

# **THE ELECTRICITY GOVERNANCE TOOLKIT**

## **Benchmarking Best Practice and Promoting Accountability in the Electricity Sector**

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## **THE ELECTRICITY GOVERNANCE INITIATIVE**

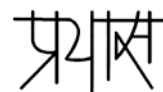
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World Resources Institute



National Institute of Public  
Finance and Policy



आरोग्य, ऊर्जा, शिक्षण आणि पालकत्व  
या विषयांतील विशेष प्रयत्न

Prayas-Pune: Initiatives in  
Health, Energy, Learning and  
Parenthood

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## **ABOUT THE ELECTRICITY GOVERNANCE INITIATIVE**

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The Electricity Governance Initiative (EGI) is a collaborative initiative of civil society, policymakers, regulators, and other electricity sector actors to promote the open, transparent, and accountable decision-making processes that are a necessary part of a socially and environmentally sustainable energy future. The EGI is a joint undertaking of the World Resources Institute and Prayas Energy Group (India). The National Institute of Public Finance and Policy (India) was centrally involved in development of the EGI Toolkit and implementation of the pilot phase of assessments in Asia. EGI is a partnership for sustainable development registered with the UN Commission on Sustainable Development.

### **The World Resources Institute**

The World Resources Institute (WRI) is an environmental think tank that goes beyond research to create practical ways to protect the earth and improve people's lives. WRI meets global challenges by using knowledge to catalyze public and private action:

- To reverse damage to ecosystems. We protect the capacity of ecosystems to sustain life and prosperity.
- To expand participation in environmental decisions. We collaborate with partners worldwide to increase people's access to information and influence over decisions about natural resources.
- To avert dangerous climate change. We promote public and private action to ensure a safe climate and sound world economy.
- To increase prosperity while improving the environment. We challenge the private sector to grow by improving environmental and community well-being.

In all of its policy research and work with institutions, WRI seeks to build bridges between ideas and action, meshing the insights of scientific research, economic and institutional analyses, and practical experience with the need for open and participatory decision-making. WRI is the coordinating body and secretariat for EGI.

### **The Prayas, Energy Group (PEG), Pune**

Prayas is an independent non-profit organization based in Pune, India. Its activities cover health, energy, learning and parenthood, and resources and livelihoods. Prayas Energy Group (PEG) works to protect and promote public interest in energy sector, including the interests of disadvantaged sections and the long-term interests of society. It engages in policy analysis, advocacy, awareness and public education based on multi-disciplinary analysis and conceptualization. Past work includes analysis of power purchase agreements such as Dabhol in India and Bujagali in Uganda; the development of a least-cost integrated resource plan (IRP) for the state of Maharashtra, India; an analysis of agricultural power consumption and subsidy; a study of the regulatory aspects of Indian power sector reforms, and a critique of the activities of, and lending by, multilateral development banks for the energy sector in India. PEG actively intervenes in the regulatory process at the state and national level.

### **National Institute of Public Finance and Policy (India)**

The National Institute of Public Finance and Policy (NIPFP) in India is a centre for applied research in public finance and public policy. It aims to contribute to policy-making in spheres relating to public economics. NIPFP's work on electricity governance is supported by a program that focuses on governance concerns in infrastructure.

For more information on the Electricity Governance Initiative visit <http://electricitygovernance.wri.org>

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## ABOUT THE AUTHORS

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**Shantanu Dixit** is a founding member of the Prayas Energy Group (Pune, India), and has been engaged in analysis and advocacy related to the electricity sector since 1992. He has worked on a range of power sector related issues from technical and economic questions, to legal and public interest considerations. He leads regulatory interventions in Maharashtra on behalf of Prayas. His past work includes analysis of the power purchase agreement between the Enron Dabhol Power Company and the Maharashtra State Electricity Board; the development of a least-cost integrated resource plan for the state of Maharashtra; a study comparing the performance of private distribution utilities in India. In addition, he led work on a survey-based study of transparency, resources, and public participation in India's electricity regulatory commissions. His current work focuses on power sector reform and electricity regulation. Mr. Dixit is an electrical engineer with an M.B.A. from Pune University in India.

**Navroz K. Dubash** is Associate Professor at the Centre for the Study of Law and Governance, Jawaharlal Nehru University, Delhi. He was formerly IDFC Chair Professor of Governance and Public Policy at the National Institute of Public Finance and Policy (New Delhi), and Senior Associate at the World Resources Institute, Washington DC. His work focuses on the political economy of institutional change and governance reform, with an emphasis on natural resource and service delivery sectors. This project builds on his earlier work on the political economy of electricity liberalization and reform, with particular attention to the exclusion of social and environmental concerns. Dr. Dubash holds a Ph.D. and M.A. in Energy and Resources from the University of California, Berkeley, and an A.B. in Public and International Affairs from Princeton University.

**Crescencia Maurer** contributed to the EGI indicator toolkit in her capacity as a senior associate at the World Resources Institute. At WRI, Ms. Maurer led the International Financial Flows and the Environment project. She also helped develop the Access Initiative indicator toolkit, which is used by a global coalition of public interest groups collaborating to promote national-level implementation of commitments to access to information, participation, and justice in environmental decision-making. Her areas of expertise include public participation in decision-making that affects the environment, the climate change impacts of development finance, and urban environmental problems. She has extensive work experience in numerous developing countries primarily supporting new environmental authorities in South America (Bolivia, Chile, Ecuador, Peru), providing technical assistance to USAID missions (Chile, Mozambique, Peru), and analyzing urban water resource management in developing countries (Brazil, China, Honduras, Nicaragua). Ms. Maurer is currently an independent consultant based in California.

**Smita Nakhoda** is an Associate in the Institutions and Governance Program, and leads work on the Electricity Governance Initiative at WRI. She also works with the International Financial Flows and the Environment Project, which seeks to influence patterns of development finance to be more environmentally sustainable. Prior to joining WRI, she worked with the United Nations Development Program in Uganda on environmental issues, and completed research exploring the impact of renewable energy technologies for electrification in Kenya and Uganda on sustainable development. Ms. Nakhoda is a graduate of Dartmouth College, with degrees in Government and Environmental Studies.

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Amal-Lee Amin – U.K. Foreign and Commonwealth Office / Renewable Energy and Energy Efficiency Partnership; Albab Akanda – Asian Development Bank; Allan Asher – Energywatch, Minerva Baylon – University of the Philippines; Ruth Bell – Resources for the Future - USA; Bhavna Bhatia – The World Bank Group; John Byrne – University of Delaware Center for Environmental and Energy Policy; Maristela B. dela Cruz-Cardenas – Freedom from Debt Coalition, Philippines; Pramod Deo – Maharashtra State Electricity Regulatory Commission; Maitet Diokono - Kuryente Network, Ellen Dragotto – United States Department for International Development; Tira Foran; Dr. Madhav Godbole, former Union Home Secretary, Government of India; Christopher Greacen – Palang Thai; Chuenchom Sangarasri Greacen – Palang Thai; Mohinder Gulati – World Bank Group; Anjula Gurtoo – Indian Institute of Management; Siswanto Hadiatmo – PLN, Indonesia; Rachmat Harijanto – PLN, Indonesia; Asclepias R. S. Indriyanto – Indonesian Foundation for Energy Economics; Bharat Jairaj – Consumer and civic Action Group, Balawant G. Joshi – Deloitte Touche Tomatsu; Roberto Julian - Preferred Energy Inc., Amit Kapur - J. Sagar Associates, Advocates & Solicitors (Policy and Regulatory Projects); J. D Kulkarni – Tata Power; Priti Malhotra – REEEP Secretariat South Asia; Sudha Mahalingam – Institute for Defense Studies and Analysis; Nepomuceno A. Malaluan – Action for Economic Reforms; Sansana Malaiarisoon – Thailand Environment Institute; Somrudee Nicro –Thailand Environment Institute; Suphakij Nuntavorakarn - Healthy Public Policy Institute, S. L. Rao, former Chairman of the Central Electricity Regulatory Commission; M. Thimma Reddy – Centre for Environment Concerns; Athena Ronquillo – Greenpeace, Philippines; A. K. Sachan – Central Electricity Regulatory Commission; Leo Saldhana – Environment Support Group; Daljit Singh; Anubut Sangarasri – Palang Thai, Thailand; Samrat Sengupta – Worldwide Fund for Nature, India; N. Seshadri – United States Agency for International Development, India; Subodh Shah – Reliance Energy Limited; Steve Thomas – Public Services International Research Unit, Sairung Thongplon; Confederation of Consumer Organisation; Mr. Fabby Tumiwa – Working Group on Power Sector Restructuring; Dewi Sri Wahyunie – PLN, Indonesia; Bambang Adi Winarso - Directorate General of Electricity and Energy Utilization; Davida Wood – United States Agency for International Development, Hisham Zeriffi – Stanford Program on Energy for Sustainable Development.

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## **AN INTRODUCTION TO THE ELECTRICITY GOVERNANCE INDICATOR TOOLKIT**

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### **Why Electricity Governance**

Decisions made in the electricity sector have repercussions with fundamental impacts on the public and their interests. The decision to revise an electricity tariff affects the affordability of electricity supply; indeed, electricity reform-led tariff hikes have been greeted by popular uprisings. The decision to introduce efficiency standards for power plants can reduce air pollution in a surrounding community, and reduce the carbon emissions of an economy. The social, environmental and economic importance of the electricity sector is well recognized, and the stakes are high. Understanding how decisions are made in this sector is of critical importance as better decision-making processes can enable the making of better decisions. Closed political processes and politically powerful groups often give limited attention to sustainable development objectives and public interest in decision making, particularly during sector reform processes. In order for reform to be politically sustainable, the public must have confidence in its benefits, and this is best supported by transparency. Exclusive processes are prey to being subverted and used for narrow ends, whereas open processes provide checks on such abuses of power.

### **The Electricity Governance Initiative Toolkit**

The Electricity Governance Initiative (EGI) Indicator Toolkit presents a framework to assess and promote good governance in the electricity sector. This framework assesses the extent to which decision making processes in national electricity sectors are transparent, allow for public participation, remain accountable to the public interest and permit access to redress. In addition, the toolkit seeks to assess institutional capacity to adequately meet the requirements of good process.

The indicator toolkit comprises a set of qualitative research questions, whose answers generate indicators that assess decision-making processes in order to develop a metric to conceptualize good governance. Sound understanding of the decision chain and potential points for leverage and mutual benefit is critical for effective civil society engagement in the electricity sector. By approaching the social, environmental and economic challenges confronting the electricity sector through questions of governance, we can address these issues from the root of their causes.

The toolkit consists of a baseline survey of key attributes of the electricity sector, and 64 indicators assessing questions of good governance in the sector. Many of the indicators are applied to case study policies, regulatory processes, or sector projects. For each research question, indicator values of (i) Low (ii) Low-Medium (iii) Medium (iv) Medium-High or (v) High are possible. Each value is based on a documented explanation of the extent to which particular attributes of electricity governance have been met. The indicator design seeks to minimize the scope for arbitrary or inconsistent value judgments. At the same time, each indicator includes an analytical explanation for the value assigned, and teams are encouraged to use these explanations to capture any limitations of the elements of quality identified, and capture the political and socioeconomic dimensions of the issues addressed by the indicator.

Policy Processes (PP)	<i>Institutional</i>	<i>Policy Formulation</i>	<i>Implementation</i>	Environmental and Social (ES) issues
Regulatory Processes (RP)	<i>Institutional</i>	<i>Operations</i>	<i>Implementation</i>	

### Principles of Good Governance

The indicators address four basic elements of good governance: public participation, transparency, accountability and capacity, and the extent to which they are practiced in electricity policy and regulation. Policy and regulatory processes that affect environmental and social concerns are given an emphasis.

*Transparency and Access to Information:* Transparency is the process of revealing actions and information so that outsiders can scrutinize them. Attributes of transparency include the comprehensiveness, timeliness, availability, comprehensibility of information, and whether efforts are made to make sure information reaches affected and vulnerable groups as appropriate.

*Participation:* Diverse and meaningful public input helps decision-makers consider different issues, perspectives, and options when defining a problem. Elements of access to participation include formal space for participation in relevant forums, the use of appropriate or sufficient mechanisms to invite participation, the inclusiveness and openness of such processes, and the extent to which the gathered input is taken into account.

*Accountability and Redress Mechanisms:* Access to justice and redress are necessary to hold governments and actors in the private and public sector accountable. Accountability includes the extent to which there is clarity about the role of various institutions in sector decision-making; there is systematic monitoring of sector operations and processes; the basis for basic decisions is clear or justified; and legal systems are in place to uphold public interests.

*Capacity:* Capacity refers to the government’s social, educational, technological, legal, and institutional ability to practice good governance, and the ability of civil society to engage in decision making. This includes the capacity of government and official institutions to act autonomously and independently, the availability of resources (both human and financial) to provide access, and the capacity of civil society (particularly NGOs and the media) to analyze the issues and participate effectively.

### Development of the Indicators

The Electricity Governance Initiative starts from the presumption that better decision making processes are necessary, even if not always sufficient, for improved outcomes. Since the emphasis is on governance processes, the EGI methodology focuses on how decisions are made, rather than what decisions are made. For example, indicators addressing the selection process for members of regulatory commissions focus on the existence of an “independent” and “transparent” process, rather than the adoption of particular regulatory mechanisms. The toolkit addresses decision-making processes in electricity at the legislative, executive, and regulatory levels, recognizing

that electricity is closely tied to larger political processes. It seeks to balance the need to be comprehensive and capture the full range of governance considerations against the need to limit the number of indicators for simplicity and manageability. The toolkit is applicable across countries, and can be used to assess governance in sectors with different terms of ownership and differing industry and institutional structures. It is not, however, designed to allow quantified comparison of governance “scores” across countries. Such a comparison is not useful given the vast differences in social and political traditions and norms across different countries.

The development of the EGI framework has been an iterative process that builds on prior research and analysis from the World Resources Institute (USA), Prayas Energy Group (India), and the National Institute for Public Finance and Policy (India). In December 2003, we convened an initial meeting of NGOs active in the power sector, experts and actors to discuss the scope of this initiative and approaches to developing such an initiative. The first version of the indicator toolkit was released in October 2004, based on input collected from civil society, sector experts and actors, and after undergoing a comprehensive review process that culminated in a two day review workshop including more than 40 practitioners and experts in July 2004. This toolkit was used to complete pilot assessments of electricity governance in India, Indonesia, Thailand and the Philippines between January 2005 and March 2006. The 2007 version of the toolkit has undergone significant revisions to reflect lessons learned from the pilot phase of assessments, and additional expert input collected.

### **Using the Toolkit**

The assessments are conducted by national coalitions and inter-disciplinary teams made up of groups with complementary and diverse expertise in fields such as economics, environmental issues, law, social welfare. The work of the EGI teams is supported by an ‘Advisory Panel’ convened by the assessment team that includes government officials from the sector and other key actors such as sector experts and academics. The Advisory Panel provides overall guidance, reviews the final assessment before it is released to the public, and helps the team develop a strategy for outreach and engagement based on the completed assessment.

Implementing groups will take on the toolkit and make it useful for their needs. The timing of implementation is largely at the discretion of national groups. National teams usually focus their assessment on issues and cases that align with their priorities. A set of 16 Policy indicators and 15 Regulatory indicators have been identified as “priority indicators” that should be completed by all groups using the EGI toolkit for consistency. National assessment teams are asked to use care in documenting and justifying how they answer indicators (which values are chosen), by following the detailed explanatory and guidance notes included in each indicator worksheet.

Sound research and documentation are the keys to a credible and transparent assessment. Assessment teams should extensively document various cases studies, interview details, reference documents, etc. and detailed explanations (e.g. about choice of case study, basis of assigning values) should be provided in the ‘Explanation and Justification’ and ‘Sources of Information’ sections of the indicator worksheets. Supplementary guidelines on documentation and compilation of the assessment reports are provided in the *Guide to an Electricity Governance Assessment* that accompanies this toolkit.

National coalitions will choose how to use the indicators and related assessment reports, as its use must complement ongoing work by civil society on issues related to the electricity sector. These



include engaging with government officials and others on a systematic basis to argue for the formalization of access to information; and participation, not as a special favor but as a tangible principle and process for governance that is increasingly becoming international standard practice.

The following supporting materials are on our website <http://electricitygovernance.wri.org> along with frequent updates on the activities of the Electricity Governance Initiative and its network of partners.

**Completed Assessment Reports and Indicators:** All assessments of electricity governance and completed indicator worksheets including the pilot assessments of electricity governance in Thailand, India, Indonesia and the Philippines.

**Empowering People a Governance Analysis of Electricity:** Presents a comparative analysis of the findings of the pilot assessments of electricity governance in Thailand, India, Indonesia and the Philippines, and makes the case for greater attention to electricity governance.

**Guide to an Electricity Governance Assessment:** A detailed guide to completing an assessment of electricity governance using the EGI indicator toolkit, including operational details such as how to convene an implementing coalition and advisory panel, research methodologies for completing the indicators, work planning, and so on.

*The Electricity Governance Initiative builds on the following projects of WRI and Prayas Energy Group:*

**The Access Initiative:** A global initiative coordinated by the World Resources Institute with partners worldwide to assess the environmental governance (law and practices) across countries using a common indicator based methodology. <http://www.accessinitiative.org>

**Power Politics:** a comparative study of the process and political economy of power sector reforms in developing and transition in six case study countries. The study showed that many issues of public concern, such as access to electricity, equitable tariffs, and environmental outcomes, were absent in consideration of reform designs as a result of a lack of open and democratic reform processes. <http://www/wri.org/governance/powerpolitics.html>

**Prayas Assessment of Electricity Regulators in India:** In 2002 Prayas Energy Group undertook detailed assessment of 13 electricity regulatory commissions in India. Based on detailed survey and study of regulatory orders / reports this assessment evaluated the transparency, resources and public participation in the Indian regulatory process. [http://prayaspune.org/peg/publications/erc\\_survey\\_042A01.pdf](http://prayaspune.org/peg/publications/erc_survey_042A01.pdf)

**SAMPLE COMPLETED INDICATOR**

RP19 PROCEDURE FOR PUBLIC ACCESS TO REGULATORY BODY DOCUMENTS		
Element of Quality		Explanation
Well-indexed database of documents	N	<i>There is no well-indexed database of documents and other information available with the Commission. Same is the case with the Orders of the Commission. Some important Orders are placed on the website of the Commission</i>
Simple, well-defined procedure for inspecting / obtaining documents	Y	<i>One has to write to the Secretary of the Commission for the copies of the records.</i>
Reasonable cost	Y	<i>For inspection of documents one has to pay Rs.700 in the case of bulk documents and Rs. 100 in the case of other documents. For supply of certified copies one has to pay @ of Rs. 1 per page. This can be considered reasonable cost. Previously it was Rs. 2 per page.</i>
Wide dissemination of information	N	<i>The Commission makes no efforts to publicize or disseminate information at its disposal. Even the Commission's website is not user friendly.</i>
<p><b>Explanation Continued :</b></p> <p><i>There is no well-indexed database of documents and other information available with the Commission. Same is the case with the Orders of the Commission. Some important Orders are placed on the website of the Commission. But these Orders are not placed in a proper order, and for the interested it poses difficulty in locating the document. At present the Commission's office is redesigning the web site, and in the future it may be more user friendly and provide comprehensive information.</i></p> <p><i>Section 20 (3) of the Conduct of Business Regulations 1999 provides that any person shall be entitled to obtain certified copies of the records of the Commission on payment of fees. One has to write to the Secretary of the Commission for the copies of the records</i></p> <p><i>The Regulation on Levy of Fee for Various Services Rendered by the Commission – 2005 stipulates the fee to be paid in order to inspect and obtain copies of the documents. For inspection of the documents one has to pay Rs.700 in the case of bulk documents and Rs. 100 in the case of other documents. For supply of certified copies one has to pay @ of Rs. 1 per page. This can be considered reasonable cost. Previously it was Rs. 2 per page.</i></p> <p><i>The Commission makes no efforts to publicize or disseminate information at its disposal. Even the Commission's website is not user friendly.</i></p> <p><i>Two elements of quality: simple, well-defined procedure and reasonable cost are fulfilled.</i></p>		
<b>Values</b>		<b>Select</b>
Not applicable / Not assessed		
Public access to regulatory body documents meets <b>no</b> elements of quality		Low ___
Public access to regulatory body documents meets <b>one</b> element of quality		Low-Medium ___
Public access to regulatory body documents meets <b>two</b> elements of quality		<b>Medium</b> <input checked="" type="checkbox"/>
Public access to regulatory body documents meets <b>three</b> elements of quality		Medium-High ___
Public access to regulatory body documents meets all <b>four</b> elements of quality		High ___
EGI India Assessment of the Andhra Pradesh Electricity Regulatory Commission, 2005		

**SUMMARY OF THE EGI INDICATORS**

**BASELINE INDICATORS:  
MAPPING THE ELECTRICITY SECTOR**

<p style="text-align: center;"><b>POLICY PROCESS</b></p> <p><i>Institutional</i>                      Legislative Committee                      Executive                      Independence and Reporting of Electricity                      Ministry / Department                      Planning Agencies                      Capacity of Civil Society</p> <p><i>Policy Formulation</i>                      Reform and policy change processes                      Availability of background information                      Role of Consultants                      Quality of participation, debate, and clarity of policy processes                      Media coverage                      Donor Agencies</p> <p><i>Implementation</i>                      Asset Evaluation                      Privatization                      Subsidies                      Independent Power                      Extent of Competition</p>	<p style="text-align: center;"><b>REGULATORY PROCESS</b></p> <p><i>Structure</i>                      Authority and Autonomy                      Selection and Removal                      Financial + Human Resources                      Function and Jurisdiction                      Conflicts of Interest                      Information disclosure and transparency                      Appeals</p> <p><i>Decision-making Processes</i>                      Pro-activeness                      Procedural clarity                      Dissemination of decisions                      Public participation                      Civil society capacity                      Utility engagement with civil society                      Basis for orders and decisions</p> <p><i>Operations</i>                      Training                      Use of Consultants                      Performance Reporting                      Tariff Philosophy                      Licensing                      Consumer Service and Quality of Supply</p>
<b>ENVIRONMENTAL AND SOCIAL (ES)</b>	
<p>Executive mandate and capacity                      Legislative committee mandate and capacity                      Jurisdiction for environmental clearances                      Setting minimum environmental standards                      Inclusion of environment in sector planning and reform                      Environmental Impact Assessment                      Project-affected people                      Labor Impacts                      Low Environmental Impact Technologies and Renewables</p>	<p>Mandate and capacity of regulatory to address environmental and social issues                      Responsiveness to social or environmental claims                      Affordability                      Representation of weak stakeholders</p>

