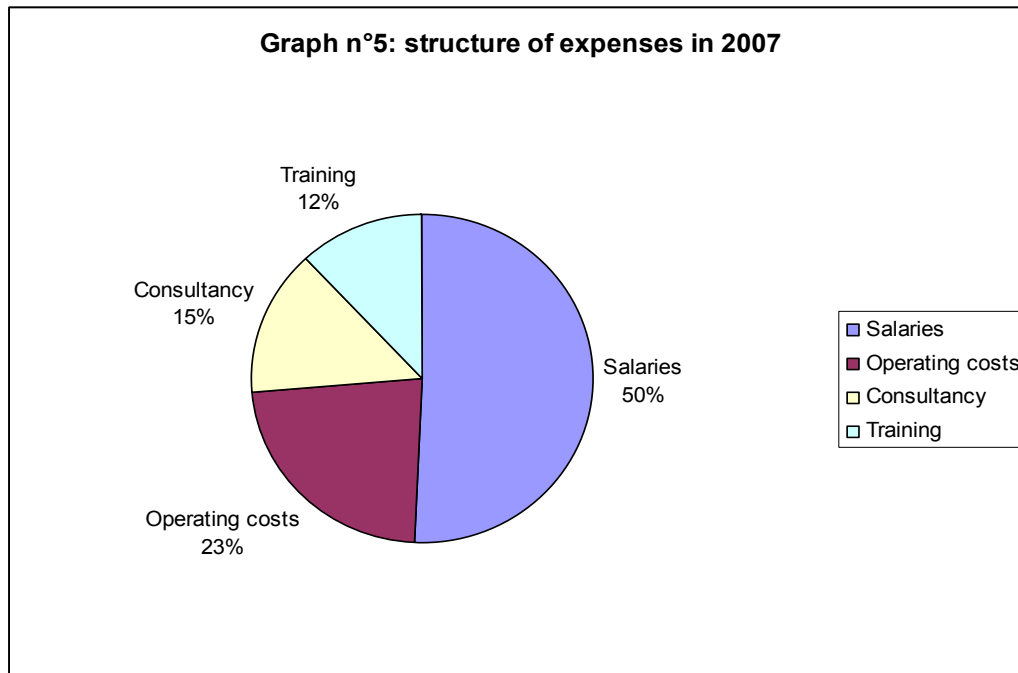


Figure 11 Structure of expenses 2007



#### 4.2.2.6 COMMENTARY

As shown by the above graphs, expenses constantly increased through out the considered period of three years and are marked by a positive trend of diminishing share of salaries in the total budget to the benefit of operational expenses.

Actually, the share of salaries fell down from 58 % in 2005 to 50 % in 2007.

#### 4.2.2.7 REVENUES

Table 15 level of execution of budget revenues per main source in 2007, (in Rwandan francs).

Source	Prévisions	Réalisations	Ecart
Generated income	882.654.059	600.237.872	0,31
Subsidies	0	0	
Donors	418.586.240	133.923.557	0,68
<b>Total</b>	<b>1.301.240.299</b>	<b>734.161.429</b>	<b>0,43</b>