**SUMMARY OF THE EGI INDICATORS**

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**POLICY PROCESS**

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
<b>INSTITUTIONS</b>				
PP1	Capacity of legislative committee	<ul style="list-style-type: none"> <li>• Access to knowledge</li> <li>• Knowledge enhancement</li> <li>• Financial Resources</li> <li>• Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	30
PP2	Capacity of legislative committee to assess environmental issues	<ul style="list-style-type: none"> <li>• Relevant expertise</li> <li>• Designated point person</li> <li>• Dedicated financial resources</li> <li>• Knowledge enhancement on environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	32
PP3	Capacity of legislative committee to assess social issues	<ul style="list-style-type: none"> <li>• Relevant expertise</li> <li>• Designated point person</li> <li>• Dedicated financial resources</li> <li>• Knowledge enhancement on social issues</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	34
PP4	Effective functioning of the legislative committee on electricity	<ul style="list-style-type: none"> <li>• Disclosure of interests</li> <li>• Active committee</li> <li>• Reasoned reports</li> <li>• Proactive committee</li> <li>• Public consultations</li> <li>• Transparency of submissions to committee</li> <li>• Transparency of committee reports</li> <li>• Reporting by executive</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	36
PP5	Staffing policies of electricity ministry/ department	<ul style="list-style-type: none"> <li>• Clear criteria</li> <li>• Predictable tenure</li> <li>• Disclosure of interests</li> <li>• Conflict of interest rules</li> </ul>		38
PP6	Clarity and transparency of the executive's environmental mandate	<ul style="list-style-type: none"> <li>• Environmental responsibilities defined</li> <li>• Cooperation with other authorities</li> <li>• Available on website and local offices</li> <li>• Regular reporting</li> <li>• Outreach to weaker groups</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• ES</li> </ul>	40

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
PP7	Clarity and transparency of the executive's social mandate	<ul style="list-style-type: none"> <li>• Social responsibilities defined</li> <li>• Cooperation with other authorities</li> <li>• Available on website and local offices</li> <li>• Regular reporting</li> <li>• Outreach to weaker groups</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• ES</li> </ul>	42
PP8	Capacity of executive to evaluate environmental issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on environmental</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> <li>• Priority</li> </ul>	44
PP9	Capacity of executive to evaluate social issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on social issues</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> <li>• Refer to baseline indicator E.6</li> </ul>	46
PP10	Annual reports of the electricity ministry/department	<ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Review of progress</li> <li>• Easy availability</li> <li>• Local languages</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	48
PP11	Advisory committees to the electricity ministry / department	<ul style="list-style-type: none"> <li>• Clear mandate</li> <li>• Balanced composition</li> <li>• Financial resources</li> <li>• Regular meetings</li> <li>• Public disclosure of minutes</li> <li>• Public disclosure of documents</li> <li>• Transparent feedback from executive</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> </ul>	50
PP12	Effective functioning of distinct planning / policy agency	<ul style="list-style-type: none"> <li>• Requirement to consult planning agency</li> <li>• Mechanism to evaluate executive response</li> <li>• Authority to seek information</li> <li>• Adequate resources</li> <li>• Transparency in functioning</li> <li>• Consultation procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to baseline indicator F.5</li> <li>• Priority</li> </ul>	52
PP13	Capacity of civil society organizations	<ul style="list-style-type: none"> <li>• Techno-economic analytic capacity</li> <li>• Proactive engagement and strategic capability</li> <li>• CSO analysis of environmental and social impacts</li> <li>• Support for weaker groups and grass roots links</li> <li>• Ongoing learning capacity</li> <li>• Networking</li> <li>• Broad credibility</li> </ul>	<ul style="list-style-type: none"> <li>• To be assessed by advisory panel</li> <li>• Priority</li> </ul>	54
<b>POLICY FORMULATION</b>				

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
PP14	Quality of legislative debate on electricity laws	<ul style="list-style-type: none"> <li>• Duration of debate</li> <li>• Attendance of members</li> <li>• Composition of speakers</li> <li>• Availability of transcripts</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Priority</li> </ul>	56
PP15	Quality of media coverage of electricity policy and reform	<ul style="list-style-type: none"> <li>• Volume of coverage</li> <li>• Quality of coverage</li> <li>• Balance of coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> </ul>	58
PP16	Clarity of process for public participation in policy-making	<ul style="list-style-type: none"> <li>• Responsibility for decision</li> <li>• Clear time frame for decision</li> <li>• Clear time frame for input</li> <li>• Accountability for input</li> <li>• Documentation of consultation process</li> <li>• Timely distribution of information about process</li> <li>• Broad distribution of information about process</li> <li>• Targeted distribution of information about process</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Priority</li> </ul>	60
PP17	Public disclosure of information on the basis and goals of policy reform	<ul style="list-style-type: none"> <li>• Breadth of documentation availability</li> <li>• Ease of access</li> <li>• Timeliness of availability</li> <li>• Accessible by a range of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Priority</li> </ul>	62
PP18	Effectiveness of public participation process	<ul style="list-style-type: none"> <li>• Quantity of participation</li> <li>• Breadth of participation</li> <li>• Summary of public participation</li> <li>• Response to public participation</li> </ul>	<ul style="list-style-type: none"> <li>• Same case study as PP 17</li> <li>• Priority</li> </ul>	64
PP19	Consideration of environmental issues in sector reform law and policy	<ul style="list-style-type: none"> <li>• Addressed in background documents</li> <li>• Included in reform policy and laws</li> <li>• Mitigating direct impacts of power sector</li> <li>• Global and economic effects of environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Same case study as PP 17</li> <li>• ES</li> </ul>	66
PP20	Assessment of job losses linked to policy changes or sector reforms in the electricity sector	<ul style="list-style-type: none"> <li>• Assessment of unemployment impacts was carried out</li> <li>• Assessment was conducted before reforms were implemented</li> <li>• Adverse impacts were mitigated</li> <li>• Redress mechanisms were created</li> </ul>	<ul style="list-style-type: none"> <li>• Same case study as PP 17</li> <li>• ES</li> </ul>	68

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
PP21	Transparent formulation of policy on independent power	<ul style="list-style-type: none"> <li>• Legislative approval</li> <li>• Public consultations during policy development</li> <li>• Competitive bidding</li> <li>• Adequate demand analysis</li> <li>• Disclosure of the PPA</li> <li>• Analysis of financial impact</li> <li>• Adequate public consultations prior to project approval</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to baseline indicator D.3, H</li> <li>• Priority</li> </ul>	70
PP22	Public disclosure regarding use of consultants	<ul style="list-style-type: none"> <li>• Details of consulting arrangement</li> <li>• Details of final report</li> <li>• Comment period on consultant report</li> <li>• Revision requirement in response to public comment</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> </ul>	72
PP23	Transparency of donor engagement through policy loans	<ul style="list-style-type: none"> <li>• Transparency on policy position</li> <li>• Transparency on conditions</li> <li>• Transparency about disbursement</li> <li>• Transparency of evaluation mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Priority</li> </ul>	74
<b>POLICY IMPLEMENTATION</b>				
PP 24	Transparency of donor engagement through technical assistance	<ul style="list-style-type: none"> <li>• Transparency on details of technical assistance</li> <li>• Transparency on outputs</li> <li>• Wide dissemination of effort</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Refer to baseline indicator F.4</li> </ul>	76
PP 25	Transparent and accountable implementation of IPP policy/legislation	<ul style="list-style-type: none"> <li>• Competitive bidding</li> <li>• Disclosure of the PPA</li> <li>• Adequate demand analysis</li> <li>• Analysis of financial impact</li> <li>• Adequate public consultations prior to project approval</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Refer to Baseline Indicator D.3, H</li> <li>• Priority</li> </ul>	78
PP 26	Transparent selection of private sector service providers	<ul style="list-style-type: none"> <li>• Transparency in request for proposals</li> <li>• Information provided to bidders publicly available</li> <li>• Transparency in decision criteria and process</li> <li>• Justification for decision</li> </ul>		80
PP 27	Transparency of asset valuation / balance sheet restructuring	<ul style="list-style-type: none"> <li>• Disclosure and justification of methodology</li> <li>• Explanation of method application</li> <li>• Independent scrutiny</li> <li>• Public disclosure of review</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> </ul>	82

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
PP 28	Transparency and accountability in the design and implementation of subsidies	<ul style="list-style-type: none"> <li>• Transparent criteria</li> <li>• Justification of allocation decisions</li> <li>• Monitoring and reporting</li> <li>• Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> </ul>	84
<b>ENVIRONMENTAL AND SOCIAL ISSUES</b>				
PP29	Clarity of authority and jurisdiction to grant environmental approvals for power sector projects	<ul style="list-style-type: none"> <li>• Provisions on authority and jurisdiction</li> <li>• Clarity on how authority is shared</li> <li>• Low cost or web access</li> <li>• Accessible format</li> <li>• Available in public office or library</li> <li>• Timely disclosure of approvals</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> <li>• Priority</li> </ul>	86
PP30	Public participation in setting minimum environmental performance standards	<ul style="list-style-type: none"> <li>• Basis for standards</li> <li>• Evidence of public consultation</li> <li>• Diversity of public participation mechanisms</li> <li>• Explanation of use of public input</li> <li>• Reporting on utility compliance</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	88
PP31	Public participation in developing policies to reduce environmental impacts	<ul style="list-style-type: none"> <li>• Consideration of multiple approaches</li> <li>• Evidence of consultation</li> <li>• Systematic efforts to consult affected communities</li> <li>• Multiple mechanisms for public participation</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	90
PP32	Inclusion of environmental considerations in the national plan for the electricity sector	<ul style="list-style-type: none"> <li>• Environmental considerations addressed</li> <li>• Comprehensive consideration of impacts</li> <li>• Multiple public participation mechanisms</li> <li>• Systemic efforts to seek input from range of stakeholders</li> <li>• Comments disclosed</li> <li>• Disclosure of how input incorporated into decision</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• ES</li> <li>• Priority</li> </ul>	92
PP33	Comprehensiveness of environmental impact assessment laws, policies and procedures	<ul style="list-style-type: none"> <li>• Requirements for EIA</li> <li>• Comprehensive consideration of impacts</li> <li>• Strategic impact guidelines</li> <li>• Strategic assessments conducted</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	94



	Indicators	Elements of Quality	Notes	Page No.
PP34	Public participation in environmental impact assessments	<ul style="list-style-type: none"> <li>Public participation at scoping</li> <li>More than one public participation mechanism used</li> <li>Adequate comment period</li> <li>Public release of EIA reports</li> <li>Public consultation guidelines</li> <li>Disclosure of public comments on EIA</li> <li>Public comments addressed in final EIA report</li> </ul>	<ul style="list-style-type: none"> <li>Case study</li> <li>ES</li> <li>Priority</li> </ul>	96
PP35	Scope for project- affected people to exercise their rights in project licensing/approval	<ul style="list-style-type: none"> <li>Consultations adhered to required procedures/guidelines</li> <li>Systematic efforts were made to educate potentially project-affected people</li> <li>More than one participation mechanism was employed</li> <li>Principle of free, prior and informed consent guided consultation efforts</li> </ul>	<ul style="list-style-type: none"> <li>Same case study as PP 34</li> <li>Priority</li> </ul>	98
PP36	Participation in decision-making on access to electricity services	<ul style="list-style-type: none"> <li>Evidence that more than one consultation was carried out</li> <li>Systematic efforts were made to consult more vulnerable socio-economic groups</li> <li>More than two mechanisms of public participation existed</li> <li>Public comments were considered</li> </ul>	<ul style="list-style-type: none"> <li>Case study</li> <li>ES</li> </ul>	100

## REGULATORY PROCESS

	Indicators	Elements of Quality	Notes	Page No.
<b>REGULATORY STRUCTURE</b>				
RP1	Institutional structure for regulatory decisions	<ul style="list-style-type: none"> <li>An independent regulator exists</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	103
RP2	Authority of the regulatory body	<p><b>Authority</b></p> <ul style="list-style-type: none"> <li>Information and evidence:</li> <li>Investigation</li> <li>Enforce compliance:</li> <li>Penalties for breach of order</li> </ul> <p><b>Practice</b></p> <ul style="list-style-type: none"> <li>Exercise of Authority</li> </ul>	<ul style="list-style-type: none"> <li>Refer to baseline indicator C.2</li> <li>Priority</li> </ul>	105
RP3	Jurisdiction of the Regulatory Body	<ul style="list-style-type: none"> <li>Clarity about jurisdiction</li> <li>Regulator entrusted with all critical functions</li> </ul>	<ul style="list-style-type: none"> <li>Refer to baseline indicator C.2</li> <li>Priority</li> </ul>	107

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
RP4	Scope and transparency of the environmental mandate of the regulatory body	<b>Scope of Mandate:</b> <ul style="list-style-type: none"> <li>• Environment included in mandate</li> <li>• Specific responsibilities</li> </ul> <b>Information Disclosure:</b> <ul style="list-style-type: none"> <li>• Published in government journal</li> <li>• Available on website</li> <li>• Low cost</li> <li>• Available in a range of formats</li> <li>• Wide dissemination</li> <li>• Groups representing environmental concerns</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	109
RP5	Scope and transparency of the social mandate of the regulatory body	<b>Scope of Mandate:</b> <ul style="list-style-type: none"> <li>• Social issues included in mandate</li> <li>• Specific responsibilities.</li> </ul> <b>Information Disclosure:</b> <ul style="list-style-type: none"> <li>• Published in government journal:</li> <li>• Available on website:</li> <li>• Low cost</li> <li>• Available in a range of formats</li> <li>• Groups representing social issues and weaker communities</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	111
RP6	Selection of regulators	<ul style="list-style-type: none"> <li>• Independence of the selection process</li> <li>• Well-defined process</li> <li>• Transparency about candidates</li> <li>• Criteria for composition and eligibility</li> <li>• Differing tenures</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	113
RP7	Preventing conflicts of interests on the part of regulators	<ul style="list-style-type: none"> <li>• Financial interests</li> <li>• Cooling off period</li> <li>• Re-appointment prohibited</li> <li>• Regulatory representation prohibited</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to baseline indicator C.2</li> </ul>	115
RP8	Autonomy of regulatory body	<ul style="list-style-type: none"> <li>• Fixed tenure</li> <li>• Financial autonomy</li> <li>• Discretion over human resources</li> </ul>		117
RP9	Appeal mechanism	<ul style="list-style-type: none"> <li>• Any affected party can appeal a decision</li> <li>• Appeals can be filed on procedural grounds</li> <li>• Appeals can be filed on substantive grounds</li> <li>• Appeal mechanism impacts decisions in at least one case</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	119

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
RP10	Quality of the judicial or administrative forums that address environmental and social claims	<ul style="list-style-type: none"> <li>• Binding decisions</li> <li>• Independence</li> <li>• Capacity to address sector- specific issues</li> <li>• Access to information for all parties</li> <li>• Clear basis for claims</li> <li>• Standing of affected parties</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• ES</li> </ul>	121
RP11	Training of regulatory body members and staff	<ul style="list-style-type: none"> <li>• Certainty</li> <li>• Multi-disciplinary training</li> <li>• Diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	123
RP12	Regulator's capacity to evaluate environmental issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	125
RP13	Regulator's capacity to evaluate social issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on social issues</li> </ul>	<ul style="list-style-type: none"> <li>• ES</li> </ul>	127
RP14	Information available to public regarding use of consultants	<ul style="list-style-type: none"> <li>• Details of the consulting arrangement publicly available</li> <li>• Reports and recommendations of the consultants publicly available</li> </ul>		129
<b>DECISION-MAKING PROCESSES</b>				
RP15	Clarity about regulatory procedures and substantive basis of decisions	<ul style="list-style-type: none"> <li>• Procedural certainty</li> <li>• Clarity about substantive basis of decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• Priority</li> </ul>	131
RP16	Regulator's response to environmental and social claims	<ul style="list-style-type: none"> <li>• Explanation provided for response to claim</li> <li>• Exercise of stated environmental and social mandate</li> </ul>	<ul style="list-style-type: none"> <li>• Case study</li> <li>• ES</li> </ul>	133
RP17	Proactive initiatives of the regulator	<ul style="list-style-type: none"> <li>• Self initiated cases (Suo-motu petitions)</li> <li>• Discussion papers, studies, conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to baseline indicator C.2</li> </ul>	135
RP18	Disclosure of documents in the possession of the regulatory body	<ul style="list-style-type: none"> <li>• Presumption that documents publicly available unless stated to be confidential</li> <li>• Clear procedures and rules to define 'confidentiality'</li> </ul>	<ul style="list-style-type: none"> <li>• Priority</li> </ul>	137

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Notes</b>	<b>Page No.</b>
RP19	Procedure for public access to regulatory body documents	<ul style="list-style-type: none"> <li>Well-indexed database of documents</li> <li>Simple, well-defined procedure for inspecting / obtaining documents</li> <li>Reasonable cost</li> <li>Wide dissemination of information</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	139
RP20	Space for public participation in the regulatory process	<ul style="list-style-type: none"> <li>Proceedings open to the public by law</li> <li>Public has the right to participate</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	141
RP21	Public access to regulatory documents and hearings	<ul style="list-style-type: none"> <li>Number of public requests for documents</li> <li>Participation in public hearings</li> </ul>		143
RP22	Institutional mechanisms for representing the interests of weak groups	<ul style="list-style-type: none"> <li>Consumer representatives</li> <li>Submissions on behalf of weaker groups</li> <li>Government representation</li> <li>Representation by executive branch for social development</li> <li>Other mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	145
RP23	Building the capacity of weaker stakeholders to participate in the regulatory process	<ul style="list-style-type: none"> <li>Information targeting weaker stakeholders</li> <li>Support for weaker stakeholders to represent themselves</li> </ul>		147
RP24	Interventions by civil society in the regulatory process	<ul style="list-style-type: none"> <li>Number of civil society organizations involved</li> <li>Nature of cases filed</li> <li>Number of cases filed</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	149
RP25	Electricity provider engagement with civil society organizations and potentially-affected populations	<ul style="list-style-type: none"> <li>Designated department</li> <li>Corporate policy addresses community engagement</li> <li>Creation and operation of a consultation group</li> <li>Support for weaker groups</li> <li>Information on how groups can file complaints</li> </ul>	<ul style="list-style-type: none"> <li>ES</li> </ul>	151
RP26	Orders and decisions of the regulatory body	<ul style="list-style-type: none"> <li>Legal requirement that orders include explanations / reasoning</li> <li>Quality of reasoning in practice</li> </ul>	<ul style="list-style-type: none"> <li>Priority</li> </ul>	153
RP27	Dissemination of decisions	<ul style="list-style-type: none"> <li>Easy availability</li> <li>Timely availability</li> <li>Local language</li> <li>Use of multiple modes of dissemination</li> <li>Help in understanding orders</li> </ul>		155

	Indicators	Elements of Quality	Notes	Page No.
<b>OPERATIONAL ISSUES</b>				
RP28	Tariff philosophy	<ul style="list-style-type: none"> <li>Detailed analysis</li> <li>Mitigating adverse impacts</li> <li>Easy to understand</li> <li>Recent tariffs reflect the philosophy /principles</li> </ul>	<ul style="list-style-type: none"> <li>Refer to baseline indicator F.6</li> </ul>	157
RP29	Participation in decision-making related to affordability of electricity prices	<ul style="list-style-type: none"> <li>Attention to affordability in tariff principles / philosophy</li> <li>Public participation in revisions</li> <li>Educating low-income groups</li> </ul>	<ul style="list-style-type: none"> <li>ES</li> <li>Case study</li> </ul>	159
RP30	Licensing	<ul style="list-style-type: none"> <li>Well defined <b>procedure</b> for consideration of license applications</li> <li>Well defined <b>criteria</b> for consideration of license applications</li> <li>Clarity about the basis for amendment / revocation / suspension of licenses</li> <li>Dispute</li> <li>Compliance and performance-monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Case study</li> <li>Priority</li> </ul>	161
RP31	Periodic performance reports by licensees and utilities	<ul style="list-style-type: none"> <li>Mandatory filing requirement</li> <li>Easy availability</li> <li>Timely availability</li> <li>Available in local languages</li> <li>Consistency and clarity of reporting parameters</li> <li>Comprehensive reporting</li> </ul>	<ul style="list-style-type: none"> <li>Refer to baseline indicators C.8 and C.9</li> <li>Priority</li> </ul>	163
RP32	Consumer service and quality of supply	<p><b>Existence of Standards</b></p> <ul style="list-style-type: none"> <li>Standards for consumer service and supply quality</li> <li>Supply standards are mandatory</li> </ul> <p><b>Quality of Standards</b></p> <ul style="list-style-type: none"> <li>Monitoring performance</li> <li>Compliance reviews</li> <li>Compliance reviews information / results publicly available</li> <li>Consumer grievance</li> </ul>	<ul style="list-style-type: none"> <li>Refer to baseline indicators C.8, C.9, E.8</li> <li>Priority</li> </ul>	165

**BASELINE SURVEY INDICATORS**

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A set of quantitative indicators that map key facts about the electricity sector is essential in order for our qualitative assessment of governance to be meaningful, because the sector’s governance processes must be set in the context of the present realities of its condition. To this end, the indicator toolkit includes a set of baseline survey indicators, which map key facts about the national electricity sector to provide a snapshot of its condition. This section collects key facts about:

- A. The structure of the national electricity sector
- B. Policy and legislation processes
- C. Regulation
- D. Generation
- E. Access, transmission and distribution
- F. Economic importance
- G. Investment
- H. Privatization

The exercise of collecting facts about process and performance in the sector will allow mapping key characteristics of the national electricity sector, and facilitate assessment of the quality of governance of the sector. Please provide adequate explanations in case the answers are for specific conditions / geography, etc. For example, if for certain issues, information is provided for a particular state then clearly mention so in the explanatory note.

A. **STRUCTURE:** Please provide names of relevant institution / agency in the boxes below.

<b>POLICY:</b>		<b>REGULATION:</b>	
<b>UTILITIES:</b>			
<b>GENERATION/POWER PRODUCERS:</b>	<b>DISTRIBUTORS:</b>	<b>TRANSMISSION:</b>	
<b>CONSUMERS:</b>			

*Note:* Include timeframe of the formation of various institutions.

**BASELINE SURVEY INDICATORS**

Top 5 Most important events in the sector during the past five years	Top 5 Most controversial issues in the sector at present
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

**B. POLICY / LEGISLATION:**

B.1. Freedom of Information Act:  Yes  No

B.2. Electricity Legislation:  Federal  Provinces/states?  Other

Legislative System:  Parliamentary  Other

B.3. Legislative bodies and caucuses responsible for drafting / recommending legislation

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_

B.4. State government agencies implementing and enforcing electricity policies

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_

B.5. Government body in charge of sector planning: \_\_\_\_\_

B.6. Main source of bills and laws for the sector: \_\_\_\_\_

B.7. Government body overseeing sector: \_\_\_\_\_

B.8. Government body overseeing renewable electricity: \_\_\_\_\_

B.9. Government body overseeing rural electrification: \_\_\_\_\_

B.10. Electricity Tariffs set by: \_\_\_\_\_

B.11. Sector Carbon / Emission Tracking

B.12. Environmental Impact Assessments (EIA) legally required for sector

**BASELINE SURVEY INDICATORS**

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- B.13. EIA Guidelines exist for:  Generation  
 Transmission  
 Distribution  
 None

Any other key characteristics of the policy and legislative framework of your country:

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**C. REGULATION:**

C.1. Federal  Provinces / States  Other  \_\_\_\_\_

- C.2. Responsibilities:  Tariff  
 Permissions  
 Licensing  
 Awarding Concessions  
 Adjudication  
 Other

C.3. Universal service mandate<sup>1</sup>  Yes  No

C.4. Regulation by Contract<sup>2</sup>  Companies: 1) \_\_\_\_\_  
2) \_\_\_\_\_

- Responsibilities:  Tariffs  
 Permitting  
 Licensing  
 Awarding Concessions  
 Adjudication  
 Other

C.5. End-user efficiency programs<sup>3</sup>  1) \_\_\_\_\_  
2) \_\_\_\_\_

C.6. Efficiency rate of sector<sup>4</sup>: \_\_\_\_\_

C.7. Estimated rate of non-technical losses / electricity theft: \_\_\_\_\_ percent

C.8. Reporting Responsibilities for Utilities:  
 Comprehensive  Limited  None

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<sup>1</sup> universal service mandate: all citizens have equal access to energy services

<sup>2</sup> regulation by contract: pre-specification, in one or more formal or explicit agreements, of the formulas that determine prices that a distribution company is allowed to charge for electricity

<sup>3</sup> end-user efficiency programs: programs that seek to increase energy efficiency all along the supply chain through to the retail stage when the energy is sold to the consumer.

<sup>4</sup> efficiency rate: ratio of energy output for consumer use to energy input



BASELINE SURVEY INDICATORS

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C.9. Reporting on Environmental Performance?  Yes  No

Any other key characteristics of regulation of your electricity sector:

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**D. GENERATION:**

D.1. Total Installed Generation Capacity<sup>5</sup> (MW): \_\_\_\_\_

D.2. Fuel Mix:

Oil	_____%	Wind	_____%
Coal	_____%	Solar	_____%
Petroleum / Diesel	_____%	Small Hydro	_____%
Natural Gas/ LPG	_____%	Biomass	_____%
Large Hydro	_____%	Cogeneration	_____%
New Renewables:	_____%	Hydrogen	_____%
		Other	_____%

D.3. Independent Power Producers (IPPs) allowed

Who issues IPP contracts \_\_\_\_\_

How many IPP contracts \_\_\_\_\_

Portion of IPPs in Renewables / Cogeneration \_\_\_\_\_ %

Any other key characteristics of generation in your electricity sector:

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**E. ACCESS, TRANSMISSION AND DISTRIBUTION**

E.1. Population with access to electricity: \_\_\_\_\_%

E.2. Urban population with access to electricity: \_\_\_\_\_%

E.3. Rural population with access to electricity: \_\_\_\_\_%

E.4. Distribution and transmission losses: \_\_\_\_\_%

E.5. National Grid  Coverage: \_\_\_\_\_%

E.6. Rural Electrification Program in place

E.7. Rural electrification subsidies? What sort?

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<sup>5</sup> total installed generation capacity: sum of the maximum MW capacity of all generation units at time of installation

BASELINE SURVEY INDICATORS

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E.8. Reliability of electricity service:

- Reliable     Occasional brownouts     Planned load-shedding  
 Frequent service interruptions

Any other key characteristics of access, transmission and distribution in your electricity sector:

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**F. ECONOMIC:**

F.1. Sector Contribution to GNP:                      US\$ \_\_\_\_\_ = \_\_\_\_\_%

F.2.  Exports Electricity                       Imports Electricity

F.3. Financial state of Sector:                      Revenues as proportion of cost<sup>6</sup>: \_\_\_\_\_

Debt level (as % of annual revenue): \_\_\_\_\_

F.4. Main Sources of Technical Assistance Projects (ODA / MDB):  
\_\_\_\_\_

F.5. Use of Integrated Resource Planning Strategies for Sector:

F.6. Electricity Tariff:

Household Urban	_____	Monthly Income: _____	Avg Use: _____
Household Rural	_____	Monthly Income: _____	Avg Use: _____
Commercial	_____		Avg Use: _____

Average percentage change of the electricity tariff over the past year: \_\_\_\_\_%

Variability = (Present Tariff – Tariff at same time last year) / Present Tariff

Steady Tariff                       Tariff changes frequently                       Highly volatile tariff

F.7. Energy Intensity<sup>7</sup> (\$US): \_\_\_\_\_

F.8. Projected Demand Growth in Demand<sup>8</sup>: \_\_\_\_\_%

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<sup>6</sup> revenues as proportion of cost: ratio of dollars earned in the energy sector to the dollars spent on energy provision

<sup>7</sup> energy intensity: ratio of energy consumed to total national income (GDP)

<sup>8</sup> projected growth in demand: percentage of current quantity of electricity demanded the quantity demanded will increase in the next fiscal year

BASELINE SURVEY INDICATORS

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Any other key characteristics of the economic profile of your electricity sector:

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**G. INVESTMENT**

G.1. Annual investment in sector over past three years : (1) US\$ \_\_ (2) US\$ \_ (3) US\$ \_\_\_\_\_

G.2. Domestic Investment: \_\_\_\_\_% Foreign Investment: \_\_\_\_\_%

G.3. Top Public Investors	Top Private Investors
1) _____	1) _____
2) _____	2) _____
3) _____	3) _____
4) _____	4) _____
5) _____	5) _____

G.4. Sources of Public Support for the Sector:  Bonds<sup>9</sup>  
 Taxes  
 Tariffs  
 Other: \_\_\_\_\_

G.5.  Structural Adjustment Lending / Development Policy Lending for electricity sector

G.6. Which **Multilateral Development Banks** and bilateral agencies have funded electricity sector projects? If these banks have been involved with any of the top 5 controversies in section (i) check the box on the right

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_

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<sup>9</sup> **bond**: loan contract issued by the government to citizens to raise capital for energy spending. Loan amount is repaid to citizens after the period defined by the contract.

BASELINE SURVEY INDICATORS

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G.7. Which **Private Banks** are major funders?

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_

Any other key characteristics of investment in the electricity sector:

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**H. PRIVATISATION:**

H.1.  Privatized      When (Year): \_\_\_\_\_  Under Consideration       None

H.2.  Transmission separate from Generation?

H.3.  Distribution separate from Transmission?

H.4.  Are there Private Generators?

Generating Companies:    1) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   2) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   3) \_\_\_\_\_      Market Share: \_\_\_\_\_%

H.5.  Are there Private Distributors?

Distributing Companies:

   1) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   2) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   3) \_\_\_\_\_      Market Share: \_\_\_\_\_%

H.6.  Transmission Privatized?

Transmission Companies:

   1) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   2) \_\_\_\_\_      Market Share: \_\_\_\_\_%

   3) \_\_\_\_\_      Market Share: \_\_\_\_\_%

## **POLICY PROCESSES (PP)**

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### **Overview**

Policy processes establish the parameters for the function and performance of the electricity sector, and are the key to the governance of the sector. The quality of policy processes will affect regulatory processes as well as social and environmental aspects of the electricity sector's performance.

This section of the indicator toolkit asks questions about the capacity and integrity of institutions that are involved with the development of electricity policy including the legislative and executive branches of government, ministries responsible for electricity operations and sector planning, and international donor institutions, and civil society. These indicators ask questions about the selection criteria for representation in these institutions, their reporting standards and requirements, clarity of their role and mandate, and the extent to which there is systemic space for public consultation and participation. The indicators address how policies are formulated, with a particular emphasis on major sector reform initiatives, and the implementation of these policies once adopted. In this context we consider issues such as the terms on which independent power producers are included in the sector, transparency in allocating subsidies, and transparency in valuing electricity sector assets.

We also consider a range of environmental and social issues related to electricity policy such as the capacity of various institutions to address environmental and social considerations, the extent to which environmental and social issues are included in sector planning, attention to impacts of reform on labor and employment, the scope of public participation in setting environmental standards for the sector, the extent to which affected communities are engaged in decisions about new infrastructure projects, and the integrity of environmental impact assessments for sector projects.

### **Guidance for Assessments**

Apply these indicators at the appropriate level for policy-making in electricity: federal or state/provincial. If electricity policy is decided both at the federal level and the state/province level, then apply these indicators for the federal level.

Some indicators focus on the legislative process, while others are more applicable to executive process. Consequently, identify one legislative process and one executive process to which these indicators can be applied. Where the electricity sector is in the midst of structural reforms, reform legislation and important reform-based executive decisions would likely be a good choice.

Select the appropriate institutional focus for each decision. For legislative decisions, it is likely to be the Energy Committee or an equivalent body. For executive decisions, it is likely to be the Ministry of Power or a planning agency. The Ministry of the Environment will be involved in issuing environmental approvals and setting environmental standards. Several indicators require the selection of case studies. In selecting case studies teams will have to balance multiple criteria. First, the case studies should be relatively recent, so as to be representative of current practice. Second, efforts should be made to avoid selecting atypical cases. Despite best efforts to choose a representative case for study, each is likely to have unique features and assessment teams should take care to justify the selection of case studies.

### PP1 Capacity of legislative committee

#### **Relevance of the indicator:**

In any democratic political framework, legislative bodies play a critical role by defining macro policies within which the executive, regulatory bodies and all other stakeholders operate. Since not all legislators can be expected to focus equally on all issues, many parliaments allow for specialized sub-committees of Parliamentarians, who are tasked with scrutinizing issues placed before legislatures. These legislative committees often hold hearings, consider a range of points of view, and ultimately provide recommendations and feedback to the legislature at large. As such, the legislative committee process is an important mechanism that allows for detailed scrutiny of specific sectors and issues. Depending on the country, there may be different nomenclature for legislative committees with responsibility for the electricity sector (standing committee, sub-committee. etc.). Since electricity is a technically and economically complex sector, legislative committee members and their staff must have adequate capacity in order to fulfill their policy direction setting and oversight role. Special efforts may well be needed to empower legislative members in this regard.

#### **Guidance for assessment teams:**

The first step is to identify whether there exists a committee with responsibility for oversight of the sector. Once identified, the assessment team will have to obtain the formal documents under which an electricity legislative committee has been established to ascertain its role, the resources allocated to it, and its authority. In addition, it is important to also complement this information by interviewing legislators and committee staff to assess, in practice, the capacity of staff, opportunities for knowledge enhancement, the availability of financial resources, and the formal authority to call on elected representatives or officials. If elements of quality exist on paper but not in practice, this should be noted in the explanation section, and the appropriate element of quality should not be considered met.

#### **Elements of Quality:**

- *Access to knowledge:* Legislative committee staff has access to relevant documents and resources to examine policy issues of relevance to the electricity sector,
- *Knowledge enhancement:* Periodic opportunities for knowledge enhancement (such as training courses, conferences, etc.) are available to legislative committee members and/or staff.
- *Financial resources:* Adequate financial resources to hire experts and undertake studies are available to legislative committees. These financial resources must be predictable and under the control of the committee.
- *Authority:* Legislative committees have authority to call relevant elected representatives or appointed officials in order to seek information and answers and exercise such authority in practice.

PP1 CAPACITY OF LEGISLATIVE COMMITTEE		
Elements of Quality		Explanation
Access to knowledge	—	
Knowledge enhancement	—	
Financial resources	—	
Authority	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There is <b>no</b> mechanism of legislative oversight through committee process or there is a committee but none of the four elements of quality is met		Low —
There is a mechanism of legislative oversight through committee process but only <b>one</b> element of quality is met		Low-Medium —
There is a mechanism of legislative oversight through committee process and <b>two</b> indicators of quality are met		Medium —
There is a mechanism of legislative oversight through committee process and <b>three</b> indicators of quality are met		Medium-High —
There is a mechanism of legislative oversight through committee process and <b>all four</b> indicators of quality are met		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS**

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### PP2 Capacity of legislative committee to assess environmental issues

#### **Relevance of the indicator:**

Legislative or parliamentary committees responsible for drafting and/or passing electricity sector reforms or reviewing electricity sector policies, play a crucial role in creating the institutions and policy frameworks that govern the electricity sector. The institutions and policies created through legislative processes establish sector priorities. In addition, legislative bodies balance or ensure oversight of the executive decision-making process. However, a legislative or parliamentary body's ability to exercise oversight and effectively balance the executive on environmental matters is, in part, determined by the quality and availability of its resources and the expertise represented.

#### **Guidance for assessment teams:**

"Relevant legislative committee" refers to the principal legislative committee responsible for drafting and/or passage of electricity sector legislation (or reviewing electricity policies).

Assessment teams will need to draw on diverse sources of information, including staff directories or lists, interviews with former and current members of the legislative committee or parliament, or related staff. To the extent possible, teams should review documents that detail the committee's budgetary expenditures and staff resources. The focus of the documentation should be to verify budgetary resources and the expertise, training, and responsibilities to gain a sense of the general status or state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Capacity:**

- *Relevant expertise:* Committee members **or** their staff possess relevant expertise, such as specialized higher education or past experience/work on both environmental issues / problems.
- *Designated point person:* Certain committee members or legislative staff have explicit responsibilities for addressing the environmental aspects of electricity sector policies and performance.
- *Dedicated financial resources:* Specific budgetary resources are explicitly available to support research or investigation of environmental issues.
- *Knowledge enhancement on environmental issues:* There is evidence of training /knowledge enhancement on environmental issues in the past two years.



PP2 CAPACITY OF LEGISLATIVE COMMITTEE TO ASSESS ENVIRONMENTAL ISSUES		
Elements of Quality		Explanation
Relevant expertise	—	
Designated point person	—	
Dedicated financial resources	—	
Knowledge enhancement on environmental issues	—	
<b>Additional / Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Relevant legislative committee exhibits <b>no</b> elements of capacity to assess environmental issues		Low —
Relevant legislative committee exhibits <b>at least one</b> element of capacity to assess environmental issues		Medium —
Relevant legislative committee exhibits <b>two or more</b> elements of capacity to assess environmental issues		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS**

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### PP3 Capacity of legislative committee to assess social issues

#### **Relevance of the indicator:**

Legislative or parliamentary committees responsible for drafting and/or passing electricity sector reforms or reviewing electricity sector policies, play a crucial role in creating the institutions and policy frameworks that govern the electricity sector. The institutions and policies created through legislative processes establish sector priorities. In addition, legislative bodies balance or ensure oversight on the executive decision-making process. However, a legislative or parliamentary body's ability to exercise oversight and effectively balance the executive on social matters is, in part, determined by the quality and availability of its resources and the expertise represented.

#### **Guidance for assessment teams:**

"Relevant legislative committee" refers to the principal legislative committee responsible for drafting and/or passage of electricity sector legislation (or reviewing electricity policies).

Assessment teams will need to draw on diverse sources of information, including staff directories or lists, interviews with former and current members of the legislative committee or parliament, or related staff. To the extent possible, teams should review documents that detail the committee's budgetary expenditures and staff resources. The focus of the documentation should be to verify budgetary resources and the expertise, training, and responsibilities to gain a sense of the general status or state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Capacity:**

- *Relevant expertise:* Committee members **or** their staff members possess relevant expertise, such as specialized higher education or past experience/work on social issues / problems.
- *Designated point person:* Certain committee members or legislative staff members have explicit responsibilities for addressing the social aspects of electricity sector policies and performance.
- *Dedicated financial resources:* Specific budgetary resources are explicitly available to support research or investigation of social issues.
- *Knowledge enhancement on social issues:* There is evidence of training /knowledge enhancement on social issues/problems in the past two years.

PP3 CAPACITY TO ASSESS SOCIAL ISSUES IN THE LEGISLATIVE COMMITTEE FOR ELECTRICITY		
Elements of Quality		Explanation
Relevant expertise	—	
Designated point person	—	
Dedicated financial resources	—	
Knowledge enhancement on social issues	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Relevant legislative committee exhibits <b>no</b> elements of capacity to assess social issues		Low —
Relevant legislative committee exhibits <b>at least one</b> element of capacity to assess social issues		Medium —
Relevant legislative committee exhibits <b>two or more</b> elements of capacity to assess social issues		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### PP4 Effective functioning of the legislative committee on electricity

#### **Relevance of the indicator:**

PP1 stressed the importance of legislative committee capacity. This indicator examines how effectively the legislative committee functions with respect to its internal processes. To be effective, legislative committees should be active, demonstrate mechanisms to ensure independence, and have procedures in place to ensure that they hear a wide range of views. All these factors are necessary to ensure that the legislative committee is able to provide informed, thoughtful and useful feedback to the legislative assembly as a whole.

#### **Guidance for Assessment Teams:**

The assessment team will need to obtain detailed documentation pertaining to the functioning of legislative committees. Key documents include records and proceedings of meetings, submissions to the committee and reports produced by the committee. To assess whether the committee is active, examine the number of meetings of the committee, the purposes of those meetings, and assess whether significant events in the electricity sector have been proactively addressed in legislative committee meetings.

#### **Elements of Quality:**

- *Disclosure of interests:* Committee members are required to disclose their past links and commercial interests in the electricity sector industry before joining the committee.
- *Active committee:* The committee is active in its functioning. Activity can be gauged by examining whether it meets regularly as compared to other committees, and produces reports within say one to two weeks of meeting.
- *Reasoned reports:* The committee prepares reasoned reports on its regular proceedings which are released within two weeks of the meeting. Reasoned reports are those that explain the logic and thinking behind the committee's pronouncements.
- *Proactive committee:* The Committee is proactive in identifying and considering a range of issues relevant to electricity.
- *Public consultations:* The Committee undertakes periodic public consultations that include a broad range of opinions, interests and voices. Only calling "experts" for a hearing does not count as public consultation.
- *Transparency of submissions to committee:* Documents brought before the committee are made public through a well-laid out procedure.
- *Transparency of committee reports:* Reports and recommendations of the committee are made public through a well-laid out procedure.
- *Reporting by executive:* The executive branch (electricity department / ministry) is required to present an action taken report or a similar response to the committee's recommendations in a time bound manner, and regularly does so.

PP4 EFFECTIVE FUNCTIONING OF THE LEGISLATIVE COMMITTEE ON ELECTRICITY		
Elements of Quality		Explanation
Disclosure of interests	—	
Active committee	—	
Reasoned reports	—	
Proactive committee	—	
Public consultations	—	
Transparency of submissions to committee	—	
Transparency of committee reports	—	
Reporting by executive	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There is <b>no</b> mechanism of legislative oversight through committee process or the process has not a single element of effective process		Low —
A legislative committee that examines electricity exists but it meets <b>one - two</b> elements of effective process		Low-Medium —
A legislative committee that examines electricity exists but it meets <b>three - four</b> elements of effective process		Medium —
A legislative committee that examines electricity exists but it meets <b>five - six</b> elements of effective process		Medium-High —
A legislative committee that examines electricity exists and it meets <b>seven - eight</b> elements of effective process		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### PP5 Staffing policies of electricity ministry / department

**Relevance of the indicator:**

The staff of an electricity ministry/department is charged with implementing legislative decisions. They frequently have considerable latitude in interpreting legislative mandates, which raises the risk that certain stakeholder groups may unduly influence them. Staffing policies can prevent the capture of institutions thus safeguarding the independence of the electricity ministry. In some countries, staffing policies may not be specific to the electricity ministry but may instead be common for all government servants. This indicator examines minimum standards necessary for the energy department or ministry to be considered free from influence through the hiring process.

**Guidance for assessment teams:**

This indicator should be applied to the rules governing the top three tiers within the electricity or energy ministry or department. Assessment teams will need to obtain procedural rules that guide functioning of the relevant department/ministry. These rules will provide the basis for scoring this indicator. Assessment teams should consider the extent to which staffing policies are implemented in practice. If there is sufficient evidence that these policies are not adhered to in practice, the element of quality should not be considered met and detailed explanation should be provided.

**Elements of Quality:**

- *Clear criteria:* There are well laid out, transparent (public) criteria for appointment of staff positions within the concerned energy department/ministry.
- *Predictable tenure:* The tenure of the staff is fixed/pre-determined and there is a well laid out procedure (including criteria) for removal before the end of term.
- *Disclosure of interests:* Appointees on positions in the ministry/department are required to disclose their past and current links with the energy industry such as any shareholding in related companies or any employment/commercial/advisory relationship.
- *Conflict of interest rules:* There are clear rules to prevent conflict of interest, such as a ban on staff entering into a commercial relationship with any energy related business for a few years after leaving the ministry/executive.

PP5 STAFFING POLICIES OF ELECTRICITY MINISTRY / DEPARTMENT		
Elements of Quality		Explanation
Clear criteria	—	
Predictable tenure	—	
Disclosure of interests	—	
Conflict of interest rules	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The staffing policies for electricity department / ministry do not meet any elements of quality		Low —
The staffing policies for electricity department / ministry meet <b>one</b> element of quality		Low-Medium —
The staffing policies for electricity department / ministry meet <b>two</b> elements of quality		Medium —
The staffing policies for electricity department / ministry meet <b>three</b> elements of quality		Medium-High —
The staffing policies for electricity department / ministry meet <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS

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### PP6 Clarity and transparency of the executive's environmental mandate

#### **Relevance of the indicator:**

While there are typically dedicated environmental ministries and agencies, in practice there is a strong case for power ministries to also pay attention to environmental concerns and coordinate with environmental authorities. Without such explicit consideration and coordination, environmental issues are likely to be subordinated entirely to other concerns such as generation capacity, and economic returns. As a result, the degree to which electricity sector policy processes formally acknowledge the environmental responsibilities of the electricity sector ministry and how these interact with related authorities reflects the importance of these concerns to the executive. It is also a way to gauge the degree to which critical institutions or structures in the electricity sector integrate environmental issues. In this indicator, “executive agency” refers to the executive body responsible for power sector policy formulation and implementation, typically a power or energy ministry.

The term “mandate” is used to describe the legal purposes or parameters within which an organization is entrusted to perform a service and is used to indicate the extent to which environmental considerations are included. This indicator looks at whether documents that describe the executive agency's roles and responsibilities define environmental responsibilities, and includes guidance on when and how they should cooperate with other regulators or authorities (such as government agencies responsible for environment, health, etc.) The extent to which policy-makers publicly communicate these environmental responsibilities further demonstrates commitment to addressing the sector's environmental quality.