Source : Accounting service

#### 4.2.2.8 COMMENTARY

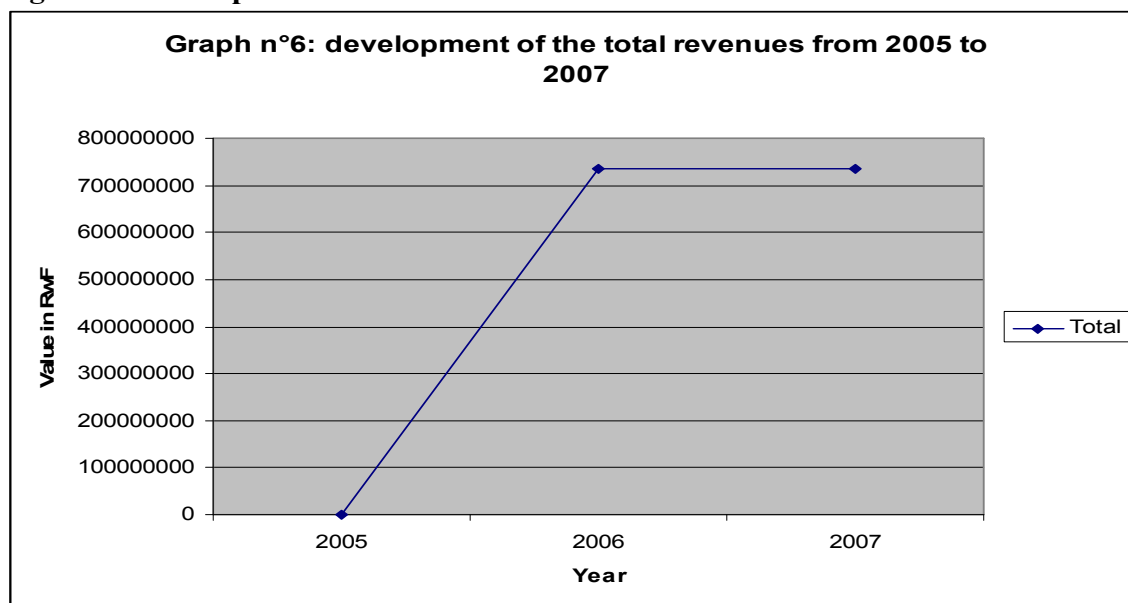
A very low of revenue execution was observed and this was mainly because of the non payment of fees by ELECTROGAZ and ex Rwandatel.

However, these fees would most likely be collected before the end of the year or early next year.

**Table 16 Development of revenues from 2005 to 2007 in rwandan francs.**

<b>Year Source</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Generated income	549.450.223	640.569.187	600.237.872
Governemet Subsidies	93.260.997	0	0
Donor	55.048.105	95.321.625	133.923.557
<b>Total</b>	<b>697.759.325</b>	<b>735.890.812</b>	<b>734.161.429</b>

**Figure 12 Development of total revenue from 2005 – 2007**



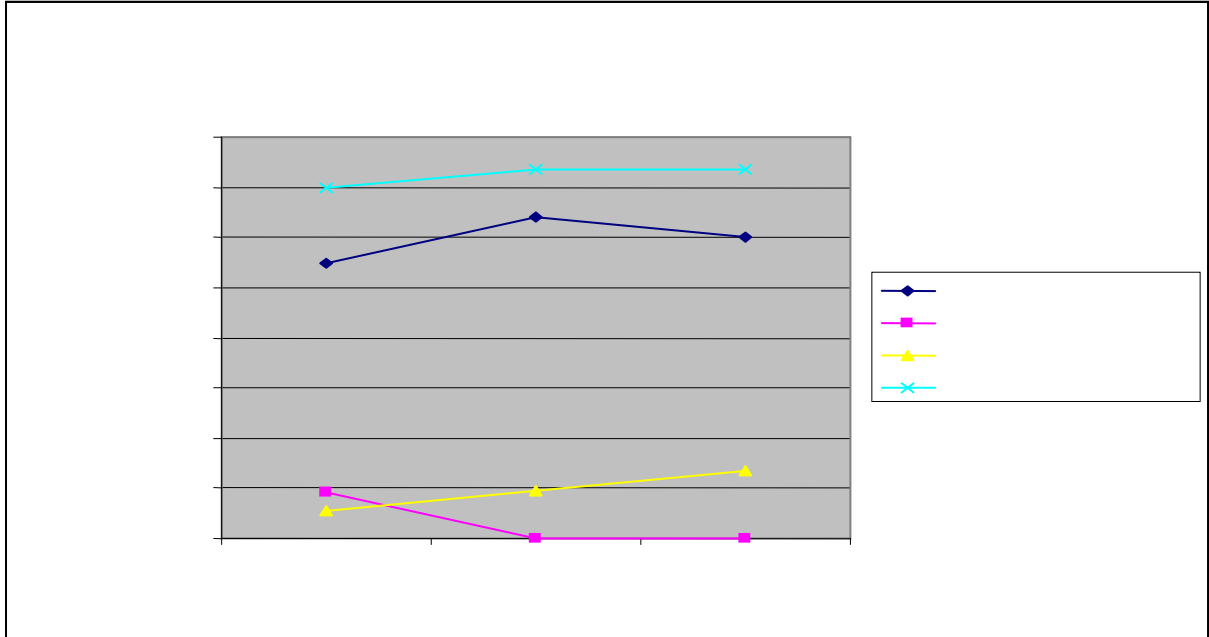
#### 4.2.2.9 COMMENTARY

Revenues registered a sustainable increase from 2005 with a low increase rate in 2007 mainly because of the low rate of use of CEDP and UERP World Bank project funds.