#### **Guidance for assessment teams:**

Assessment teams should review reform legislation as well as major policy and planning documents. The main focus of this indicator is the degree of clarity about the executive's role versus that of the electricity regulator. Important roles for the executive that might be set out in such documents include:

- setting environmental performance standards for power plants
- decisions on distribution services and transmission infrastructure
- developing sector and project level impact assessment policies and guidelines
- establishing criteria for the evaluation of the environmental costs or benefits of particular policy actions/proposals

These are illustrative examples and will vary widely from country to country. Assessment teams are not expected to judge the substantive quality of the environmental responsibilities taken on by the executive or regulator; instead they need only to assess the degree to which these responsibilities are clearly communicated to the public.

#### **Elements of Quality:**

- *Environmental responsibilities defined:* Documents describing the executive agency's role define specific social responsibilities of the executive. To determine whether this element of quality is met, the documents should make reference to at least two of the potential roles of the ministry noted above.
- *Cooperation with other authorities:* There are clear systems in place and guidance on when and how the ministry will cooperate with other authorities and regulators.
- *Available on website and local offices:* Documents related to the executive's environmental responsibilities are posted on its website and at public information offices /libraries.
- *Regular reporting:* Environmental aspects of performance of the electricity sector are regularly reported publicly, which include information such as fuel mix, associated emissions including greenhouse gas emissions, impacts on water ecosystems, etc.
- *Outreach to weaker groups:* Special and systematic efforts are made to provide information about the duties and responsibilities of the ministry to weaker groups.



<b>PP6 CLARITY AND TRANSPARENCY OF THE EXECUTIVE'S ENVIRONMENTAL MANDATE</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Environmental responsibilities defined	—	
Cooperation with other authorities	—	
Available on website and local offices	—	
Regular reporting	—	
Outreach to weaker groups	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
<b>No</b> elements of quality on environmental mandate are met		Low —
<b>One</b> element of quality on environmental mandate is met		Low-Medium —
<b>Two</b> elements of quality on environmental mandate are met		Medium —
<b>Three</b> elements of quality on environmental mandate are met		Medium-High —
<b>Four or more</b> elements of quality on environmental mandate are met		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS

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### PP7 Clarity and transparency of the executive's social mandate

#### **Relevance of the indicator:**

Electricity has significant social impacts, and there is a strong case for ministries responsible for electricity coordinate with agencies and organizations that address social issues. Without such explicit consideration and coordination, social considerations may be subordinated entirely to other concerns such as generation capacity, and economic returns. The degree to which electricity sector policy and planning processes formally acknowledge the executive's social responsibilities --and how these interact with related authorities-- reflects the importance of these concerns to the executive. It is also a way to gauge the degree to which critical institutions or structures in the electricity sector integrate social issues into their operations. In this indicator, "executive agency" refers to the executive body responsible for power sector policy.

The term "mandate" is used to describe the legal purposes or parameters within which an organization is entrusted to perform a service. This indicator looks at whether documents that describe the executive agency's roles and responsibilities define social responsibilities, and includes guidance on when and how they should cooperate with other regulators or authorities (such as government agencies responsible for health, gender, education, etc.) The extent to which electricity sector policy-makers publicly communicate these responsibilities further demonstrates their commitment to addressing public interest concerns.

#### **Guidance for assessment teams:**

Assessment teams should review reform legislation as well as major policy and planning documents. The main focus of this indicator is the degree of clarity about the executive's role versus that of the electricity regulator. Important roles for the executive that might be set out in such documents include:

- setting standards for consideration of the concerns of project affected people in commissioning power plants
- decisions on distribution services and transmission infrastructure
- developing sector and project level impact assessment policies and guidelines
- establishing criteria for the evaluation of the social costs or benefits of particular policy actions/proposals
- expanding access to electricity for areas and households
- helping keep costs of electricity affordable for the poor

These are illustrative examples and will vary widely from country to country. Assessment teams are not expected to judge the substantive quality of the social responsibilities taken on by the executive or regulator; instead they need only to assess the degree to which these responsibilities are clearly communicated to the public.

#### **Elements of Quality:**

- *Social responsibilities defined:* Documents describing the executive agency's role define specific social responsibilities of the executive. To determine whether this element of quality is met, the documents should make reference to at least two of the potential roles of the executive noted below.
- *Cooperation with other authorities:* There are clear systems in place and guidance on when and how the executive will cooperate with other authorities and regulators.
- *Available on website and local offices:* Documents related to the executive's social responsibilities are posted on its website and at public information offices /libraries.
- *Regular reporting:* Social aspects of performance of the electricity sector are regularly reported publicly.
- *Outreach to weaker groups:* Special and systematic efforts are made to provide information about the duties and responsibilities of the executive to weaker groups.

<b>PP7 CLARITY AND TRANSPARENCY OF THE EXECUTIVE'S SOCIAL MANDATE</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Social responsibilities defined	—	
Cooperation with other authorities	—	
Available on website and local offices	—	
Regular reporting	—	
Outreach to weaker groups	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
<b>No</b> elements of quality are met		Low —
<b>One</b> element of quality on social mandate is met		Low-Medium —
<b>Two</b> elements of quality on social mandate are met		Medium —
<b>Three</b> elements of quality on social mandate are met		Medium-High —
<b>Four or more</b> elements of quality on social mandate are met		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS**

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### PP8 Capacity of executive to evaluate environmental issues

#### **Relevance of the indicator:**

The existence of the necessary financial resources and staff expertise to adequately address environmental issues either within the executive branch responsible for electricity, or by implementing clear systems and procedures to utilize staff and resources of related ministries / departments (e.g. Health, Environment, Water, etc) is a measure of commitment and capacity to address sustainability. In this indicator, “executive agency” refers to the executive body responsible for power sector policy.

#### **Guidance for assessment teams:**

Assessment teams will need to rely on a diverse set of information sources, including staff directories or lists, interviews with former or current executive staff, and, to the extent possible, planning or other documents that detail budgetary expenditures and staff resources. The aim should be to gain a sense of the general state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Quality:**

- *Dedicated financial resources:* Specific budgetary resources are explicitly earmarked or directed to support research or investigation into environmental issues or problems.
- *Access to expertise:* Systems are set up for the executive to utilize the staff and expertise of related government bodies. Specific systems exist to facilitate collaboration with the agency responsible for the environment and at least one of the following agencies: health, water, rural development / agriculture, oil/gas/ petroleum (if separate).
- *Designated point person:* At least one staff person has explicit responsibility to address the environmental aspects of policies and performance in the electricity sector.
- *Knowledge enhancement on environmental issues:* There is evidence of staff training / knowledge enhancement on environmental issues in the past two years.

<b>PP8 CAPACITY OF EXECUTIVE TO EVALUATE ENVIRONMENTAL ISSUES</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Dedicated financial resources	—	
Access to expertise	—	
Designated point person	—	
Knowledge enhancement on environmental issues	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The executive meets <b>none</b> of the elements of capacity to assess the environmental issues in the electricity sector		Low —
The executive meets <b>one</b> element of capacity to assess environmental issues in the electricity sector		Medium —
The executive meets <b>two or more</b> elements of capacity to assess environmental issues in the electricity sector		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS**

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### PP9 Capacity of executive to evaluate social issues

#### **Relevance of the indicator:**

The existence of the necessary financial resources and staff expertise to adequately address social issues either within the executive branch responsible for electricity, or by implementing clear systems and procedures to utilize staff and resources of related ministries / departments (e.g. Health, Environment, Water, etc) is a measure of commitment and capacity to address sustainability. In this indicator, “executive agency” refers to the executive body responsible for power sector policy..

#### **Guidance for assessment teams:**

Assessment teams will need to rely on a diverse set of information sources, including staff directories or lists, interviews with former or current executive staff, and, to the extent possible, planning or other documents that detail budgetary expenditures and staff resources. The aim should be to gain a sense of the general state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Quality:**

- *Dedicated financial resources:* Specific budgetary resources are explicitly earmarked or directed to support research or investigation into social issues or problems.
- *Access to expertise:* Systems are set up for the executive to utilize the staff and expertise of related government bodies. Specific systems exist to facilitate collaboration with at least two of the following agencies: health, water, gender, rural development / agriculture, education.
- *Designated point person:* At least one staff person has explicit responsibility to address the social aspects of policies and performance in the electricity sector.
- *Knowledge enhancement on social issues:* Evidence of staff training / knowledge enhancement on social issues / problems in the past two years.

<b>PP9 CAPACITY OF EXECUTIVE TO EVALUATE SOCIAL ISSUES</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Dedicated financial resources	—	
Access to expertise	—	
Designated point person	—	
Knowledge enhancement on social issues	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The executive meets <b>none</b> of the elements of capacity to assess the social issues in the electricity sector		Low —
The executive meets <b>one</b> element of capacity to assess social issues in the electricity sector		Medium —
The executive meets <b>two or more</b> elements of capacity to assess social issues in the electricity sector		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS**

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### PP10 Annual reports of the electricity ministry / department

#### **Relevance of the indicator:**

Production of an annual report by an electricity ministry / department is necessary to ensure accountability of the executive. Good annual reports should enable the general public as well as other stakeholders to understand what the ministry has done in the last year and what its plans are for the future. Annual reports are also useful for assessing the progress made toward achieving important objectives / goals set for the ministry, and thereby provide information necessary in order to hold the ministry accountable.

#### **Guidance for assessment teams:**

Assessment teams should obtain the most recent available annual report through the ministry. In the event that there are convincing reasons that the most recent year is exceptional, the team may decide to supplement their analysis by examining past annual reports for an additional year or two. Examine the annual report to assess the elements of quality described below.

#### **Elements of Quality:**

- *Financial reporting:* Detailed financial reporting, including how much public revenue is being spent on the operation of the ministry, is presented and broken down into various categories such as administration / establishment expenses, equipment expenses, consulting expenses, etc., and details about the subsidies and grants paid to various groups / companies.
- *Review of progress:* Reports include a detailed review of progress made in the context of past policy initiatives / decisions by the ministry, and direction of future initiatives, projects and decisions.
- *Easy availability:* The report is available to the general public in an accessible manner within a month of publication, both electronically through a web-site and in print at a nominal cost.
- *Local languages:* The report is available in local languages.



PP10 ANNUAL REPORTS OF THE ELECTRICITY MINISTRY /DEPARTMENT		
Elements of Quality		Explanation
Financial reporting	—	
Review of progress	—	
Easy availability	—	
Local languages	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The electricity department / ministry do not prepare annual report or the report does <b>not</b> satisfy any element of good quality in reporting		Low —
The electricity department / ministry prepared annual report meets <b>one</b> element of quality in reporting		Low-Medium —
The electricity department / ministry prepared annual report meets <b>two</b> elements of quality in reporting		Medium —
The electricity department / ministry prepared annual report meets <b>three</b> elements of quality in reporting		Medium-High —
The electricity department / ministry prepared annual report satisfies <b>all four</b> elements of quality in reporting		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP11 Advisory committees to the electricity ministry / department

#### **Relevance of the indicator:**

An electricity ministry may appoint one or several advisory committees to assess particular matters of policy making. When used well, such advisory committees can be useful vehicles for bringing in additional expertise or stakeholder views. However, when used poorly, advisory committees may also perpetuate bad advice, act as a vehicle for undue influence, or serve simply to provide legitimacy to a decision already taken. Since advisory committees are often an important supplementary vehicle for decision making, it is important to look at the underlying features of such committees, and the extent to which they function in a transparent and accountable manner, to establish whether or not they are likely to serve a productive role.

#### **Guidance for assessment teams:**

Assessment teams will first select for study an important policy process or decision for which an advisory committee was appointed. In selecting this policy process, the team will have to balance multiple criteria. First, the policy should be relatively recent, so as to be representative of current practice. Second, the advisory panel considered in this case should have completed its work, both because members will be more willing to speak out, and because the team will have a basis for judging whether and how recommendations were used. Third, effort should be made to avoid selecting a case that has features that make it atypical. Despite the best efforts to choose a representative case for study, each case in which an advisory committee is used is likely to be different. Hence, the team should make notes in the additional information section to report other notable or interesting cases, and reflect on how they deviate from the sample case.

#### **Elements of Quality:**

- *Clear mandate:* Advisory committee has a clear role and sufficiently broad mandate enabling it to provide comments / suggestions about the policy making process as well as substance. In particular, the mandate should allow the committee sufficient discretion so it is not forced to rubber-stamp a decision that is already made.
- *Balanced composition:* Committee membership includes balanced representation from stakeholder groups, especially public interest groups. Advisory committees are subject to capture like any other government process. To guard against this, the committee should have representation from a broad group of stakeholders.
- *Financial resources:* Committee has access to financial and analytical resources to undertake studies. In order for its work to be credible, advisory committees will require resources to conduct independent research and inquiry.
- *Regular meetings:* Regular meetings are a signal that a committee is seriously deliberating an issue, and is more than simply a rubber stamp.
- *Public disclosure of minutes:* Committee minutes are disclosed publicly within two weeks of the meetings. Disclosure of minutes is an important device of accountability in that allows the public to know what has been decided by the advisory committee, and serves as a mechanism to ensure that the committee has not been captured by individual interests.
- *Public disclosure of documents:* Documents made available to the committee are also made available to the public at the same time. This transparency will allow the public to gauge whether the committee's findings were substantiated by available information or whether they were delivered without any such references.
- *Transparent feedback from executive:* Responses of the executive to deliberations of the advisory committee are disclosed along with minutes. The inclusion of a response by the executive provides the public with full information on how the deliberations and findings of the advisory committee are being utilized.

PP11 ADVISORY COMMITTEES TO THE ELECTRICITY MINISTRY / DEPARTMENT		
Elements of Quality		Explanation
Clear mandate	—	
Balanced composition	—	
Financial resources	—	
Regular meetings	—	
Public disclosure of minutes	—	
Public disclosure of documents	—	
Transparent feedback from executive	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The advisory committee in the case selected meets <b>no</b> elements of quality for effective functioning		Low —
The advisory committee in the case selected meets <b>one</b> elements of quality for effective functioning		Low-Medium —
The advisory committee in the case selected meets <b>two - three</b> elements of quality		Medium —
The advisory committee in the case selected meets <b>four - five</b> elements of quality		Medium-High —
The advisory committee in the case selected meets <b>six - seven</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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### PP12 Effective functioning of a distinct planning/policy agency

#### **Relevance of the indicator:**

Whatever the structure of the electricity industry, it is useful to have a separate agency tasked with sector planning. National electricity planning is required to address issues to which public monopoly operators and/or private operators in a competitive market give inadequate attention. In particular, a separate agency that falls outside of both policy-making and operational structures is needed to focus on long-term considerations. These include, for example, whether investment in generation and transmission capacity is adequate to meet projected needs, and whether the mix of generation capacity adequately addresses risks (such as fuel price risk) and energy security. This indicator addresses the extent to which environmental and social considerations are included in electricity planning.

#### **Guidance for assessment teams:**

Assessment teams will have to first establish whether a distinct electricity planning agency exists. It may also be possible that this task is subsumed under a broader economic planning agency. The team will then have to assess the degree and form of communication between the planning agency and the executive, by scrutinizing the legislation or other instrument under which the planning agency was established. To evaluate elements of quality for effective functioning, obtain the operating rules for the planning agency, and supplement the formal information in these rules with interviews with planning agency staff.

#### **Elements of Quality:**

- *Requirement to consult planning agency:* There is an explicit requirement that the executive consult the planning agency. This requirement could be in the form of a statutory requirement for consultation or a system of periodic meetings between executive and planning agency.
- *Mechanism to evaluate executive response:* There is a mechanism to evaluate how the executive responds to the recommendations or decisions of the planning agency. For example, this requirement could be that the annual report of the ministry discusses the recommendations or decisions made by the planning agency and the executive's response to the same.
- *Authority to seek information:* Planning agency has the authority to seek information from the executive as well as other electricity sector agencies and exercises this authority in practice. This information will be contained in the legal instrument (statute or law) establishing the planning agency. To assess whether this authority is exercised in practice, interview selected officials in the planning agency and request information on specific instances when they have asked for information, and what has been received.
- *Adequate resources:* Adequate resources for information collection and studies are available to the planning agency. Scrutinize the budget of the planning agency to ascertain budgetary availability for independent analysis, and examine whether it has been growing or shrinking over time.
- *Transparency in functioning:* The planning agency is required to publicly release analysis, studies, and recommendations, and this requirement is exercised practice. Examine the operating rules of the agency.
- *Consultation procedures:* The planning agency is required to consult stakeholders and other members of the public before major policy recommendations or decisions. Discuss with stakeholders their perception of the planning agency, and the extent to which it provides a useful and viable avenue for meeting stakeholder concerns regarding planning of the sector.

PP12 EFFECTIVE FUNCTIONING OF A DISTINCT PLANNING AGENCY		
Elements of Quality		Explanation
Requirement to consult planning agency	—	
Mechanism to evaluate executive response	—	
Authority to seek information	—	
Adequate resources	—	
Transparency in functioning	—	
Consultation procedures	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There is <b>no</b> distinct planning agency, or an agency exists but meets none of the elements of quality		Low —
A distinct planning agency exists but meets <b>one</b> element of quality		Low-Medium —
A distinct planning agency exists and meets <b>two - three</b> elements of quality		Medium —
A distinct planning agency exists and meets <b>four</b> elements of quality		Medium-High —
A distinct planning agency exists and meets <b>five - six</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS

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### PP13 Capacity of civil society organizations

#### **Relevance of the indicator:**

Civil society organizations (CSOs) can play a critical role in governance of electricity. Since the electricity sector is often dominated by financial and technical considerations, other public interest concerns such as consumer service, equity in access and environmental impacts are frequently under-represented in policy debates. Civil society organizations have an important role to play in representing these additional concerns. However, to play this role effectively, civil society organizations must have the necessary capabilities to ensure their voices are heard: technical --including an understanding of environmental and economic aspects of the sector-- financial, organizational, and political. This indicator looks at the capabilities of civil society organizations active in electricity policy.

#### **Guidance for assessment teams:**

Since this indicator may well constitute a sort of self-assessment for the team, the team will have to safeguard the credibility of the assessment by seeking impressions of CSO capabilities from the Advisory Panel. Thus, this indicator should be completed by the Advisory Panel (or a representative of the panel), with research assistance from the team.

To implement this indicator, begin by identifying CSOs active on energy issues. CSOs can include non-governmental organizations, labor unions, academic institutions, and social movements. For the purpose of this indicator, CSOs must be active in policy (as distinct from regulation alone). To assess capabilities, the research team will have to collate written materials produced by the CSOs under study, comments submitted as part of policy processes, information on workshops and other public events organized, learning resources available to CSOs, and information on invitations to events, advisory panels and other indicators of broad credibility. Once the Advisory Panel has had an opportunity to scrutinize this material, the remaining information can be obtained through an in person interview between the Advisory Panel and CSO members.

#### **Elements of Quality:**

- *Techno-economic analytical capacity:* CSOs must be able to engage in policy debate based on informed positions and sound analysis. In the opinion of the advisory panel, do at least three CSOs exist who regularly submit good quality and reasoned comments on significant policy formulation processes?
- *Proactive engagement and strategic capability:* While many CSOs are adept at reacting to policy proposals, to bring about long term change it is often necessary to set agendas rather than simply react to others' agendas. At least two CSOs exist who play a role in agenda setting, by, for example, behind the scenes engagement to introduce new legislation or new policies.
- *CSO analysis of environmental and social impacts:* Existence of independent civil society assessment of environmental and/or social implications of sector level policy proposals, regulatory decisions or pending power sector legislation.
- *Support for weaker groups and grass roots links:* Evidence that civil society organizations, which specialize in energy issues or groups that provide pro bono legal representation, regularly facilitate or support the advocacy concerns of grassroots groups and vulnerable populations, in particular populations without access to electricity, indigenous / aboriginal communities, women's organizations, or populations in extreme poverty.
- *Ongoing learning capacity:* Electricity is a dynamic sector. Civil society groups should have connections to sources of ongoing learning – academics, knowledge resources, international contacts – to enable them to stay current with debates?
- *Networking:* Since not all CSOs bring the same strengths and the same experience, the overall effectiveness of civil society is often enhanced by efficient and sustained coordination through a network. This element is met if an effective network exists that provides a basis for information sharing, joint strategizing and collaborative work.
- *Broad credibility:* credibility with a wide range of stakeholders – government, private sector and other CSOs – can be an important asset for certain approaches to public interest advocacy. Credibility may be measured by participation in networks, requests to participate in official and other events, and requests to participate on official committees and panels.

<b>PP13 CAPACITY OF CIVIL SOCIETY ORGANIZATIONS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Techno-economic analytic capacity	—	
Proactive engagement and strategic capability	—	
CSO analysis of environmental and social impacts	—	
Support for weaker groups and grass roots links	—	
Ongoing learning capacity	—	
Networking	—	
Broad credibility	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
CSOs active in policy-making meet <b>no</b> elements of quality		Low —
CSOs active in policy-making meet <b>one - two</b> elements of quality		Low-Medium —
CSOs active in policy-making meet <b>three - four</b> elements of quality		Medium —
CSOs active in policy-making meet <b>five - six</b> elements of quality		Medium-High —
CSOs active in policy-making meet <b>all seven</b> elements of quality.		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS CASE STUDY INDICATOR

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### PP14 Quality of legislative debate on electricity laws

#### **Relevance of the indicator:**

This indicator assesses one of the most important aspects of electricity sector governance: the quality of the debate in the legislature during adoption of electricity sector laws. Enactment of a new law often accompanies a decision to undertake reform / restructuring, and is an opportunity to make sure that the overall policy direction has taken into account the concerns of all stakeholders. Conversely, if the overarching legislation does not create spaces for articulation of the public interest, for example, by requiring transparency and hearings in regulatory processes, it can be very difficult to adopt these governance improvements at a later stage. More generally, the nature and characteristics of the debate during enactment of the reform / restructuring law is often an illuminating pointer to the quality of governance in a country.

#### **Guidance for assessment teams:**

This indicator should be applied to overarching electricity legislation that will likely have been passed in the context of efforts at electricity restructuring. If the legislation has been initiated and not yet completed, but substantial debate has already occurred, the indicator should still be applied. If no overarching legislation has been passed, then the indicator should be applied to another piece of recent electricity legislation. Please comment in the additional information section on the breadth of the legislation being studied, and whether the legislation has, in fact, been passed, and when.

The assessment team will have to access Parliamentary records to obtain information needed for this indicator. Since Parliamentary procedures differ widely from country to country, please document and justify any deviations in scoring from the suggested guidelines below, specifically with regard to time periods (e.g. duration of debate to exceed one month but less than one year, availability of transcripts within two months, etc.). In addition, it is necessary to interview key legislators from across the political spectrum to understand their perceptions, in practice, of the effectiveness of the debate process. These perceptions should be noted in the additional information section.

#### **Elements of Quality:**

- *Duration of debate:* Any legislation on a complex; dynamic sector such as electricity requires significant time for analysis. Hence it is important to assess the time available for legislators to study and understand the whole range of issues arising out of such legislation. At the same time, if the legislation is unduly delayed beyond the time required to understand issues, it is a signal of ineffective legislative process. As a general guideline, a minimum of one month and a maximum of one year should be considered a reasonable window for the purpose of this indicator, subject to specific country contexts. Since the duration required for debate varies significantly depending on the country and context, judgments on whether the duration of debate was appropriate should be carefully justified.
- *Attendance of members:* For legislation as important as electricity reform, it is desirable that a large number of legislative members from both ruling as well as opposition parties are present during the debate. Attendance of members should be considered satisfactory if significantly more members than the minimum or quorum requirement are present from the ruling as well as the opposition parties. Specify the number and percentage above quorum present during debate over the case study legislation in the additional information section.
- *Composition of speakers:* Effective debates allow multiple perspectives and concerns about legislation to be aired. Composition of speakers during parliamentary debate can be an indicator of both the extent to which diverse perspectives were voiced as well as the importance attached by legislators to the electricity legislation. For example, if only ruling party members speak, this could imply that a full range of views was not aired. Adequate breadth would be signaled by speakers from a cross section of parties.
- *Availability of transcripts:* Availability of transcripts of the debate is important for *ex post* analysis of the positions of different legislators and political parties. This is essential to enhance their accountability. This element of quality should be considered met if transcripts are publicly available within two months after the debate.



PP14 QUALITY OF LEGISLATIVE DEBATE ON ELECTRICITY LAWS		
Elements of Quality		Explanation
Duration of debate	—	
Attendance of members	—	
Composition of speakers	—	
Availability of transcripts	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The legal framework was put in place without legislative approval (through means such as ordinance / presidential decree etc.)		Low —
The legal framework was enacted through the legislature but the process meets <b>only one</b> element of quality for effective legislative debate		Low-Medium —
The legal framework was enacted through the legislature but the process meets <b>only two</b> element of quality for effective legislative debate		Medium —
The legal framework was enacted through the legislature but the process meets <b>three</b> element of quality for effective legislative debate		Medium-High —
The legal framework was enacted through the legislature but the process meets <b>all four</b> element of quality for effective legislative debate		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS  
CASE STUDY INDICATOR**

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PP15 Quality of media coverage of electricity policy and reform

**Relevance of the indicator:**

The extent and type of media coverage is a good indicator of the potential for broader public engagement and debate in reform processes. The better the information in the media, the more likely public views are to filter up to parliamentarians and/or to the executive. Conversely, the lack of coverage by media excludes one important avenue for transparency. However, flawed or biased media coverage is also problematic, as it potentially fails to expose all sides of an issue.

**Guidance for assessment teams:**

This indicator should be applied to the major policy change evaluated in previous indicators. Assessment teams will evaluate media coverage of the decision by examining a carefully-selected sample of newspapers for a one-week span of time covering a period of three days before and after the date the policy was adopted to capture both discussion prior to the event and immediately following. Second, identify the two largest circulation newspapers (regardless of language) and obtain copies of these papers for the seven selected days.

**Elements of Quality:**

- *Volume of coverage:* Each newspaper has four or more articles or news items (in total, not per day) on the policy decision during the seven days sample period.
- *Quality of coverage:* Coverage is detailed, addresses the debates underlying the decision, and examines the implications of the decision. If more than eight articles, select the eight most detailed articles for further analysis, choosing four from each paper. If less than eight in total, use all the articles for further analysis. From the set of articles selected for further analysis, assess the quality of coverage by looking for citations of specific documents and quotes from stakeholders, officials, and independent analysts. Since this is necessarily a qualitative judgment, the indicator explanation should include the basis for this judgment.
- *Balance of coverage:* Using the same set of articles analyzed for quality, assess the balance of coverage of the policy decision. Examine if articles give only one point of view, or multiple points of viewpoint. Document the basis for your judgment.

PP15 QUALITY OF MEDIA COVERAGE OF ELECTRICITY POLICY AND REFORM		
Elements of Quality		Explanation
Volume of coverage	—	
Quality of coverage	—	
Balance of coverage	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Media coverage does not meet even one element of quality		Low —
Media coverage meets <b>one - two</b> elements of quality		Medium—
Media coverage meets <b>all three</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP16 Clarity of process for public participation in policy-making

#### **Relevance of the indicator:**

While decision-making by the executive has historically been a closed-door affair, involving at most a few experts, there is increasing recognition that a more responsive state that allows for public input at the policy formulation stage can lead to improved outcomes. Public input can help ensure that policies are based on a realistic understanding of implementation challenges, including political obstacles, and can win broader buy-in to new policies. But useful public input depends on the quality of the process through which input is solicited. If a wide range of interests is to be considered in deciding on a policy change, it is important that stakeholders know well in advance how the process for public input is structured and how they can contribute to decision-making.

#### **Guidance for assessment teams:**

To apply this indicator, first select a clearly defined and significant policy decision that has recently been undertaken or is well underway. Teams may select to use the same case study as was used for PP15 and PP17. Examples could include implementation of reform-oriented legislation, or sub-decisions such as the decision to unbundle or privatize utilities, establish market conditions, or establish regulatory agencies. To ascertain details of the process, seek government documents that lay out the process of reform, and also scrutinize ministry web sites. It may be helpful to contact government webmasters to seek details on web postings (date of posting of particular documents). In addition, conduct interviews with senior government employees with responsibility for drafting the policies, with industry insiders and with civil society groups, making sure to cover disadvantaged communities, to assess their perception on clarity of the process and the extent of outreach.

#### **Elements of Quality:**

- *Responsibility for decision:* The public has clear information on which agency (or agencies) is responsible for managing the consultation process and for the final decision.
- *Clear time frame for decision:* The public has clear information on the time frame within which a policy decision will be taken.
- *Clear time frame for input:* The public is clearly informed on the time frame within which public input is sought.
- *Accountability for input:* The public is informed as to how their input will be used, and how and when feedback on the use of public input will be available to stakeholders.
- *Documentation of consultation process:* The consultation process is adequately documented to ensure accountability for use of public inputs, and the manner in which it is documented should be made clear to participants.
- *Timely distribution of information about process:* Information about the public consultation process is circulated prior to the initiation of the consultation itself, specifically at least a month in advance.
- *Broad distribution of information about process:* Information on the public consultation process is widely distributed, at minimum through electronic distribution by email and internet.
- *Targeted distribution of information about process:* Information on the public consultation process is disseminated through a deliberate effort to reach out to particularly affected groups, which goes beyond posting on the internet.

<b>PP16 CLARITY OF PROCESS FOR PUBLIC PARTICIPATION IN POLICY-MAKING</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Responsibility for decision	—	
Clear time frame for decision	—	
Clear time frame for input	—	
Accountability for input	—	
Documentation of consultation process	—	
Timely distribution of information about process	—	
Broad distribution of information about process	—	
Targeted distribution of information about process	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The policy-making process evaluated meets <b>no</b> elements of quality		Low —
The policy-making process evaluated meets <b>one - two</b> elements of quality		Low-Medium —
The policy-making process evaluated meets <b>three - four</b> elements of quality		Medium —
The policy-making process evaluated meets <b>five - six</b> elements of quality		Medium-High —
The policy-making process evaluated meets <b>seven - eight</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP17 Public disclosure of information on the basis and goals of policy reform

#### **Relevance of the indicator:**

In any policy process, decision-making should be informed by balanced factual input. Documents from both government and stakeholders that informed the reform process should be available to the public (consultant reports are an important third category dealt with separately in the next indicator). Access to these documents is important for several reasons: it allows assessment of whether the decision was informed, whether the knowledge base was skewed toward one or another set of interests, and whether the decision was consistent with the knowledge base or ultimately dictated by interests over knowledge. Ultimately, transparency of available information facilitates accountability of decision-makers based on the factual content and interpretation of the documents. This indicator follows on from PP16, which deals with the public consultation process.

#### **Guidance for assessment teams:**

This indicator should be applied to the same policy process reviewed in PP15 and 16. The assessment team will have to interview policy makers involved in the policy decision to understand which background documents were central to the decision under study. Next, the team will have to interview various stakeholders from a broad spectrum of interests (such as businesses, NGOs, consumer activists, environmentalists, and social activists) to ascertain whether the relevant documents were, in fact available, in a timely fashion and with relative ease of access. It may be easier for businesses or other more powerful stakeholders to access these documents. The assessment team should be sensitive to this asymmetry in their assessment. They should interview a range of stakeholders to ascertain whether they were all able to access all documents, and make sure to reflect on any such asymmetries in the indicator explanation.

#### **Elements of Quality:**

- *Breadth of documentation availability:* Background documents from various sources that form the basis for evaluating policy options are made publicly available. The available background documents that underpin a policy decision should include official government documents, as well as proposals and interventions from various stakeholders. Both types of documents are needed for the public to have an accurate sense of the interests at stake in a decision.
- *Ease of access:* Documents can easily be accessed by the public. Specifically, documents should be posted on a website, available in a library or reading room, and produced by the electricity ministry upon request.
- *Timeliness of availability:* Documents are made available at least a month before the date by which public input is sought, in order to give stakeholders an adequate opportunity to understand issues prior to formulating their comments.
- *Accessible by a range of stakeholders:* A range of stakeholders from business to NGOs to consumer groups were all able to access all available documents.

<b>PP 17 PUBLIC DISCLOSURE OF INFORMATION ON THE BASIS AND GOALS OF POLICY REFORM</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Breadth of documentation availability	—	
Ease of access	—	
Timeliness of availability	—	
Accessible by a range of stakeholders	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
No information is available on background documents that provide the basis for policy decision		Low —
Information available to the public meets <b>one - two</b> elements of quality		Medium —
Information available to the public meets <b>three - four</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

**POLICY PROCESS  
CASE STUDY INDICATOR**

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PP18 Effectiveness of public participation process

**Relevance of the indicator:**

Even if public participation processes are well structured (PP16), they will only be effective as a way of influencing outcomes if sufficient numbers of stakeholders from a wide range of positions participate actively, and if decision-makers actually incorporate inputs into the final decision. In this sense, this indicator complements indicators (PP16) on the quality of public participation processes and PP13 on civil society capacity.

**Guidance for assessment teams:**

This indicator should be applied to the same policy process as was examined for PP16 (Clarity of Process for Public Participation in Decision-Making). To apply this indicator, obtain the full set of stakeholder comments, and examine them for number of comments, breadth of perspectives, and quality of reasoning. Also obtain the final policy decision and any supporting documents, and examine these documents for evidence that public comments were read, scrutinized, and reported on. If necessary, interview the government official responsible for coordinating the public participation process and the decision, in order to better understand whether and how public input was incorporated into the decision.

**Elements of Quality:**

- *Quantity of participation:* At least ten submissions are made in response to a call for public input on the policy process. A minimum number of public submissions as part of a public participation process are a necessary condition for effective participation. Since this element measures only quantity, any submissions from any sector or interest group may be considered for the purpose of this element.
- *Breadth of participation:* Comments and analyses are submitted by a broad range of stakeholder groups that include not only the power industry and industrial users, but also public interest NGOs, labor, consumer groups, and other sectoral consumers such as farmers. As a rule of thumb, sufficient breadth might be indicated if at least 20% of comments **or** five strong comments are submitted from non-industrial groups. For the purpose of this indicator, a comment should be counted if it makes at least one substantive or analytical point. Rhetorical comments that do not explain causes for disagreement, while they serve useful purposes in other contexts, should be discounted for the purpose of this indicator.
- *Summary of public participation:* The final policy decision or an accompanying document summarizes the feedback received through public participation.
- *Response to public participation:* The final policy decision or an accompanying document provides reasoning for the final decision with reference to public input.



PP18 EFFECTIVENESS OF PUBLIC PARTICIPATION PROCESS		
Elements of Quality		Explanation
Quantity of participation	—	
Breadth of participation	—	
Summary of public participation	—	
Response to public participation	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The policy process met <b>no</b> elements of quality.		Low —
The policy process met <b>one</b> element of quality.		Low-Medium —
The policy process met <b>two</b> elements of quality.		Medium —
Participation and responsiveness met <b>three</b> elements of quality.		Medium-High —
Participation and responsiveness met <b>all four</b> elements of quality.		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS**

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### PP19 Consideration of environmental issues in sector reform law and policy

#### **Relevance of the indicator:**

Decisions to radically alter the organizational and institutional structures of the electricity sector have important implications for the public interest, including the environment. It is therefore important that explicit attention be paid to the environment in undertaking reform. The most important environmental interests at stake include the degree to which sector reforms preserve or enhance incentives for energy efficiency, encourage improvements in power generation that enhance local air quality and reduce greenhouse gas emissions, or limit destruction of natural habitats. Without explicit attention to the environment during or after the reform processes, it is unlikely that environmental benefits will result. Research for this indicator is closely related to research needed for indicator PP 17.

#### **Guidance for assessment teams:**

This indicator should be applied to the legislative process by which a major reform effort has occurred during the last five years targeted at the electricity sector (including corporatization of state-owned utilities; unbundling of integrated utilities; creation of a regulatory body; privatization of transmission; generation or distribution services or utilities, creation of a power pool or power exchange / dispatch agency). If multiple reforms have taken place, then the assessment team should assess the reform effort, which it considers most significant or far-reaching.

The assessment team should identify the main executive agency/ies leading the reform process, and the committees responsible for drafting the reform legislation. If donor agencies funded or supported this reform effort, documentation from these sources should also be examined. This indicator measures attention to environmental issues in official documentation that lays out the rationale, need and objective of the proposed reform. Media reporting on the selected reform process is also relevant. An effort should be made to review documentation, that pre- and post-dates the reform process.

#### **Elements of Quality**

- *Addressed in background documents:* Environmental considerations are explicitly addressed in official documents before passage of reform legislation.
- *Included in reform policy and laws:* Environmental considerations are included in reform law and policy.
- *Mitigating direct impacts of power sector:* mitigation of environmental impacts of the power sector through measures such as efficiency, improvements in generation technologies to address air pollution is given due consideration, as well as incentives for clean energy technologies including renewable energy.
- *Global and economic effects of environmental impacts:* Reform efforts consider the economic and global impacts of the national environmental footprint of the power sector.

PP19 CONSIDERATION OF ENVIRONMENTAL ISSUES IN SECTOR REFORM LAW AND POLICY		
Elements of Quality		Explanation
Addressed in background documents	—	
Included in reform policy and laws	—	
Mitigating direct impacts of power sector	—	
Global and economic effects of environmental impacts	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Consideration of environmental impacts in sector reform meets <b>no</b> elements of quality		Low —
Consideration of environmental impacts in sector reform meets <b>one</b> element of quality		Low-Medium —
Consideration of environmental impacts in sector reform meets <b>two</b> elements of quality		Medium —
Consideration of environmental impacts in sector reform meets <b>three</b> elements of quality		Medium-High —
Consideration of environmental impacts in sector reform meets <b>more than four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP20 Assessment of job losses linked to policy changes or sector reforms in the electricity sector

#### **Relevance of the indicator:**

In many developing countries, state-owned utilities are an important source of government employment. This employment has generally been stable, unionized, and offers better than average wages and benefits. In some cases, employment in state-owned utilities is also a form of political patronage. There are significant political and livelihood interests at stake when the electricity sector is “corporatized”, “un-bundled,” or segments are privatized. Therefore, it is important to analyze the potential job losses (or gains) and impact on wages and job security before reform laws are passed in order to decide how best to balance potential employment impacts with the need for improvements in efficiency and service quality within the electricity sector.

#### **Guidance for assessment teams:**

The indicator seeks to assess if and when employment impact assessments were undertaken, and the quality of those assessments. The elements of quality for remedies focus on both scope (whether the assessment was carried out before or after a major electricity policy or reform package was adopted), and whether explicit remedies were devised to address job losses. This indicator should be applied as a case study indicator to a major reform process or other change with potential/actual employment impacts that has taken place within the last five years.

The team should draw as much as possible from documentation gathered to evaluate policy-making and reform efforts in indicators PP 17. Review official documents laying out the rationale, potential costs and benefits of the reform or policy change to find evidence of discussion of job loss or employment impacts. If the document studying employment impacts cannot be obtained, then the team should assume that it does not meet any of the elements of quality, unless it is possible to verify some of the elements via interviews or other documentation. Teams should consider informal interviews with staff of the executive or legislative branches involved in the reform or policy change, representatives of utility sector employees, utility contractors, and, if relevant, private companies that participate in the electricity sector. Such interviews will help verify which remedies -- if any-- were put in place.

#### **Elements of quality:**

- *Assessment of unemployment impacts:* Broad assessment of unemployment impacts was carried out, which includes examination of at least two of the following: the magnitude of job losses, the effects on job security, impacts on wages and benefits, and significance to the macro economy.
- *Assessment was conducted before reforms were implemented.*
- *Mitigating adverse impacts:* Explicit programs were put in place to ease or reduce impact of job losses (re-training or education grants, compensation of affected labor force, etc.).
- *Redress:* Special redress mechanisms were created for workers (i.e., allowing them to raise claims regarding damages for pension benefits, adverse health impacts, failure to fulfill commitments for re-training, etc.).

<b>PP20 ASSESSMENT OF JOB LOSSES LINKED TO POLICY CHANGES OR SECTOR REFORMS IN THE ELECTRICITY SECTOR</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Assessment of unemployment impacts was carried out	—	
Assessment was conducted before reforms were implemented	—	
Adverse impacts were mitigated	—	
Redress mechanisms were created	—	
<b>Continued Explanation:</b>		
<b>Values</b>	<b>Select</b>	
Not applicable/ Not assessed	—	
Assessment of employment impacts of reforms <b>meet no elements of quality</b>	Low —	
The most important electricity provider meets <b>one</b> element of quality for effective engagement with civil society	Low-Medium —	
Assessment of employment impacts of reforms <b>meets two elements of quality</b>	Medium —	
Assessment of employment impacts of reforms <b>meets three elements of quality</b>	Medium-High —	
Assessment of employment impacts of reforms <b>meets four elements of quality</b>	High —	

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS

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### PP21 Transparent formulation of policy on independent power

#### **Relevance of the indicator:**

Independent Power Producers / Projects (IPPs) are private generators who sell power to either directly to electricity distribution companies (either public or private), or to a “single buyer” who in turn supplies all distribution companies. The entry of IPPs has typically been an important component of --and sometimes preceded-- fundamental restructuring of the electricity sector. The purchase of electricity from IPPs is structured in the form of long-term contracts --known as Power Purchase Agreements (PPAs) - or through a power market of some sort, such as a bid-based pool. If the aim of reform is to increase competition, IPPs enable an expansion in the number of generators, a necessary condition for electricity markets to become more competitive. IPPs are also a means to attract private investment into generation. However, many IPPs have been criticized on economic, social and environmental grounds. Moreover, the large volumes of funds often associated with such projects have led to allegations of corruption and other bad practices. This indicator considers the legal framework for IPPs. PP25 examines the implementation of this framework in practice.

#### **Guidance for assessment teams:**

The assessment team will first have to determine whether this indicator is relevant in their context. This indicator will be less relevant if IPPs sell electricity into a power market. The first two elements of quality below require assessment teams to examine whether the legislature endorsed the policy to allow IPPs into the sector, and the nature of the executive decision-making process through which the implementing policy was introduced. Teams should first establish whether a law exists and obtain a copy to review. They should then identify and interview key policy makers responsible for managing and formulating the policy, in order to reconstruct the process and assess whether a robust public consultation was in place. To address the last four elements of quality, the teams will have to carefully scrutinize both the relevant IPP law and the implementing policies that govern IPP projects.

#### **Elements of Quality:**

- *Legislative approval:* The national IPP policy was subject to legislative scrutiny and approval, through debate associated with amendments in the existing legislation, or entirely new legislation.
- *Public consultations during policy development:* Introduction of implementing policies for IPPs follow a robust public consultation process i.e. background documents were available to the public at least a month before the consultation, the public had the opportunity to make comments / objections, and the results of the consultations are released in a reasoned final document.
- *Competitive bidding:* The policy framework requires that IPP projects are awarded on the basis of competitive bidding. Requests for bids will announced to the public, bid finalists disclosed, and the final bid assigned through a competitive process.
- *Adequate demand analysis:* The policy framework requires that new IPP projects will be justified based on detailed analysis about the demand-supply scenario, which is available to the public on request.
- *Disclosure of the PPA:* The general terms of the final power purchase agreement can be publicly disclosed prior to the finalization of new projects.
- *Analysis of financial impact:* The policy framework requires that power purchase agreements (PPAs) are subject to a detailed analysis of their impacts on tariffs – whether by the executive or by a regulator -- and the analysis is available to the public on request. This analysis should consider a range of issues such as sensitivity to foreign exchange rate change, fuel cost variations, and demand projections. It should also clarify the various assumptions regarding the plant performance and financial assumptions made for tariff projections. This analysis should be available to the public upon request.
- *Adequate public consultations prior to project approval:* The IPP policy framework requires public consultations to be held prior to approving a power purchase agreement with an IPP.

PP21 TRANSPARENCY ON POLICIES OF INDEPENDENT POWER PRODUCERS		
Elements of Quality		Explanation
Legislative approval	—	
Public consultations during policy development	—	
Competitive bidding	—	
Adequate demand analysis	—	
Disclosure of the PPA	—	
Analysis of financial impact	—	
Adequate public consultations prior to project approval	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The IPP process meets <b>no</b> elements of quality		Low —
The IPP process meets <b>one - two</b> elements of quality		Low-Medium —
The IPP process meets <b>three - four</b> elements of quality		Medium —
The IPP process meets <b>four - five</b> elements of quality		Medium-High —
The IPP process meets <b>six - seven</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP22 Public disclosure regarding use of consultants

#### **Relevance of the indicator:**

Consultants often play a key role in shaping major policy change. In the example of electricity reform, since most countries have historically operated with vertically integrated nationally owned monopolies, most governments do not have in-house capacity to understand and design the required institutions and rules. Consequently, governments often contract consultants to help with design of reforms, often with the support and cooperation of donor agencies. As a result, many key decisions about sectoral reform are made by consultants, or are made *de facto* through the terms of reference that guide consultants. Even though it is ultimately the decision-maker, and not the consultant, who is accountable, there are several reasons why transparency in the role and contribution of consultants is important. Consultants often shape critical decisions, and it is important to understand the basis on which those decisions are made, for which both consultants' terms of reference, and their final reports are significant. These materials can, for example, shed light on whether a range of alternative reform options were considered before making a choice, and on whether the implications of reforms for financial, social, and environmental outcomes have been considered. Moreover, public availability of consultant reports will help ensure that decision-makers do not falsely represent the findings of consultants in order to suit a different agenda. Transparency and the promise of broader scrutiny are also likely to serve as a stimulus for consultants to ensure they produce quality reports.