It is equally important to visualize the structural development of these revenues in the following graphs:

**Figure 13 Income per source from 2005 - 2007**



**Figure 14 Revenue structures 2005**

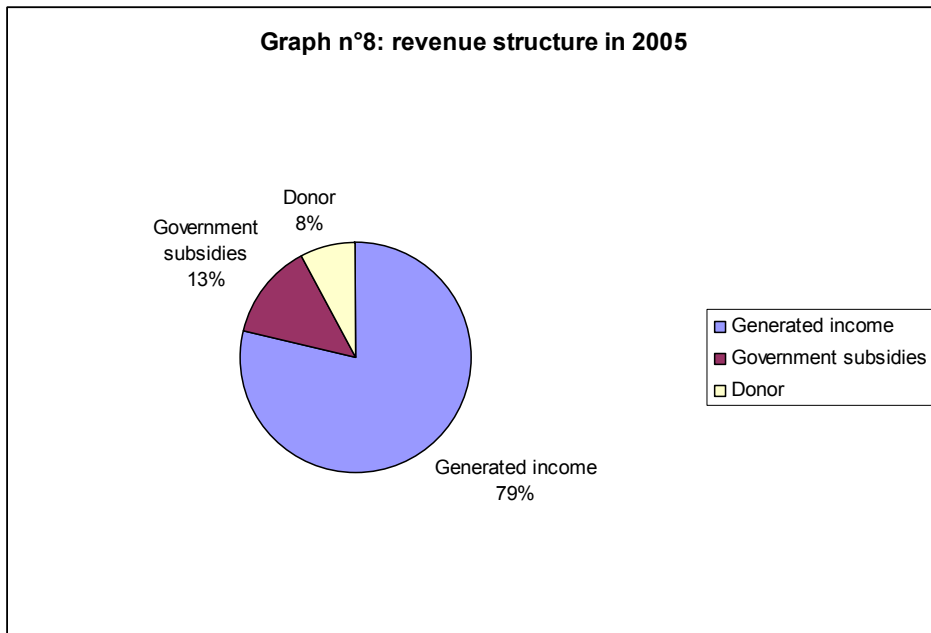


Figure 15 Revenue structures 2006

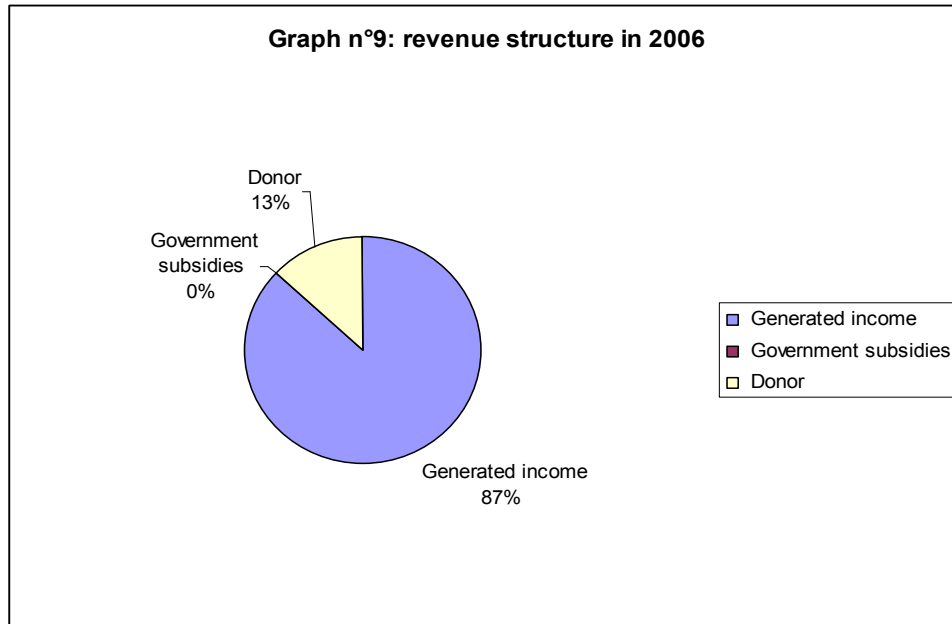
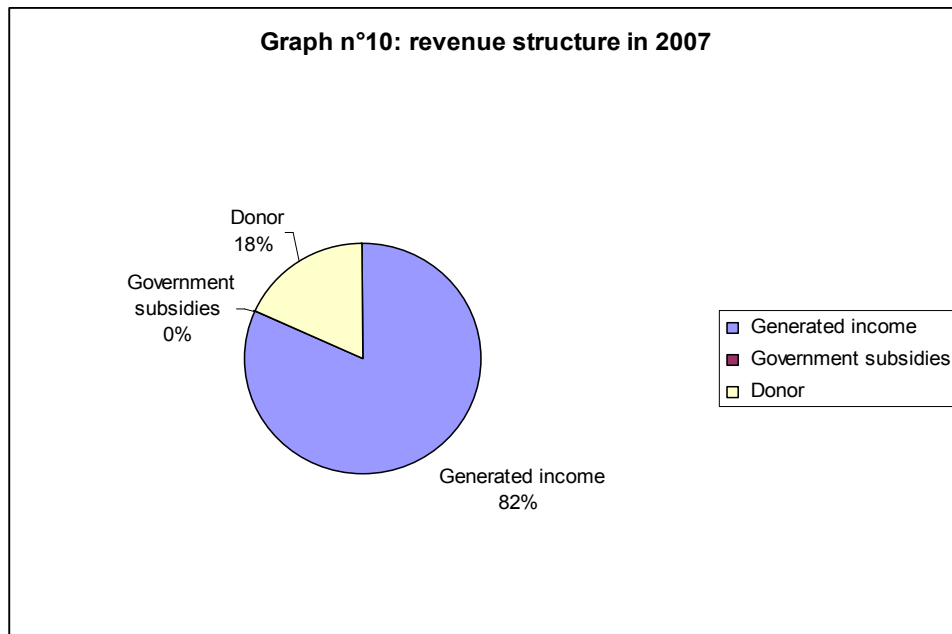


Figure 16 Revenue structures 2007



#### **4.2.2.10 COMMENTARY**

The analysis of the above graphs shows a constant increase of the share of RURA's generated income, even though there is a slight decrease in 2007. But the situation might improve if all the expected revenues are collected before the end of the year.

#### **4.2.3 HUMAN RESOURCES AND ADMINISTRATION**

**UNDER THIS SECTION, SEVEN MAIN ACTIVITIES CAN BE MENTIONNED**

#### **4.2.4 PERSONNEL MOVEMENT**

During the year 2007, five (5) professionals were recruited for the ICT sector.

One professional in charge of gaz in the Energy Department and one Secretary left the Organization.

#### **4.2.5 TRAINING**

With regard to capacity building, six professionals were trained overseas and four benefited from training locally on post graduate levels.

ICT sector benefited from experience of Kenyan regulators who came as consultants.

During the year 2007, 3 professionals from the ICT sector followed a training program on a master's level at Kigali Institute of Science and Technology (KIST).

The Director of Energy completed his one year Master program in Energy and Environmental Management in the Netherlands.

The Director of Finance and Administration continued his post-graduate training programme with NetTel Africa in collaboration with the University of Rwanda UNR.

Progressively, professionals at RURA are completeing training on master's level in various specialized domains.

#### **4.2.6 ADMINISTRATION & EVALUATION OF PERSONNEL**

In 2007, like in the previous years, performances were evaluated based on set objectives and expected results and all personnel files have been updated.

#### **4.2.7 PERSONNEL ADMINISTRATION**

- RURA employees insurance was renewed in 2007 and new recruits were subscribed after their probation period.
- A solidarity fund was created by RURA staff in 2007
- In collaboration with CNLS, sensitization and mobilisation campaigns as well as voluntary tests in respect to HIV pandemics were organized for RURA staff.