#### **Guidance for assessment teams:**

To apply this indicator, identify a decision that relied on consultant reports and analysis. Ascertain whether procedures for use of consultants vary from case to case or are generally common. If they are common, then the specific choice of case selected for this indicator should be fairly representative. If they vary, then please note this variation in the additional information section, and justify the choice of the case chosen. Pick a case based on the prominence of the decision, whether it can reasonably be seen as representative, and whether it signals the direction taken in the future. Following selection of this case study, interview those officials responsible for managing consultants. In particular, as elaborated in the elements of quality below, examine the existence of requirements to publicly disclose the procedure for selection, terms of reference, and final reports, and whether they were made available in practice for the case in question. Also examine whether a comment period and requirement for revision or response are required, and were honored. In addition to interviewing officials, assessment teams should also interview stakeholders who might have sought out this information as well as the contracted consultants.

#### **Elements of Quality:**

- *Details of consulting arrangement:* The terms of reference of the consultant are readily available to the public on direct request from the ministry and/or on a website and on a timely basis prior to the conclusion of the consulting contract.
- *Details of final report:* The final report of the consultant is available to the public on direct request from the ministry, on a website, and/or in a reading room or library. The report must be available within a reasonable period (1-2 weeks) after its submission to the government, and in adequate time for the public to consider the report before any final decision is made.
- *Comment period on consultant report:* The terms of the consulting agreement incorporate a period of public comment. In addition, information about the opportunity for comment must be proactively disseminated, through the print and electronic media.
- *Revision requirement in response to public comment:* The consultant is bound to consider public comments and either revise or justify in writing recommendations in their report in the light of public comments.



PP22 PUBLIC DISCLOSURE REGARDING USE OF CONSULTANTS		
Elements of Quality		Explanation
Details of consulting arrangement	—	
Details of final report	—	
Comment period on consultant report	—	
Revision requirement in response to public comment	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Disclosure of information regarding use of consultants meets <b>no</b> elements of quality		Low —
Disclosure of information regarding use of consultants meets <b>one</b> element of quality		Low-Medium —
Disclosure of information regarding use of consultants meets <b>two</b> elements of quality		Medium —
Disclosure of information regarding use of consultants meets <b>three</b> elements of quality		Medium-High —
Disclosure of information regarding use of consultants meets <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP23 Transparency of donor engagement through policy loans

#### **Relevance of the indicator:**

Donor agencies play multiple roles in the electricity sector. They may help build reform packages through specific loans and often endorse a government's decision to reform and seek commitment to that decision through policy-linked loans with accompanying conditions that are intended to enforce commitment to a reform trajectory. Among donors, multilateral agencies such as the World Bank and Asian Development Bank typically play a larger role in initiating policy change and assisting with implementation through policy loans and related conditions. These efforts are highly influential – particularly in technically complex sectors such as electricity-- and can often define the direction a reform effort will take. This indicator focuses on donor efforts to assist policy change through loans that are linked to policy change. The next indicator (PP24) focuses on technical assistance by donors.

Policy loans include policy conditions that are intended to be negotiated with the borrower government. In many cases, the donor may have independent opinions about the directions of reform. The degree to which conditions are negotiated versus imposed depends on the negotiating power of the borrower government (how urgently a loan is needed, country size etc.) Donor agencies suggest that policy conditions provide a useful way for governments to commit themselves to a particular reform direction, and give them a basis to resist short-term anti-reform pressures. Whatever the reasons and the mix of influence over the actual loan conditions, transparency in policy loans will help ensure that any reform measure is subject to larger democratic debate and checks. This indicator examines the transparency behind the use of policy-linked loans.

#### **Guidance for assessment teams:**

Identify the donor agencies most active in use of policy-linked loans, and further identify the single most significant loan (either the one tied to the largest loan amount and/or the one with the most extensive conditions). Ascertain whether the key donor agency documents relevant to the electricity sector are readily accessible. These documents might include country assistance strategies, policy loan documents, and investment loan documents. Then, based on internet searches, documentary records, and personal requests to donor agencies, establish whether these documents were available at the time of donor engagement on a specific issue. It is important to ascertain whether documents were *actually* available within the relevant time frame; a scrutiny of donor policies on transparency alone is not enough. Since in many cases this assessment will be carried out after the fact, it may be a challenge to ascertain the degree of transparency that existed in the past. Supplement requests for documents with stakeholder interviews and donor agency staff interviews to make an independent assessment of the degree of transparency that existed at the time the loan was in effect. In assessing availability of information, “publicly available” means documents were available either through electronic sources or through personal requests to the relevant agency by any member of the public who sought access to them

#### **Elements of Quality:**

- *Transparency on policy position:* Information about donor positions on policies in the electricity sector was publicly available
- *Transparency on conditions:* Loan documents that include binding conditions on loan disbursements were publicly available during the period when the loan was active. Disclosure *ex post* is inadequate since the information will only support greater participation if it is available at the time of decision making
- *Transparency about disbursement:* Information about financial disbursement related to loan conditions – amount of disbursement, whether disbursement was withheld, and why – was publicly available
- *Transparency of evaluation mechanisms:* Information about the mechanisms through which a loan was evaluated – criteria, opportunities for external input, results of the evaluation – are publicly available.

PP23 TRANSPARENCY OF DONOR ENGAGEMENT THROUGH POLICY LOANS		
Elements of Quality		Explanation
Transparency on policy position	—	
Transparency on conditions	—	
Transparency about disbursement	—	
Transparency of evaluation mechanisms	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Transparency in use of policy loans meets <b>no</b> elements of quality.		Low —
Transparency in use of policy loans meets <b>one</b> element of quality.		Low-Medium —
Transparency in use of policy loans meets <b>two</b> elements of quality.		Medium —
Transparency in use of policy loans meets <b>three</b> elements of quality.		Medium-High —
Transparency in use of policy loans meets <b>four</b> elements of quality.		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP24 Transparency of donor engagement through technical assistance

#### **Relevance of the indicator:**

This indicator complements PP23 on donor engagement through policy loans with a complementary focus on donor engagement through technical assistance (their own research and analysis). Since donor agencies can stimulate new policy initiatives and influence outcomes through their contribution to the knowledge process, this indicator assesses the extent to which there is transparency around “technical assistance” efforts.

#### **Guidance for assessment teams:**

Identify the donor agencies most active in the electricity sector, and their roles. Select the one agency that is most active in shaping knowledge in the sector, through their technical assistance work. It is important to keep in mind that the technical assistance itself may be executed by staff of the agency, or by consultants that they hire. Once the relevant agency and processes are identified, the teams should identify major technical assistance projects related to sector reform efforts completed in the past 5 years, and select one project as a reasonably representative case study. The team should conduct interviews with industry insiders, key stakeholders and donor agency staff to ascertain whether the key documents as identified in the elements of quality below were readily accessible. Internet searches, documentary records, and personal requests, should also be used to establish whether these documents were available at the time of donor engagement. Teams should be sure to include the full list of projects in the additional information section. A scrutiny of donor policies on transparency alone is not enough: it is important to ascertain whether documents were *actually* available within the relevant time frame. In assessing availability of information, “publicly available” means documents were available either through electronic sources or through in person requests to the relevant agency by any member of the public who sought access to them.

#### **Elements of Quality:**

- *Transparency on details of technical assistance:* Details of assistance provided were publicly available through full project concept documents, or through consultant terms of reference, as applicable, at the time when the technical assistance effort was underway.
- *Transparency on outputs:* The output from technical assistance and consultant reports were publicly available.
- *Wide dissemination of effort:* Proactive efforts were made to disseminate output of technical assistance and consultant reports, including means such as workshops, web postings, and individual mailings.

PP24 TRANSPARENCY OF DONOR ENGAGEMENT THROUGH TECHNICAL ASSISTANCE		
Elements of Quality		Explanation
Transparency on details of technical assistance	—	
Transparency on outputs	—	
Wide dissemination of effort	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Transparency of donor technical assistance meets <b>one</b> element of quality.		Low __
Transparency of donor technical assistance meets <b>two</b> elements of quality.		Medium __
Transparency of donor technical assistance meets <b>all three</b> elements of quality.		High __

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

**POLICY PROCESS  
CASE STUDY INDICATOR**

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**PP25 Transparent and accountable implementation of Independent Power Producer policy/legislation**

**Relevance of the indicator:**

Independent Power Producers / Projects (IPPs) are private generators who sell power either directly to electricity distribution companies (either public or private), or to a “single buyer” who in turn supplies all distribution companies. Since IPPs have been controversial in many countries, it is important to examine whether the standard of practice matches the legal requirements. This indicator builds on PP21 by addressing transparency, public participation and accountability in a representative case study IPP.

**Guidance for assessment teams:**

Select one representative IPP case to examine in more detail. The case should be representative of general practice in the country, it should be indicative of the general direction of implementation, and it should be relatively recent. To meet these criteria, teams may wish to do a rapid and brief assessment of a few cases, and then based on this preliminary assessment, chose one to go into in further detail. Once a case study is selected, the assessment teams will have to obtain any documents related to the approval of the IPP, and to the process of scrutiny and approval of the PPA, from either the executive or the regulator in order to ascertain which elements of quality have been met. The team may need to supplement this documentary review with interviews with executive staff associated with the project, and with representatives / staff of the project developer.

**Elements of Quality:**

- *Competitive bidding:* requests for bids were announced to the public, bid finalists were publicly disclosed to the public, and the final bid was assigned through a competitive process.
- *Disclosure of the PPA:* The general terms of the PPA with the private company were accessible to the public prior to signing the PPA.
- *Adequate demand analysis:* The IPP case study project was justified based on detailed analysis about the demand-supply scenario, which could be accessed by the public (a detailed analysis should include an analysis of base load versus peak load requirements, capacity addition from other projects, improvements in the performance of existing plants, already contracted power purchases, and a sound basis for demand projections).
- *Analysis of financial impact:* The tariff impacts of the PPA were analyzed in detail by the executive or by a regulator, and this analysis was available to the public on request. The analysis considered issues including sensitivity to changes in foreign exchange rates, fuel cost variations, and demand projections. The analysis also clearly stated assumptions made about power plant performance and any financial assumptions made to project tariff impacts.
- *Adequate public consultations prior to project approval:* The IPP case study project held public consultations prior to approving a power purchase agreement.

<b>PP25 TRANSPARENT AND ACCOUNTABLE IMPLEMENTATION OF INDEPENDENT POWER PRODUCER POLICY/LEGISLATIONS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Competitive bidding	—	
Disclosure of the PPA	—	
Adequate demand analysis	—	
Analysis of financial impact	—	
Adequate public consultations prior to project approval	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The IPP case study meets <b>no</b> elements of quality		Low —
The IPP case study meets <b>one</b> of the elements of quality		Low-Medium —
The IPP case study meets <b>two</b> elements of quality		Medium —
The IPP case study meets <b>three – four</b> elements of quality		Medium-High —
The IPP case study meets <b>all five</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### PP26 Transparent selection of private sector service providers

#### **Relevance of the indicator:**

Many countries around the world have undertaken a systematic reform of their electricity sector that involves “unbundling” utilities (separating generation, transmission and distribution). Often, this process is accompanied by privatization of a portion of the unbundled utility, or a hand-over of control to a private operator under a management contract. Without passing judgment on whether such reforms are desirable or not, it is important that any such major restructuring be conducted in an open and transparent fashion. Where electricity sectors are subject to privatization or other forms of private sector involvement such as management contracts, the process through which the terms of private involvement are reached is of considerable public importance. Transparency in the process is an important tool to limit opportunities for corruption and graft, and to ensure that the public received a fair price for assets (in the case of full privatization) or does not pay unnecessarily high prices (in the case of a management contract). Transparency also allows scrutiny by civil society and other stakeholders, including possible competitors, and, ultimately, the prospect of appeal. It is critical to building public confidence in far reaching reforms such as privatization. This indicator addresses the process through which private sector service providers are selected.

#### **Guidance for Assessment Teams:**

To apply this indicator, seek to obtain details on the private participation process from the relevant administrator, normally the ministry concerned or the regulator. Relevant documents to request include the request for proposals, background information provided to potential bidders, the decision criteria and decision-making process, and any justification for the final decision. Public disclosure here means that the information was publicly posted (for example, on a website), and/or this information was readily available on request at the time of the bidding process. If there is a substantial cost involved, or if a bond has to be posted to obtain the necessary information, then this cost should be considered a barrier to public access to the information.

#### **Elements of Quality:**

- *Transparency in request for proposals:* The request for proposals for private participation is publicly available.
- *Information provided to the bidders publicly available:* The information provided to potential bidders is made publicly available. This information is needed in order for citizens and other stakeholders to assess whether bids are reasonable and fair as well as to understand commitments / concessions given to other parties.
- *Transparency in decision criteria and process:* The decision criteria and the process through which decisions are arrived at are transparent and available to the public. This information is needed to allow decision makers to be held accountable.
- *Justification for decision:* The final decision is justified against the decision criteria and this justification is publicly available.



PP26 TRANSPARENT SELECTION OF PRIVATE SECTOR SERVICE PROVIDERS		
Elements of Quality		Explanation
Transparency in request for proposals	—	
Information provided to bidders publicly available	—	
Transparency in decision criteria and process	—	
Justification for decision	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There is <b>no</b> clarity about authority for environmental approvals for power sector projects		Low —
The private participation process satisfies <b>no</b> elements of quality		Low-Medium —
The private participation process meets <b>one</b> element of quality		Medium —
The private participation process meets <b>two</b> elements of quality		Medium-High —
The private participation process meets <b>three or more</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**  
**CASE STUDY INDICATOR**

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PP27 Transparency of asset valuation/balance sheet restructuring

**Relevance of the indicator:**

One key element of privatization-oriented reforms is the process of valuating the assets of the public utility. Asset valuation is a process of balance sheet restructuring that allows clear financial accounting of the various components of a vertically integrated utility, and is intended to allow possible purchasers to evaluate their bids. Valuation can be technically complex and involve various judgment calls. From the public perspective, asset valuation can affect debt servicing and therefore tariff rates (if tariffs are based on costs), as well as the relative burden on the public versus the private sector. It can also affect public perceptions of the fairness of any privatization transaction. For these reasons it is important that the methodology for asset valuation be subject to disclosure, justified and independently scrutinized.

**Guidelines for assessment teams:**

Typically, the ministry that governs the functioning of a utility (normally the electricity ministry or equivalent) would undertake asset valuation. If a regulatory agency is in place, this responsibility may fall to the regulator. Frequently, a consulting firm will be involved as well. The assessment team should select a case study valuation of publicly held electricity assets for this indicator. Relevant information on the process of asset valuation, as well as on justification and scope for scrutiny, will be available with the governing Ministry or regulator. The assessment team will have to conduct interviews with relevant individuals in the ministry or regulator in order to understand the process behind asset valuation. Where the task was conducted by a consultant, it will be necessary to also interview the consultant. The indicator requires the assessment team to obtain the key documents that summarize both the process and the result of the asset valuation exercise. For this indicator, “publicly available” means that the document was available from the relevant ministry or regulator upon request.

**Elements of Quality:**

- *Disclosure and justification of methodology:* The methodology used for valuation of assets, and the justification for picking a particular approach to asset valuation, was stated clearly in the official government document summarizing the asset valuation, which is publicly available.
- *Explanation of method application:* The assumptions made in applying the method of asset valuation are all stated clearly in the official document summarizing the asset valuation, which is publicly available.
- *Independent scrutiny:* The valuation process included a procedure for review of the valuation by a competent third party, and this procedure was followed in practice.
- *Public disclosure of review:* The results of the independent review were publicly available from the ministry or regulator upon request.

PP27 TRANSPARENCY OF ASSET VALUATION / BALANCE SHEET RESTRUCTURING		
Elements of Quality		Explanation
Disclosure and justification of methodology	—	
Explanation of method application	—	
Independent scrutiny	—	
Public disclosure of review	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The asset valuation process meets <b>no</b> elements of quality		Low —
The asset valuation process meets <b>one</b> element of quality		Low-Medium —
The asset valuation process meets <b>two</b> elements of quality		Medium —
The asset valuation process meets <b>three</b> elements of quality		Medium-High —
The asset valuation process meets <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**  
**CASE STUDY INDICATOR**

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PP28 Transparency and accountability in the design and implementation of subsidies

**Relevance of the indicator:**

Subsidies may be used for a range of public policy purposes, such as assisting low income groups or supporting policy objectives such as increasing access to electricity. Subsidy programs can be beneficial and useful in advancing public interests. At the same time, the use of subsidies has come under criticism for being subject to capture by special interests other than those they are intended for, for being difficult to target to specific groups or policy objectives, and for creating constituencies that have an interest in the subsidy well after the policy objective is met. Minimizing these risks and retaining subsidies as a useful policy tool will require both transparency in how they are used, as well as accountability in their implementation.

**Guidance for assessment teams:**

Select an important existing subsidy – one that uses substantial public funds, and that has considerable public visibility as evidenced by frequent media reports – and assess it for the purpose of this indicator. To examine the criteria and process, check any existing law and implemented regulations. Reporting on subsidies should include, at minimum, who the subsidy went to, the amount, and for what purpose.

**Elements of Quality:**

- *Transparent criteria:* The criteria for allocation of subsidies are laid down in executive decisions or procedures, and information on these procedures is public available on request to the executive.
- *Justification of allocation decisions:* There is a transparent process for applying the subsidy allocation criteria, including justification of the subsidy amount, explanation of how the allocation conforms to the criteria. This justification is a public document and available on request from the executive.
- *Monitoring and reporting:* There is a legal requirement to monitor the incidence of the subsidy with clear accountability for the monitoring role, and this monitoring occurs in practice and is publicly available on request from the executive.
- *Evaluation:* The benefits of the subsidy program are evaluated periodically, with clear accountability for the evaluation role. The results of the evaluation are publicly available on request from the executive.

PP28 TRANSPARENCY AND ACCOUNTABILITY IN THE DESIGN AND IMPLEMENTATION OF SUBSIDIES		
Elements of Quality		Explanation
Transparent criteria	—	
Justification of allocation decisions	—	
Monitoring and reporting	—	
Evaluation	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The subsidy program evaluated meets <b>no</b> elements of quality		Low —
The subsidy program evaluated meets <b>one</b> element of quality		Low-Medium —
The subsidy program evaluated meets <b>two</b> elements of quality		Medium —
The subsidy program evaluated meets <b>three</b> elements of quality		Medium-High —
The subsidy program evaluated meets <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## POLICY PROCESS

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### PP29 Clarity of authority and jurisdiction to grant environmental approvals for power sector projects

#### **Relevance of the indicator:**

There is often little or no coordination across departments / ministries or between federal / central and state / local governments to grant approvals or exercise authority over environmental issues. There is a lack of transparency about where authority lies and when it is exercised, and there are few formal checks and balances between these institutions. Accountability for environmental clearances and approvals is very important to the public interest because the institution's decisions determine whether and what environmental conditions are imposed on electricity projects.

This indicator assesses whether there are clear provisions in law, regulation implementation, or executive policy to establish which public sector entities have the authority to grant or issue environmental approvals for major power sector projects and define how such authority is to be shared across jurisdictions. It also assesses the extent to which the public has access to this information.

#### **Guidance for assessment teams:**

“*Shared Jurisdiction*” refers to shared authority between line ministries or central versus local governments. The assessment team will need to rely largely on the collection of documentary evidence and a review of relevant legal provisions to answer this indicator question. The clear divisions or laws to review are those that establish division of power or authority between central / federal versus state / local jurisdictions as well as the framework laws and supporting / implementing regulations that establish / delineate the areas of authority of the power sector ministry / department versus that of the environmental ministry / department.

#### **Elements of Quality:**

- *Provisions on authority and jurisdiction:* establishing what public sector entities have authority to grant environmental approvals for power sector projects.
- *Clarity on how authority is shared:* The provisions define how authority will be shared across jurisdictions.
- *Timely disclosure of approvals:* Public sector agency with principal authority discloses projects granted approvals in a timely fashion (within 30 days of approval).
- *Comprehensive disclosure:* Principal authority discloses all projects requesting / pending approval.
- *Ease of access:* Provisions posted on the websites of public sector agency with principal authority for granting environmental approvals and /or they can be obtained free of charge (or at very low cost) upon request in a government public information office or public library.
- *Accessible format:* Public sector agency with principal authority explains and disseminates provisions in a format that is accessible to public interest organizations and the general public (brochure, poster, information sheets, etc.).

<b>PP29 CLARITY OF AUTHORITY AND JURISDICTION TO GRANT ENVIRONMENTAL APPROVALS FOR POWER SECTOR PROJECTS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Provisions on authority and jurisdiction	—	
Clarity on how authority is shared	—	
Timely disclosure of approvals	—	
Comprehensive disclosure	—	
Ease of access	—	
Accessible format	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There is <b>no</b> clarity about authority and jurisdiction for environmental approvals for power sector projects		Low —
<b>One</b> element of quality for authority and jurisdiction is met		Low-Medium —
<b>Two</b> elements of quality for authority and jurisdiction are met		Medium —
<b>Three</b> elements of quality for authority and jurisdiction are met		Medium-High —
<b>Four or more</b> elements of quality for authority and jurisdiction are met		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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### PP30 Public participation in setting minimum environmental performance standards

#### **Relevance of the indicator:**

This indicator attempts to measure the existence of environmental performance standards for the electricity sector and the degree of public influence over this standard-setting process. Environmental performance standards for the electricity sector can include: limits on power plant emissions; pollution control measures; targets for reduction of technical transmission losses; and efficiency requirements for appliances. While these standards are often technically complex, they have great significance for local environmental quality, human health, and economic efficiency. The public sector authority with primary responsibility for the development of these performance standards differ in each country (e.g. with the environmental department, the power sector department, the health department, or a joint or inter-ministerial body). The extent to which this body can explain its relevance and importance to a non-technical audience and include the general public while developing these standards reflects the government's commitment to open decision-making.

#### **Guidance for assessment teams:**

This indicator should be applied to the most recently approved / established performance standards applicable to the power sector activities. The team should identify the public sector authority with primary responsibility for the development of these performance standards: was it the environmental agency, the power sector authority, the health authority, or a joint (inter-ministerial) body? The team should also make sure to note when the standards were established or last updated. As a first step, official documentation explaining the existing environmental performance standards should be reviewed. As a second step, the team should evaluate the process used to define the standards. Interviews with current or former staff primarily responsible for the performance standards, civil society groups that followed the process, or media/press accounts may be necessary. Make note of the degree to which the indicator score reflects the quality of the process versus the degree of access to information.

#### **Elements of quality:**

- *Basis for standards:* Documentation exists that explains the basis for existing performance standards.
- *Evidence of public consultation:* Documentary or other evidence that either the legislative or executive branch consulted the public during the process that determined the environmental performance standards.
- *Diversity of public participation mechanisms:* More than one mechanism employed to seek public inputs such as: inviting written public comment on draft or proposed standards within a given period, public hearings soliciting broad input on proposed standards, focus groups with concerned parties or those potentially impacted by standards.
- *Explanation of use of public input:* Documentary evidence that executive branch communicated / explained how public inputs were incorporated.
- *Reporting on utility compliance:* Regular reporting or disclosure (annual, semi-annual, every two years, every five years) on utility / industry compliance with performance standards.



<b>PP30 PUBLIC PARTICIPATION IN SETTING MINIMUM ENVIRONMENTAL PERFORMANCE STANDARDS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Basis for standards	—	
Evidence of public consultation	—	
Diversity of public participation mechanisms	—	
Explanation of use of public input	—	
Reporting on utility compliance	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There are no minimum environmental performance standards for the electricity sector defined		Low —
Minimum environmental performance standards for electricity sector projects and operations are defined in laws, policies or implementing regulations. They meet <b>less than two</b> of the elements of quality		Low-Medium —
Minimum environmental performance standards for electricity sector projects and operations are defined in law(s), policies, or implementing regulations. They meet <b>two – three</b> elements of quality		Medium —
Minimum environmental performance standards for the electricity sector are defined in laws, policies, or implementing regulations. They meet <b>four</b> elements of quality		Medium-High —
Minimum environmental performance standards for the electricity sector are defined in laws, policies, or implementing regulations. They meet <b>all five</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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### PP31 Public participation in developing policies to reduce environmental impacts

#### Relevance of the indicator:

Technologies and management practices that have low impact on the environment contribute to energy security by diminishing reliance on fossil fuel imports and help to reduce air pollution and emission of greenhouse gases. Some countries have significant renewable energy sources that can compete with conventional power options, or scope for capturing significant savings from energy efficiency. Consideration of the appropriate contribution and potential mix of technologies and practices that have low impact on the environment often occurs as an afterthought in planning. However, failure to make a balanced assessment of clean energy options undermines efforts to support development that is environmentally, socially and economically sustainable. In this indicator, “decision-making” refers to decisions taken by the executive branch or agency responsible for planning or policy development.

#### Guidance for assessment teams:

This indicator should be applied, if undeveloped renewable energy resources exist in the country, and/or offer potential to contribute to broader development goals such as poverty alleviation in rural areas, delivery of basic health and education services, and improvements in current account balances by reducing dependence on fossil fuel imports. The assessment team should first document broader electricity sector plans and policies as well as plans and policies that relate to energy efficiency, demand-side management, and/or renewable energy. If possible, seek to assess policies or decisions that have taken place within the last five years.

The ministry or department responsible for planning or policy development in the electricity sector can be deemed to have **considered management and technology options that have low impact on the environment** if the documentation reviewed shows serious consideration of at least three of the options in **Box 1**.

The team should verify whether some form of consultation took place either in the absence of or in compliance with formal requirements for consultation or the employment of particular mechanisms. This will require interviews or written exchanges (via e-mail or letters) with relevant authorities and a sample of civil society organizations. Other sources of information include media or press reports or records of official meetings, if such records can be obtained. The team should note when there is a discrepancy between policy and practice (no requirements for consultation but evidence that it occurred, or, conversely, requirements for consultation but no evidence that it took place).

#### Elements of quality:

- *Consideration of multiple approaches:* At least three of the options in **BOX 1** have been considered:
- *Evidence of consultation:* A range of stakeholders and interest groups were consulted on policies that support technologies or management options that have a low impact on the environment.
- *Systematic efforts to consult affected communities:* Systematic efforts were made to consult communities affected by conventional projects such as thermal power plants or large dams for hydro-electricity.
- *Use of multiple public participation mechanisms:* More than one mechanism (such as public hearings, inviting written comments, town meetings, etc.) is employed to get public input into policy options for technologies or management practices.

#### Box 1

- Co-generation
- Demand-side management
- Creation of energy saving companies
- Grid-connected renewable energy technologies
- Distributed renewable energy technologies
- Improved thermal/fossil fuel generation technologies
- Improved pollution control technologies for thermal power plants
- Reduction in transmission and distribution losses

*Note: these options do not need to be endorsed in order to have been considered*

<b>PP31 PUBLIC PARTICIPATION IN DEVELOPING POLICIES TO REDUCE ENVIRONMENTAL IMPACTS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Consideration of multiple approaches	—	
Evidence of consultation	—	
Systematic efforts to consult affected communities	—	
Use of multiple mechanisms for public participation	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Management and technology options that have low impact on the environment have not been considered		Low —
Consideration of management and technology options that have low impact on the environment meets <b>one</b> element of quality		Low-Medium —
Consideration of management and technology options that have low impact on the environment meets <b>two</b> elements of quality		Medium —
Consideration of management and technology options that have low impact on the environment meets <b>three</b> elements of quality		Medium-High —
Consideration of management and technology options that have low impact on the environment meets <b>four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**  
**CASE STUDY INDICATOR**

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PP32 Inclusion of environmental considerations in the national plan for the electricity sector

**Relevance of the indicator:**

A sector-level development plan sets out the macro-level development objectives the government seeks to achieve through investment in and development of power sector services and infrastructure. The extent to which environmental considerations are integrated is an important indicator of how much of a priority these issues are for the executive responsible for electricity. Since these plans are often intended to present a “blue print” for electricity sector development, the extent to which there is a deliberative and inclusive process for developing the plan will also impact the extent to which environmental issues are considered.

**Guidance for assessment teams:**

“Project-specific impacts” include direct environmental impacts associated with the development of power plants, transmission lines. “Broader sectoral” impacts include energy efficiency, fuel and technology choices, and greenhouse gas emissions.

The assessment team should only apply this indicator if a sector-level equivalent of a strategic or master plan exists and was developed during the last five years. The team should carefully analyze the plan documents and include a careful / detailed justification of which environmental considerations have been included. The team should then look for supporting documentation such as press releases, workshop agendas and participant lists, and records of public hearings to re-construct the public participation process. This should be followed with interviews of government staff responsible for leading the development of the plan, as well as civil society groups that followed the development of the plan (if such individuals can be identified).

**Elements of quality:**

- *Environmental considerations addressed:* Environmental considerations were explicitly addressed or analyzed in the most recent electricity sector development plan.
- *Comprehensive consideration of impacts:* Both project-specific impacts and broader sectoral impacts were considered.
- *Multiple public participation mechanisms:* More than one mechanism was employed to seek public inputs into draft of plan.
- *Systematic efforts to seek input from range of stakeholders:* Evidence of systematic effort to seek inputs into plan from less-privileged or potentially affected populations.
- *Comments disclosed:* Agency that developed plan released or made available public comments provided.
- *Explanation of how input incorporated into decision:* Agency that developed plan communicated how public input was incorporated into final plan within 3 months of decision.

<b>PP32 INCLUSION OF ENVIRONMENTAL CONSIDERATIONS IN THE NATIONAL PLAN FOR THE ELECTRICITY SECTOR</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Environmental considerations addressed	—	
Comprehensive consideration of impacts	—	
Multiple public participation mechanisms	—	
Systemic efforts to seek input from range of stakeholders	—	
Comments disclosed	—	
Explanation of how input incorporated into decision	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Environmental considerations are not explicitly included in the most recent electricity sector development plan.		Low —
Attention to environmental issues in the electricity plan meets one element of quality		Low-Medium —
Attention to environmental issues in the electricity plan meets two elements of quality		Medium —
Attention to environmental issues in the electricity plan meets three elements of quality		Medium-High —
Attention to environmental issues in the electricity plan meets four or more elements of quality.		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS**

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### PP33 Comprehensiveness of Environmental Impact Assessment laws, policies and procedures

#### **Relevance of the indicator:**

Most countries have Environmental Impact Assessment (EIA) policies and procedures to assess and mitigate potential project-level impacts on the environment. However, traditional EIA policies and procedures have many short-comings. For example, they fail to assess the cumulative impacts of multiple development activities within the electricity sector, or to fully consider social impacts. As a result, EIA policies and procedures are evolving to include assessment of “strategic” decisions (such as a proposed policy, or sectoral development plan) in order to help integrate environmental and social considerations into the final form of these decisions. In the electricity sector, a shift towards a more comprehensive approach to EIA is more likely to ensure attention to issues of public interest.

#### **Guidance for assessment teams:**

This indicator assesses formal requirements or procedures for social, environmental and strategic impact assessments, and also asks for evidence of the actual conduct of strategic impact assessments. Assessment teams need to gather documentation about EIA policies and procedures that are relevant to the electricity sector. Such EIA laws and procedures are often established broadly in national (or state level) law or policy and complemented by detailed EIA regulations or guidelines for specific sectors (e.g., electricity, mining, forestry) or project types (power plants, etc). If no such national or sectoral EIA policies or procedures are in place, the indicator is not applicable. The most important documents are the official laws, policies and guidelines that establish EIA procedures. Teams should document the dates of official adoption of these laws/ policies. Additional background research will be necessary to verify whether guidelines for *strategic* EIAs have been developed that examine proposed electricity sector policies, plans or programs, or consider the cumulative impacts of multiple electricity sector projects. The team should note whether any Strategic Impact Assessments have been conducted in the past 5 years, or if there are plans to do so in the near term. This will require interviews with staff from units responsible for long-term planning and development of the electricity sector.

#### **Elements of comprehensiveness:**

- *Requirements for EIA:* Electricity sector policies, regulations or guidelines exist that detail requirements for project-level EIA.
- *Social impact guidelines:* Electricity sector policies, regulations or guidelines exist that detail requirements for project-level social impact assessment.
- *Strategic assessment guidelines:* Strategic assessment guidelines or requirements are in place for electricity sector programs, plans, and policies.
- *Strategic assessments conducted:* Strategic assessment(s) have been carried out for the electricity sector in the last five years that evaluate environmental and / or social impacts at a sector or landscape scale.

PP33 COMPREHENSIVENESS OF EIA LAWS, POLICIES AND PROCEDURES		
Elements of Quality		Explanation
Requirements for EIA	—	
Comprehensive consideration of impacts	—	
Strategic impact guidelines	—	
Strategic assessments conducted	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
National or electricity sector laws and policies are in place that specify or require EIAs for electricity sector activities, and meet <b>one or less</b> elements of quality		Low —
National or electricity sector laws and policies are in place that specify or require EIAs in the electricity sector and meet <b>two - three</b> elements of quality		Medium —
National or electricity sector laws and policies are in place that specify or require EIAs in the electricity sector and meet <b>four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**

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## CASE STUDY INDICATOR

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### PP34 Public participation in Environmental Impact Assessments for power sector projects

#### **Relevance of the indicator:**

Most countries have established environmental impact assessment (EIA) laws and policies in the last 10 to 15 years. EIA laws and policies are sometimes codified through a national framework law and supplemented with sector or project specific guidelines and procedures. In other cases, both the law and procedure are sector specific, or defined at the state or provincial level. Regardless of how EIA laws and policies are defined, there is a great deal of variation with regard to legal requirements or guarantees relating to public disclosure and consultation. EIAs are an attempt to survey and assess the environmental consequences of proposed development activities in the electricity sector, and their findings can have profound consequences for project-affected people. Public participation in EIA processes and access to EIA findings are therefore important.

#### **Guidance for assessment teams:**

If large power infrastructure has been constructed in the last five years that has affected a large number of communities or vulnerable populations (indigenous people, rural communities, poor urban populations, etc.) the team should apply this indicator to one case study project. This case study should be representative of general practice in the power sector. The team should carefully document the basis on which this case study was selected, and set this case study in the context of general practice in the power sector. Although EIAs are relevant to a range of projects, the assessment team should try to focus on specific requirements within the electricity sector. The team should verify how consultations were conducted using interviews or written exchanges (via e-mail or letters) with relevant authorities and with a sample of representatives from communities affected by these projects. Other sources of information include media or press reports or records of official meetings, if such records can be obtained by the assessment team.

#### **Elements of quality:**

- *Public participation at scoping:* Public participation is mandated at the scoping or draft stage of the EIA process
- *More than one public participation mechanism used:* such as hearings, stakeholder / community meetings, on-line commentary, etc
- *Adequate comment period:* Adequate time (relative to national / international standards) was given for public input and comment on draft and/or final EIAs
- *Public release of EIA reports:* Full and summary reports of the EIA were released to the public before the project was approved
- *Public consultation guidelines:* Guidelines exist establishing what constitutes adequate public consultation were circulated
- *Disclosure of public comments on EIA:* Summary or full public comments received on EIAs were disclosed
- *Public comments addressed in final EIA report:* The final report discussed how public comments or input informed the findings / recommendations



<b>PP34 PUBLIC PARTICIPATION IN ENVIRONMENTAL IMPACT ASSESSMENTS FOR POWER SECTOR PROJECTS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Public participation at scoping	—	
More than one public participation mechanism used	—	
Adequate comment period	—	
Public release of EIA reports	—	
Public consultation guidelines	—	
Disclosure of public comments on EIA	—	
Public comments addressed in final EIA report	—	
<b>Continued Explanation:</b>		
<b>Values</b>	<b>Select</b>	
Not applicable/ Not assessed	—	
The EIA did not meet any elements of quality	Low —	
The EIA met <b>one - two</b> elements of quality	Low-Medium —	
The EIA met <b>three – four</b> elements of quality	Medium —	
The EIA met <b>five – six</b> elements of quality	Medium-High —	
The EIA met <b>all seven</b> elements of quality	High —	

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**  
**CASE STUDY INDICATOR**

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PP35 Scope for project- affected people to exercise their rights in project licensing/approval

**Relevance of the indicator:**

The construction of infrastructure in the electricity sector can displace populations or produce significant changes to their livelihoods and quality of life. The most common electricity infrastructure that displaces or affects human populations includes hydro-electric dams, nuclear power plants, thermal power plants, port facilities or pipelines that deliver oil or gas to thermal power plants, high voltage transmission lines and, to a lesser degree, large transformer sub-stations.

**Guidance for assessment teams:**

This case study indicator should be applied to the same case study used for Indicator PP34. This case study indicator should be applied by the assessment team if large power infrastructure has been constructed in the last five years that has affected a large number of communities or vulnerable populations (indigenous people, rural communities, poor urban populations, etc.). The team should apply this indicator to one case study project. This case study should be representative of general practice in the power sector. The team should carefully document the basis on which this case study was selected, and set this case study in the context of general practice in the power sector. Although the treatment of project-affected people is relevant to infrastructure more generally, the assessment team should try to focus on specific requirements within the electricity sector.

The team should verify how consultations were conducted using interviews or written exchanges (via e-mail or letters) with relevant authorities and with a sample of representatives from communities affected by these projects. Other sources of information include media or press reports or records of official meetings, if such records can be obtained by the assessment team.

**Elements of quality:**

- *Consultations adhered to required procedures/guidelines:* Consultations were carried out in accordance with explicit requirements or procedures regarding consultation of project-affected people in the review and approval procedures of projects.
- *Systematic efforts were made to educate potentially project-affected people* of their rights to consultation or compensation in the project development processes
- *More than one participation mechanism employed:* The employment of more than two mechanisms for public participation to get input from potentially affected people in project review, approval or licensing processes (e.g., formal public hearings, on-site meetings with representatives of project-affected peoples).
- *Principle of free, prior and informed consent guided consultation efforts:* Consultation not only took place but project affected communities/people freely or willingly agreed to the proposed development activity or project. (This element of quality is met only if in the consultation proponents worked to obtain free, prior and informed consent from potentially affected people).

Although such infrastructure produces benefits for the larger public, significant costs or damages are sometimes borne by the populations in the immediate vicinity of such infrastructure. Fair treatment and compensation of such populations is necessary to ensure basic access to justice and protection of minority rights.

<b>PP35 SCOPE FOR PROJECT- AFFECTED PEOPLE TO EXERCISE THEIR RIGHTS IN PROJECT LICENSING/APPROVAL</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Consultations adhered to required procedures/guidelines	—	
Systematic efforts were made to educate potentially project-affected people	—	
More than one participation mechanism was employed	—	
Principle of free, prior and informed consent guided consultation efforts	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
<b>One or less</b> elements of quality for addressing the considerations of project-affected people was met		Low —
<b>Two</b> elements of quality for addressing the considerations of project-affected people were met		Medium —
<b>Three or more</b> elements of quality for addressing the considerations of project-affected people were met		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## **POLICY PROCESS CASE STUDY INDICATOR**

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### PP36 Participation in decision-making on access to electricity services

#### **Relevance of the indicator:**

Access to electricity services varies greatly from country to country. In some developing regions and countries, a major percentage (from 30 to more than 80 percent) of the population does not have access to electricity and depends on traditional fuels. In such contexts, expanding access to electricity services is a major public benefit. Yet decisions in the electricity sector tend to be dominated by technical considerations and to exclude constituencies with concerns about improving access to electricity services. This indicator seeks to assess the space made available and effort to incorporate non-technical viewpoints in setting access to electricity services; it applies to the executive branch responsible for electricity planning (or, in some countries, to an independent agency that has been tasked with electrification).

#### **Guidance for assessment teams:**

The assessment team should first document the major pieces of policy and energy plans related to or addressing access to electricity/electrification in some way. The team should seek to assess decisions related to electrification that have taken place within the last five years. The elements of quality in this indicator focus on process, or the employment of particular mechanisms, and this will require interviews or written exchanges (via e-mail or letters) with relevant authorities and a sample of civil society organizations. Other sources of information include media or press reports or records of official meetings, if such records can be obtained by the assessment team. The team should note when there is a discrepancy between policy and practice (no requirements for consultation but evidence that it occurred, or, conversely, requirements for consultation but no evidence that it took place).

If 95 - 100% of the population or geographic area of the country has access to electricity, the team may decide that this indicator is not applicable.

#### **Elements of quality:**

- *Evidence of more than one consultation* with representatives of relevant socio-economic sectors on expanding or improving access to electricity services.
- *Systematic efforts to consult more vulnerable socio-economic groups* (such as indigenous peoples, women associations, low-income groups, rural unions, informal industry associations).
- *More than two mechanisms of public participation* to get public input into planning or programs related to improving access to electricity services ((such as a public comment periods on draft policies/ plans/ programs; meetings with one or more interest groups; creation of a multi-stakeholder advisory committee).
- *Consideration of public comments* or inputs in supporting documents or other materials directly relevant to planning or policy processes related to access to electricity services, and a discussion of how these inputs were incorporated.

<b>PP36 PARTICIPATION IN DECISION-MAKING ON ACCESS TO ELECTRICITY SERVICES</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Evidence that more than one consultation was carried out	—	
Systematic efforts were made to consult more vulnerable socio-economic groups	—	
More than two mechanisms of public participation existed	—	
Public comments were considered	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Decision-making on expanding access to electricity meets <b>no</b> elements of quality		Low —
Decision-making on expanding access to electricity meets <b>two</b> elements of quality		Medium —
Decision-making on expanding access to electricity meets <b>three</b> or more elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## **REGULATORY PROCESSES (RP)**

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### **Overview**

Regulatory processes are a critical mechanism to ensure that the economic, financial, social and environmental aspects of performance in the electricity sector are aligned. Such processes encompass critical decisions and considerations including tariff setting, licensing for power plants and other infrastructure, as well as the setting of service and efficiency standards. Regulatory bodies should permit and foster a healthy and efficient sector that is able to achieve national goals as reflected in policy formulation.

A critical function of the regulatory process is to balance the interests of key stakeholders such as investors, labor and consumers. A credible and predictable regulatory process and approach is essential to this end. Effective regulation should lead to technical efficiency, reliable high quality of service, and cost efficiency, and also to lead to enhanced confidence in the sector and to promote investment.

The indicators in this section of the toolkit address the institutional frameworks for electricity regulation such as the independence, authority and autonomy of the regulatory body; issues relating to the process for selecting regulators and preventing formal conflicts of interest; provisions regarding transparency; and scope for appeal. They also analyze decision-making processes such as the extent to which there is clarity and predictability about procedures; systems for easy dissemination of public documents to operationalize transparency; scope for public participation in regulatory decision making; and civil society capacity to engage in these processes. In addition, given the specific responsibilities assigned to the regulatory body, the indicators address operational issues such as the openness of procedures for issuing licenses; the rigor of reporting requirements for licensees and utilities; the overarching tariff philosophy; and the quality of consumer service and supply. The indicators also emphasize environmental and social aspects of the regulatory process including the scope of the regulator's mandate to consider such issues, attention to affordability, and the representation of weaker stakeholders.

### **Guidance for Assessments**

All indicators in this section of the toolkit should be applied to the body responsible for regulatory decisions, which may be an independent commission, or a division or department within the ministry responsible for electricity. Many countries have adopted the model of independent regulatory commissions as part of broader electricity restructuring programs. The basic elements of good governance in electricity regulation presented in these indicators are applicable regardless of the structure of the regulatory body. If there is more than one electricity regulator in the country (for example at the federal level as well as the state or provincial levels), all indicators should be applied to the same regulatory body either at the federal level or in selected case study states. Assessment teams may select to apply the full set of indicators to multiple regulatory bodies if a more comprehensive review is useful and strategic.

Much of the information required to conduct this section of the assessment can be found in the relevant electricity law; rules and implementing regulations developed by the relevant ministry; rules and regulations developed by the regulatory body; and the orders, decisions and annual reports of the regulatory body, and can be supplemented with press reports, academic papers, and conferences reports. In addition, assessment teams will need to conduct interviews with regulatory members and staff, civil society and consumer groups that have filed cases before the commission, and utility staff that interface with the regulator.

## **REGULATORY PROCESS**

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### **RP 1 Institutional structure for regulatory decisions**

#### **Relevance of the Indicator:**

One of the mechanisms often envisaged to enhance consistency and accountability in the decision-making is to have an independent, dedicated body, (regulatory commission or board, etc.), responsible for regulatory decisions. The term “independent” regulatory body is used in a limited context to denote the existence of a separate quasi-judicial body responsible for oversight of the electricity sector. Establishing an independent institution to regulate electricity can bring critical processes out into the open, significantly enhance transparency, and can play an important role in coordinating public interests in electricity. Nevertheless, establishing an independent institutional structure does not alone create an effective regulatory regime.

The RP indicators should be applied to a separate / independent regulatory body if it exists; if it does not exist, the indicators should be applied to the unit within the executive (Ministry or Department of Energy) responsible for regulatory functions such as tariff setting and licensing.