### **5 CONSTRAINTS**

#### **5.1 COMMON CONSTRAINTS TO ALL SECTORS**

The regulated sectors have certain common problems that are inherently affecting their operations. These common constraints are related to the absence of an updated and comprehensive legal and regulatory framework along with a manifest lack of human resources.

Furthermore, a lack of a sufficient working space is also a noticeable constraint.

#### **5.2 SPECIFIC CONSTRAINTS**

Apart from common constraints, some are related to sectors:

- LEGAL AND CONSUMER AFFAIRS - The specific constraint for the department concerns the absence of consumer Associations.
- TRANSPORT - The lack of the legal framework which could guarantee a better regulation of the sector. Indeed, there is no existing legislation in place for the transport sector. Efforts are being made to enact this law by the first semester of 2008.
- The lack of the required staff blocked the completion of some activities subject to the recruitment of the personnel.
- WATER AND SANITATION - The major specific constraint is tied to the lack of enough understanding of the benefits of regulation from the stakeholders within this sector. As for example, most of the rural water systems were privatised without any involvement of the regulator.

### **6 CONCLUSION AND WAY FORWARD**

As has been documented above, the Regulatory Agency has sought to not only implement its regulatory obligations but has also sought to monitor and ensure enforcement of key license obligations.

In the year 2008, the Regulatory Agency is looking forward to accomplishing its mission through the following:

- i) The speeding up of the recruitment process given the approval of the new regulator's organisation structure during the Akagera Retreat,
- ii) Influencing the setting up of sector laws and regulation;
- iii) Clearly defining in detail the regulatory Agency's strategic plan for three years;
- iv) Reinforce regional and international cooperation with other Regulatory Authorities
- v) Establishing a voice for the consumer;
- vi) Increasing stakeholders capacity in the management of contracts;
- vii) Capacity building;
- viii) The creation of an internal information center.

**7 ANNEX: REGULATORY BOARD'S MAIN DECISIONS**

**REPUBLIC OF RWANDA**



**RWANDA UTILITIES REGULATORY AGENCY**

**BOARD DECISION OF A REGULATORY BOARD MEETING OF  
THE 14<sup>th</sup> June 2007**

**Decision n° 01/2007 of 14<sup>th</sup> June 2007 on measures taken  
against the Rwandatel S.A company for failure to fulfill its  
obligations**

The Regulatory Board, meeting in its extraordinary session dated the 14<sup>th</sup> day of June 2007;

Given the Law n° 39/2001 of 13 September 2001 establishing the Rwanda Utilities Regulatory Agency of certain Public Utilities;

Given the law n° 44/2001 of 30/11/2001 governing telecommunications;

Given the Presidential Order n° 04/01 of 15/03/2004 determining specific duties of the Regulatory Board in telecommunications matters;

Given the Presidential Order n° 05/01 of 15/03/2004 Presidential Order n° 05/01 of 05/03/2004 determining the functioning of the Universal Access Fund and public operator's contributions;

Given the Ministerial Order n° 03/RURA/2005 determining fees for radiocommunications licenses;

Given the Ministerial Order 05/RURA/05 of 05 October 2005 for granting an individual fixed network telecommunication license to the Company Rwandatel S.A

Given the Ministerial Order n° 06/RURA/05 of 05 October 2005 for granting an individual mobile network telecommunication license to the Company Rwandatel S.A

Whereas Rwandatel S.A does not comply with its license obligations and disobeys the provisions of laws and regulations;

After consideration and deliberation of the Regulatory Board in its extraordinary meeting under reference of the date hereinbefore mentioned;

**Hereby Decided as under;**

**Article 1: Enforcement Notice for Coverage and Roll-out**

It is hereby declared that Rwandatel S.A has not complied with its license obligations notably the ones related to coverage and roll out plans. Hence, Rwandatel S.A is ordered to comply with its license obligations related to Coverage and Roll-out obligations in Fixed-line services.

**Article 2: Enforcement Notice for CDMA compatibility with GSM phones**

Rwandatel S.A is ordered to comply by ensuring that CDMA cards compatibility with GSM phones as per and in line with Terracom S A R L's technical offer.

**Article 3: Penalty for refusal to contribute to Universal Access Fund**

Rwandatel S.A is further ordered to pay the contribution to Universal Access Fund and the corresponding penalty of Rwf 174,000,000 for its failure to contribute to this Fund.

**Article 4: Penalty for Outstanding Payment for Spectrum Fees for 2007**

Rwandatel S A shall pay spectrum fees for 2007 with penalty fee equal to 10% of the amount due every month.

**Article 5: Penalty for refusal to provide Information**

In accordance with the provisions of the Law establishing RURA, Rwandatel S.A shall further pay a daily fine of Rwf 5,000,000 with effective from 4th June 2007 up to the time RURA is furnished with the requested information.

**Article 6: Implementation of the Decisions.**

The Director-General is hereby directed to implement the Decisions expeditiously in accordance with the law.

Done at Kigali, this 14<sup>th</sup> day of June, 2007.

**Marie Claire MUKASINE**  
**Chairperson**

## **REPUBLIC OF RWANDA**



## **RWANDA UTILITIES REGULATORY AGENCY**

### **Decision n° 02/2007 of 14<sup>th</sup> June 2007 on penalties taken against the TERRACOM S.A.R.L Company for failure to its obligations**

The Regulatory Board, meeting in its extraordinary session dated the 14<sup>th</sup> day of June 2007;

Given the Law n° 39/2001 of 13 September 2001 establishing the Rwanda Utilities Regulatory Agency of certain Public Utilities;

Given the law n° 44/2001 of 30/11/2001 governing telecommunications;

Given the Presidential Order n° 04/01 of 15/03/2004 determining the specific duties of the Regulatory Board in the regulation of telecommunications matters;

Given the Presidential Order n° 05/01 of 15/03/2004 Presidential Order n° 05/01 of 05/03/2004 determining the functioning of the Universal Access Fund and public operator's contributions;

Given the Ministerial Order n° 03/RURA/2005 determining fees for radiocommunications licenses;

Considering the fact that Terracom S.A.R.L did not comply with its license obligations and it disobeyed the provisions of laws and regulations;

Based on the above and the subsequent consideration and deliberations of the Regulatory Board in the extraordinary meeting under reference and of the date as above;

**Hereby Decided as under;**

#### **Article 1: Penalty for Outstanding Payment for Spectrum Fees for 2007**

Terracom S.A.R. L is ordered to pay spectrum fees for 2007 with an attached penalty fee that is equivalent to 10% of the amount due every month.



**Article 2: Penalty for refusal to contribute to Universal Access Fund**

Terracom S.A.R.L is further ordered to pay its contributions to Universal Access Fund and a corresponding penalty of Rwf 39,448,000 for refusal to contribute to Universal Access Fund.

**Article 3: Penalty for refusal to provide Information**

In pursuance of the provisions of the Law establishing RURA, Terracom S.A.R.L is accordingly penalized to pay daily fine of Rwf 5,000,000 effective from 4th June 2007 until the provision of the requested information as provided by the Law establishing RURA.

**Article 4: Implementation of the Decisions.**

The Director-General is hereby directed to implement the Decisions expeditiously in accordance with the law..

Done at Kigali, 14<sup>th</sup> June, 2007

**Marie Claire MUKASINE**  
**Chairperson**

**REPUBLIC OF RWANDA**



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**Decision n° 04/2007 of 18<sup>th</sup> July 2007 granting the Digital Pay TV broadband and Internet Broadband license to Star Africa Media Company Limited**

The Regulatory Board, meeting in its extraordinary session of 18<sup>th</sup> July 2007;

Given the Law n° 39/2001 of 13 September 2001 establishing the Rwanda Utilities Regulatory Agency of certain Public Utilities;

Given the law n° 44/2001 of 30/11/2001 governing telecommunications;

Given the Presidential Order n° 04/01 of 15/03/2004 determining specific duties of the Regulatory Board in telecommunications matters;

Given Presidential Order n° 05/2004 of 15 March 2004 determining the functioning of the Universal Access Fund and Public Operator's contributions, especially in its articles 24, 29, 30 and 31;

Given Ministerial Order n° 09/2004 of 07 June 2004 on conditions to be incorporated into telecommunications and radio-communications licenses, especially in its articles 3 to 12;

Given the license application made by STAR AFRICA MEDIA Company Limited on 2<sup>nd</sup> July 2007;

After consideration and deliberation of the Regulatory Board,

**Hereby decides:**

**Article 1: Purpose**

Pursuant to Article 5 of the Law n° 44/2001 governing telecommunications, the present decision is aimed at the granting of a Digital Pay-TV and ISP Broadband License to a company in the registered name of STAR AFRICA MEDIA Co. Ltd

**Article 2: Scope**

Digital Pay-TV and ISP Broadband License is granted to STAR AFRICA MEDIA Co. Ltd for the latter to install and operate the wireless digital pay TV and broadband Internet network and services as described in its license.

**Article 3: Transitional provision**

The licensee is hereby authorized to commence active network deployment and operations. The effective date of the license to be granted to STAR Africa Media Co. Ltd (company) will be subject to the provision of its roll out and service coverage plan as well as specific required frequencies not later than three (3) months from the date of the decision hereof made on the date as under.

STAR Africa Media Co. Ltd is hereby urged and requested to carry out a site survey in order to provide a comprehensive coverage and roll out plan and thereafter the necessary frequencies will be identified.

**Article 4: Repealing provision**

All previous provisions contrary to this order are hereby repealed.

**Article 5: Coming into force**

This decision shall come into force on the date of its signature.

**Kigali, on 18<sup>th</sup> July 2007**

**MUKASINE Marie Claire  
Chairperson**

**REPUBLIC OF RWANDA**



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**Décision n° 05/2007 du 18 juillet 2007 fixant les frais de licence satellitaire**

Le Conseil de Régulation de l'Agence Rwandaise de Régulation des Services d'Utilité Publique en sa séance du 18 juillet 2007 ;

Vu la Loi n° 39/2001 du 13 septembre 2001 portant création de l'Agence Rwandaise de Régulation des Services d'Utilité Publique;

Vu la Loi n° 44/2001 organisant les télécommunications spécialement en son article 11;

Vu l'Arrêté Présidentiel n° 04/01 du 15 mars 2004 portant fixation des attributions spécifiques du Conseil de Régulation en matière des télécommunications, spécialement en son article 7;

En vertu du pouvoir de modifier les frais applicables aux licences de télécommunication qui lui est reconnu par la loi ;

Considérant que la multiplicité des applications des technologies utilisant les communications par satellite donne lieu à les assimiler à un réseau de télécommunication au sens de l'article 5 et suivants de la loi n° 44/2001 organisant les télécommunications ;

Considérant la nécessité d'encourager l'utilisation des infrastructures en place ;

**Décide :**

**Article 1 : Définitions**

Pour les besoins de la présente décision, les termes utilisés seront définis de la manière suivante :

**Station** : signifie un ou plusieurs émetteurs ou récepteurs ou combinaison d'émetteurs et de récepteurs, y compris les équipements accessoires,

nécessaires sur un emplacement pour mettre en œuvre un service de radiocommunication ou le service de radioastronomie.

Chaque station sera classifiée en fonction du service dans lequel elle opère à titre permanent ou temporaire.

**Station terrienne** : signifie station située soit sur la surface terrestre soit dans l'atmosphère terrestre et destinée aux communications :

- avec une ou plusieurs stations spatiales ; ou
- avec une ou plusieurs stations du même genre à l'aide d'un ou plusieurs satellites relais ou autres objets situés dans l'espace.

**Largeur de bande occupée** : signifie la largeur de la bande de fréquence telle que les puissances moyennes émises, respectivement sous la fréquence inférieure et au dessus de la fréquence supérieure, est chacune égale à un pourcentage donné  $\beta/2$  de la puissance moyenne totale d'une émission donnée.

Sauf si une Recommandation de l'U.I.T-R le spécifie différemment pour une classe donnée d'émission, la valeur de  $\beta/2$  est fixée à 0,5%

**Réseau VSAT** : il s'agit d'un réseau de télécommunications par satellites stationnaires

### **Article 2: l'objet de la décision**

La présente décision a pour objectif de modifier les frais applicables aux licences VSAT. Ces frais sont répartis en deux catégories :

- 1° les redevances initiales pour l'instruction de la demande de licence ;
- 2° les redevances annuelles.

### **Article 3 : Modification des frais de licence VSAT**

Les frais de licence VSAT sont modifiés comme suit :

<b>SERVICES SATELLITE</b>		
	<b>REDEVANCE INITIALE</b>	<b>REDEVANCE ANNUELLE</b>
<b>RÉSEAUX PRIVÉS DE TYPE DAMA OU VSAT</b>	<p>Quel que soit le type de station</p> <p><b>Par station : 200 000 FRW</b></p>	<p><b>Par station : 7 000 000 FRW</b></p> <p><b>Par réseau, en fonction de la largeur de bande occupée à l'émission :</b></p> <p style="text-align: center;">- ≤ 0.2 MHz    2 000 000 FRW</p> <p style="text-align: center;">0.2 &lt; - ≤ 1 MHz    3 000 000 FRW</p> <p style="text-align: center;">1 &lt; - ≤ 5 MHz    4 000 000 FRW</p> <p style="text-align: center;">5 &lt; - ≤ 25 MHz    5 000 000 FRW</p> <p style="text-align: center;">- &gt; 25 MHz    6 000 000 FRW</p>
<b>STATIONS TERRIENNES TRANSPORTABLES</b>	<p><b>Voix ou voix + données</b> (ex. : Inmarsat A, B, M)</p> <p>400 000 FRW</p> <p><b>Données bas débit seulement</b> (ex. : Inmarsat C)</p> <p>200 000 FRW</p>	<p><b>Voix ou voix + données</b> (ex. : Inmarsat A, B, M)</p> <p>1 200 000 FRW par station</p> <p><b>Données bas débit seulement</b> (ex. : Inmarsat C)</p> <p>500 000 FRW par station</p>
<b>LIAISONS FIXES PAR SATELLITE</b>	<p><b>Par station, quelque soit le nombre de canaux :</b></p> <p>200 000 FRW</p>	<p><b>Identique au tarif applicable au réseaux privés</b></p>

**Article 4 : Abrogation des dispositions contraires**

Toutes les dispositions réglementaires antérieures contraires au présent Arrêté sont abrogées.

**Article 5 : De la mise en œuvre et de la publication**

Le Directeur Général de l'Agence Rwandaise de Régulation est chargé de la mise en œuvre de la présente Décision et de sa publication.

**Article 6 : Entrée en vigueur**

La présente décision entre en vigueur le jour de sa signature.

Fait à Kigali, 18/07/2007

**MUKASINE Marie Claire**  
**Présidente du Conseil de Régulation**

**REPUBLIC OF RWANDA**



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**Decision n° 06/2007 of 22<sup>nd</sup> August 2007 fixing license fee  
applicable to ISP licenses**

The Regulatory Board, meeting in its session of 22<sup>nd</sup> August 2007;

Given the Law n° 39/2001 of 13 September 2001 establishing the Rwanda Utilities Regulatory Agency of certain Public Utilities;

Given the law n° 44/01 of 30/11/2001 governing telecommunications, especially in its articles 5 and 11;

Given the Presidential Order n° 04/01 of 15/03/2004 determining specific duties of the Regulatory Board in telecommunications matters;

Considering the increased applications for ISP licenses and that some applicants have shown insufficient capacity of exploiting;

Considering the tendency observed from some applicants aimed at holding a range of frequencies that they inefficiently hold only for the purpose of preventing competition;

Given that the frequency spectrum is a scarce resource which should be used efficiently by those who value it the most;

After consideration and deliberation of the Regulatory Board meeting;

**Decides:**

**Article one: Scope**

In application of article 11 of law n° 44/2001 governing telecommunications, the Regulatory Board may from time to time amend the fees applicable to different types of licenses.

**Article 2: License fee for ISP**

The fee for ISP license is set at US \$ 5,000 (five thousand US Dollars).

The above fee is a one time payment and is made payable at the time of the issuance of the license. Equally, a similar payment is done at the time of renewal.

**Article 3: Repealing provision**

All previous provisions contrary to this order are hereby repealed.

**Article 4: Coming into force**

This decision shall come into force on the date of its signature.

**Kigali, 29<sup>th</sup> August 2007**

**MUKASINE Marie Claire  
Chairperson**