#### **Guidance for assessment teams:**

Information about the existence of independent regulatory commissions should be available in the relevant electricity sector law, as well as in media reports and discussions with electricity sector experts. A value of ‘High’ should only be assigned if the regulatory body is established in electricity sector laws with clear operating provisions.

The existence of a separate group or department within the ministry should be recognized only if there is a well-defined delegation of regulatory authority to this group through a particular law or through government rules and regulations.

**RP 1 INSTITUTIONAL STRUCTURE FOR REGULATORY DECISIONS**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable / Not assessed	—
Regulatory decisions are made through normal executive decision-making processes within the ministry	Low —
Most regulatory decisions are made through normal executive decision-making processes within the ministry. BUT there is a separate unit within the ministry tasked with critical, pre-defined decisions (such as tariff revision or licensing), a separate cell or group with specific responsibility is created within / by the ministry).	Medium —
An independent / separate regulatory body is responsible for regulatory decision-making and oversight	High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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**REGULATORY PROCESS**

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## RP2 Authority of the regulatory body

### **Relevance of the Indicator:**

For the regulatory body to be effective and independent, it is essential that the regulatory body have sufficient legal authority and “teeth”. In the absence of sufficient legal authority the regulatory body will not be able to get crucial information or the decisions, or its orders may not to be complied with. This indicator addresses legal authority in procedural matters, while the next indicator (RP 3) refers to ‘functions’ of the regulatory body, which are substantive areas in which the regulatory body should be able to exercise its authority, like tariff setting or approval of power purchase agreements (i.e. jurisdiction).

### **Guidance for assessment teams:**

This is a two part indicator. In the first part, i.e. values ‘Low’ to ‘Medium- High’, the indicator assess extent of legal authority granted to the regulatory body, and in the second part it assess if the regulatory body has actually used any of the legal authority to improve the functioning of the sector.

### **Elements of Quality:**

#### **Authority**

- *Information and evidence:* Full legal authority to seek information and evidence from all stakeholders;
- *Investigation:* Authority to investigate all matters under its jurisdiction;
- *Enforce compliance:* Authority to enforce or require others to comply with its decisions / orders.
- *Penalties for breach of order:* Authority to penalize defaulters or parties responsible for breach of order;

#### **Practice**

- *Exercise of Authority:* there are at least two instances in the last year in which the regulatory body has demonstrated its ability to make use of its legal authority granted.

Relevant laws and regulations should clearly allow the regulatory body to exercise its authority, with very limited restrictions. For example, regulatory bodies could have one or all of the following ‘penal’ authorities – levy of fines and penalty for non-compliance; imprisonment of concerned officers / individuals for non-compliance with orders etc. Depending on the number of elements fulfilled, value ‘Low’ to ‘Medium’ – High’ could be assigned.

For the second part of the indicator, i.e. to assess if value ‘High’ could be assigned for this indicator, assessment teams should seek information about the instances / cases in the last one year in which the regulator has actually used the legal authority granted to it. Such instances could be in the form of initiating an inquiry or investigation regarding compliance or otherwise of its important directives to utility, or using penal powers (such as levying fines) for non-compliance. If the regulatory body meets all four elements of authority, and the assessment teams find at least two such instances in the last year in which the regulatory body has demonstrated its ability to make use of legal authority granted to it, then a value of ‘ High’ should be considered.

In the justification, the assessment teams should discuss the status of each element of authority by referring to the specific provision in the law / rule / regulation and applicable restrictions / limitations. If in the opinion of the assessment team the restrictions / limitations are major (i.e. likely to render its authority ineffective) then this should be clearly stated and that authority should not be considered applicable to the regulatory body while assigning the value. Also the two instances of use of legal authority by the regulatory body in the last one year should be clearly mentioned.

RP 2 AUTHORITY OF THE REGULATORY BODY		
Elements of Quality		Explanation
<b>Authority</b>		
Information and evidence	—	
Investigation	—	
Enforce compliance	—	
Penalties for breach of order	—	
<b>Practice</b>		
Exercise of Authority	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The authority of the regulatory body does not meet any elements of authority		Low —
The authority of the regulatory body meets <b>one - two</b> elements of quality		Low-Medium —
The authority of the regulatory body meets <b>three</b> elements of quality		Medium —
The authority of the regulatory body meets <b>all four</b> elements of authority		Medium-High —
The authority of the regulatory body meets all four elements of authority, and it also meets the <b>element of quality for practice</b> of this authority.		High —

<p><b>Researcher Name and Organization:</b></p>  <p><b>Sources of Information:</b></p>   <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP3 Jurisdiction of the regulatory body

#### **Relevance of the Indicator:**

This indicator focuses on the functions and jurisdiction of the regulatory body, or the substantive areas over which the body has authority. Functions refer to the mandate or tasks entrusted to the regulatory body and may include: approval of revisions to tariffs; approval of power purchase and/or fuel costs; ensuring fair competition; prevention of market power monopoly; setting service standards, approval of capital expenditures, protecting the interests of consumers, issuing, as well as modifying or revoking licenses. A regulatory body that receives high values on indicators RP 1 and 2 -- independent structure for regulation and legal authority-- can still be rendered ineffective if its substantive mandate is very limited and narrow. For example, in certain cases the electricity reform act or privatization concessions issued by the government may already define parameters such as the costs of purchasing power from new generation facilities, or possible efficiency gains. In such cases the role of the regulatory body will be very limited. This indicator assesses the extent to which the regulatory body is entrusted with sufficient substantive authority (functions), and freedom in decision-making.

#### **Guidance for assessment teams:**

This indicator assesses two aspects of the regulatory body's 'functions' or jurisdiction. First, the indicator assesses whether the functions are clearly defined in applicable laws, rules, regulations or decrees. Legal instruments should not be ambiguous about the mandate of the regulatory body, because such ambiguity may render the regulatory decision-making process more susceptible to subversion and capture. If there is such ambiguity about major functions, then a value '**Low**' should be assigned for this indicator.

The second aspect addressed is the range of functions entrusted to the regulatory body. For the regulatory body to be effective it is essential that it have a wide mandate. Of the many possible functions that a regulatory body can perform, determining those which are critical and those which are not, depends on the particular country scenario and includes considerations such as market structure (monopoly v/s competition); industry structure (integrated v/s unbundled utilities) and ownership (public sector v/s private sector).

For example, if the reform model requires all distribution utilities to purchase power from a power exchange, then the function of regulating power purchase is not critical but the function of designing / regulating the power exchange becomes critical. Similarly, if the reform model is based on retail competition (i.e., allowing consumers to choose suppliers and negotiate prices), then ensuring fair competition becomes a more critical function than tariff-setting. Examples of other important functions that could be entrusted to the regulatory body are listed in the 'relevance of the indicator' section above. Teams may also find it helpful to review critical functions identified by earlier assessments (available at <http://electricitygovernance.wri.org>)

Before assigning a value to this indicator, assessment teams should develop a list of critical functions and clearly explain the reason for each entry in the list. The assessment teams should list the critical functions entrusted to the regulatory body and state the basis for this determination. In addition to reviewing pertinent legal documents, team should use discussions with regulatory body members or staff, utility representatives, and consumer groups active in the regulatory process.

In some cases the legal instruments themselves entrust particular critical functions to the regulatory body but leave very little freedom for regulatory decision-making. In effect, this renders the body unable to perform those functions. For example, if the electricity law says that the regulatory body should set tariffs, but privatization concessions require the regulatory body to only consider certain specified performance parameters (such as transmission and distribution losses or capital investments), then the regulatory body does not actually have jurisdiction over tariff setting

**RP 3 JURISDICTION OF THE REGULATORY BODY**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
Functions of the regulatory body <b>are not clearly defined</b> and there is considerable ambiguity about the jurisdiction of regulatory body	Low ___
Functions of the regulatory body are clearly defined but it is <b>not</b> entrusted with <b>three or more</b> critical functions	Low-Medium ___
Functions of the regulatory body are clearly defined, but it is <b>not</b> entrusted with <b>two</b> critical functions	Medium ___
Functions of the regulatory body are clearly defined, but it is <b>not</b> entrusted with <b>one</b> critical function	Medium-High ___
Functions of the regulatory body are clearly defined, and it <b>is entrusted</b> with <b>all</b> critical functions	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP 4 Scope and transparency of the environmental mandate of the regulatory body

#### **Relevance of the indicator:**

Many regulatory decisions (e.g., setting electricity prices; approving licenses for power plants; setting performance standards for service quality, etc.) have environmental impacts. Since electricity is traditionally generated and transmitted using conventional technologies such as coal and fossil fuel thermal power plants or hydro-electricity connected to a national grid, standard regulatory approaches often do not adequately consider the effect of decisions on incentives for renewable energy, energy efficiency or distributed generation sources. These circumstances may require different forms of price controls and investment incentives. Addressing these environmental considerations requires deliberate, concerted efforts on the part of regulators. It is important that environmental considerations be included in the mandate of the regulatory body. The term “mandate” is used to describe the legal purpose or parameters within which an organization is entrusted to perform a service. This indicator looks at whether laws and documents that describe the regulatory body’s roles and responsibilities define environmental responsibilities.

#### **Guidance for assessment teams:**

Assessment teams should review the basic foundational documents that present the mandate, roles and responsibilities of the independent regulatory body or unit responsible for electricity sector oversight (pricing, licensing, and representation of public interest concerns). Assessment teams are expected to judge both the scope (breadth) of the regulator’s environmental mandate, as well as the degree to which these can be accessed by, or are communicated to, the public.

#### **Elements of Quality:**

##### **Scope of Mandate:**

- *Environment included in mandate:* Documents describing the roles and responsibilities of the regulatory body **mention** environmental issues either as a separate sub-section or discrete set of issues or in the context of the regulator’s responsibilities with regard to safeguarding or balancing impacts on public benefits.
- *Specific responsibilities:* Specific priorities and considerations are defined. Illustrative examples of specific considerations could include: a commitment to evaluate the equity impacts of tariff decisions and other rules and regulations, development and adoption of a goal to improve access to electricity nationally or regionally, agreement to verify that generation plants (existing or proposed) are in compliance with impact assessment requirements and environmental standards before modifying or issuing new licenses to operate, or periodic reviews/analysis to ensure a level playing field for all generation technologies, including those that have low environmental impacts.

##### **Information Disclosure:**

- *Published in government journal:* Description of regulator’s environmental responsibilities is published in the official government journal.
- *Available on website:* Documents related to the regulator’s environmental responsibilities are posted on the regulator’s website.
- *Low cost:* Documents related to the regulator’s environmental responsibilities are available to the public free or at low cost.
- *Available in a range of formats:* Documents related to the regulator’s environmental responsibilities are provided in a range of forms / formats that are accessible to the general public and civil society organizations (brochures, poster, information sheets, public service announcements, etc.).
- *Wide dissemination:* The regulator has disseminated information regarding its environmental responsibilities through various media / outlets (public offices / libraries, internet, radio, newspapers, etc.).
- *Groups representing environmental concerns:* The regulator has made systematic efforts to disseminate information regarding its environmental responsibilities to groups representing environmental concerns (renewable energy, energy efficiency, air quality impacts of power generation, etc.).

<b>RP 4 SCOPE AND TRANSPARENCY OF THE ENVIRONMENTAL MANDATE OF THE REGULATORY BODY</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
<b>Scope of Mandate</b>		
Environment included in mandate	—	
Specific responsibilities	—	
<b>Information Disclosure</b>		
Published in government journal	—	
Available on website	—	
Low cost	—	
Available in a range of formats	—	
Wide dissemination	—	
Groups representing environmental concerns	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
<b>No</b> elements of quality are met		Low —
<b>One</b> element of quality for scope of environmental mandate is met. <b>Less than two</b> elements of quality for information disclosure are met		Low-Medium —
<b>Both</b> elements of quality for clarity on environmental mandate are met. But <b>less than two</b> elements of quality for information disclosure are met		Medium —
<b>Both</b> elements of quality for clarity on environmental mandate are met. Disclosure of this information meets <b>three or more</b> elements of quality		Medium-High —
<b>Both</b> elements of quality for clarity on environmental mandate are met. Disclosure of this information meets <b>four or more</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p>  <p><b>Sources of Information:</b></p>   <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP5 Scope and transparency of the social mandate of the regulatory body

#### **Relevance of the indicator:**

Many regulatory decisions have significant social impacts – for example tariff setting processes have implications for affordability; licensing of new generation facilities can have implications for access to electricity. It is therefore important that social considerations be included as part of the mandate of the regulatory body. The term “mandate” is used to describe the legal purpose or parameters within which an organization is entrusted to perform a service. This indicator looks at whether laws and documents that describe the regulatory body’s roles and responsibilities define social responsibilities.

#### **Guidance for assessment teams:**

Assessment teams should review the basic foundational documents that present the mandate, roles and responsibilities of the independent regulatory body or unit responsible for electricity sector oversight (pricing, licensing, and representation of public interest concerns). Assessment teams are expected to judge both the scope (breadth) of the regulator’s environmental and social mandate, as well as the degree to which these can be accessed by, or are communicated to, the public.

#### **Elements of quality:**

##### **Scope of Mandate:**

- *Social issues included in mandate:* Documents describing the roles and responsibilities of the regulatory body **mention** social issues.
- *Specific responsibilities:* Specific priorities and considerations are defined.

##### **Information Disclosure:**

- *Published in government journal:* Description of regulator’s social responsibilities is published in the official government journal.
- *Available on website:* Documents related to the regulator’s social responsibilities are posted on the regulator’s website.
- *Low cost:* Documents related to the regulator’s social responsibilities are available to the public free or at low cost.
- *Available in a range of formats:* Documents related to the regulator’s social responsibilities are provided in a range of forms / formats that are accessible to the general public and civil society organizations (brochures, poster, information sheets, public service announcements, etc.).
- *Groups representing social issues and weaker communities:* The regulator has made systematic/planned efforts to disseminate information regarding its social responsibilities to marginalized/less privileged populations (indigenous groups, women’s associations, representatives of low-income consumers, etc.).

RP 5 SCOPE AND TRANSPARENCY OF THE SOCIAL MANDATE OF THE REGULATORY BODY		
Elements of Quality		Explanation
<b>Scope of Mandate</b>		
Social issues included in mandate	—	
Specific responsibilities	—	
<b>Information Disclosure</b>		
Published in government journal	—	
Available on website	—	
Low cost	—	
Available in a range of formats	—	
Wide dissemination	—	
Groups representing social issues and weaker communities	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
No elements of quality are met		Low —
One element of quality for scope of social mandate is met. No elements of quality for information disclosure are met		Low-Medium —
Both elements of quality for clarity on social mandate are met. But less than two elements of quality for information disclosure are met.		Medium —
Both elements of quality for clarity on social mandate are met. Disclosure of this information meets three or more elements of quality		Medium-High —
Both elements of quality for clarity on social mandate are met. Disclosure of this information meets four or more elements of quality		High —

<p><b>Researcher Name and Organization:</b></p>   <p><b>Sources of Information:</b></p>     <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP6 Selection of regulators

#### **Relevance of the Indicator:**

Decisions of the regulatory body have critical impacts on the development of the electricity sector and the welfare of consumers. Decisions of the regulatory body often have significant economic implications for utilities. Fostering an effective regulatory process also requires the regulatory body to have significant procedural authority and jurisdiction. It is essential that the key individuals or members of the regulatory body are qualified, capable and free from the influence of vested interests if they are to make effective use of the authority they are assigned, and execute the responsibilities of the regulatory body in the public interest. A robust process selecting members of the regulatory body is therefore crucial. This indicator is only applicable if there is an independent regulatory body (and the value assigned to RP 1 is medium-high or high).

#### **Guidance for assessment teams:**

This indicator focuses on five key elements that make the selection process effective and a value is assigned depending on how many of these elements are present in a particular selection process. None of these elements is 'sufficient' on its own, but a combination can lead to an improved selection process. These five elements include:

- *Independence of the selection process:* The selection process is independent and does not allow any particular stakeholders undue influence. Typical examples of such mechanisms are selection through an independent selection committee or through a standing body responsible for appointment and selection of top government bureaucrats and senior management of state-owned companies (note the composition of such selection committees will vary - if the assessment team feels that the composition of the committee precludes independence, then this element of quality is not met, but teams should be sure to clearly explain the basis for this judgment)
- *Well-defined process:* The selection process is clearly laid out. Relevant legal instruments specify key aspects of the selection process: who will select; when and how nominations will be called for; and when and how actual appointments will be made;
- *Transparency about candidates:* Basic information on the backgrounds of short-listed candidates such as their past employment, qualifications and interests in electricity or related sectors, is made public prior to making final decisions.
- *Criteria for composition and eligibility:* Legal instruments clearly specify the composition of the regulatory body (in terms of how many members and desired skills) as well as eligibility criteria for members in terms of education, professional experience, and other such qualities
- *Differing tenures:* Legal instruments specify varying tenures for members of the regulatory body to minimize the possibility of undue influence on the selection process by the political / electoral cycle (in other words, different members retire at different times, to avoid the possibility that all members will be appointed during the term of the same government or administration).

<b>RP6 SELECTION OF REGULATORS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Independence of the selection process	—	
Well-defined process	—	
Transparency about candidates	—	
Criteria for composition and eligibility	—	
Differing tenures	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The selection process of regulatory body members meets <b>one</b> element of quality		Low —
The selection process of regulatory body members meets <b>two</b> elements of quality		Low-Medium —
The selection process of regulatory body members meets <b>three</b> elements of quality		Medium —
The selection process of regulatory body members meets <b>four</b> elements of quality		Medium-High —
The selection process of regulatory body members meets <b>all five</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP7 Preventing formal conflicts of interests on the part of regulators

#### **Relevance of the Indicator:**

In order to ensure regulatory credibility and fairness it is crucial to prevent conflict of interests of regulatory body members. The nature of conflicts of interests can be diverse. For example, a member may have substantial financial interests in the electricity sector or he/she may have been an employee of one of the utilities to be regulated. In such cases it is more likely that the decisions of the regulatory body would favor the narrow interests of its members than the broader public interest. It is therefore essential to have adequate legal provisions in place to try to prevent such conflicts of interest.

#### **Guidance for assessment teams:**

Typically, to prevent such conflicts of interest the legal instruments of the selection process should specify that before appointing any candidate as a member of the regulatory body, he/she must disclose his/her financial and/or other interests in the electricity or related sectors to the appointing authority / selection committee.

Typical provisions to address such conflicts of interest are:

- *Financial Interests:* Regulatory body members or their close relatives should not have any financial interests in any organization or utility related to or doing business in the electricity sector;
- *Cooling off period:* Regulatory body members cannot take any commercial employment / consultancy with an electricity sector entity for a few years after retiring;
- *Re-appointment prohibited:* Members cannot be re-appointed on the same regulatory body;
- *Regulatory representation prohibited:* Members cannot represent the interests of any party before the regulatory body in the future.

This indicator assesses whether the legal instruments (laws, rules or regulations) have explicit provisions to prevent conflict of interest. Assess how many of the typical provisions mentioned above are fulfilled in the applicable laws, rules, or regulations. The teams may have to look at broader administrative laws / regulations if such legal instruments have a bearing on appointments of regulatory body members. Values should be assigned based on the number of applicable provisions. If the assessment teams find that applicable laws and regulations have met all four formal measures for preventing conflicts, but feel that these are inadequate to prevent conflict of interest in practice, then they should elaborate on this aspect in the additional information section by giving reasons for inadequacy of these provisions. If possible they should also suggest additional or alternative provisions and mechanisms.

<b>RP7 PREVENTING FORMAL CONFLICTS OF INTERESTS ON THE PART OF REGULATORS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Financial interests	—	
Cooling off period	—	
Re-appointment prohibited	—	
Regulatory representation prohibited	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Applicable laws, rules or regulations do not include explicit elements to prevent conflicts of interests of regulatory body members		Low —
The applicable laws, rules or regulations include <b>one</b> of the four elements to prevent conflicts of interests of regulatory body members		Low-Medium —
Applicable laws, rules or regulations include <b>two</b> of the four elements to prevent conflicts of interests of regulatory body members.		Medium —
Applicable laws, rules or regulations include <b>three</b> of the four elements to prevent conflicts of interests of regulatory body members		Medium-High —
Applicable laws, rules or regulations include <b>all four</b> elements to prevent conflicts of interests of regulatory body members.		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### RP8 Autonomy of regulatory body

**Relevance of the indicator:**

To ensure that the regulatory body functions without the influence of or interference from various stakeholders, it is essential that the regulatory body is autonomous. If the regulatory body does not have sufficient autonomy it is likely that it will be ineffective in fostering a rational, credible regulatory process, and may become vulnerable to undue influences or pressures from different stakeholders.

**Guidance for assessment teams:**

Assessment teams should research the applicable legal instruments to assess how many of the elements of quality have been met in the regulatory body structure and operations. If there are similar regulatory bodies for other sectors (water, telephone, gas, etc.) then comparison will also be useful for this purpose.

**Elements of Quality:**

- *Fixed tenure*: Members of the regulatory body are assured of a fixed tenure. This could be judged from the appointment and removal provisions in the relevant statutes. Typical examples of legal provisions to ensure fixed tenure include appointment for a fixed number of years; removal only on specified grounds such as moral turpitude or insolvency after elaborate legal procedure that may involve the judges from a senior court.
- *Financial autonomy*: financial resources are adequate to ensure effective functioning of the regulatory body. For example, in some cases regulatory bodies themselves are allowed to raise required resources by charging a fee to licensees, or on electricity sales. In some cases, the executive has the responsibility of approving budgets prepared by the regulatory body, and making sufficient resources available in a timely manner. The regulatory body's procedural freedom to adjust such fees budgets and to actually utilize these resources also needs to be considered. The regulatory body must also be held accountable for its expenditures, and therefore subject to standard government audit and accounting norms. These distinctions need to be considered when assessing whether this element of quality is met.
- *Discretion over human resources*: The regulator has adequate human resources --either through permanent staff or consultants. The adequacy of human resources can be assessed by comparing whether projected staff and consulting requirements have actually been available in practice. The regulator should also have freedom to select its own staff and consultants, and decide on their terms of remuneration.

<b>RP8 AUTONOMY OF REGULATORY BODY</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Fixed tenure	—	
Financial autonomy	—	
Discretion over human resources	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The autonomy of the regulatory structure does not meet <b>none</b> – <b>one</b> element of quality		Low —
The autonomy of the regulatory structure meets <b>two</b> elements of quality		Medium —
The autonomy of the regulatory structure meets <b>three</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP9 Appeal mechanism

#### **Relevance of the indicator:**

Creating a provision for appeal of regulatory decisions can provide a basis for strengthening direct accountability to stakeholders. This strengthens confidence in the regulatory process, and can in turn enhance the effectiveness of regulation. This indicator addresses the extent to which there is scope to appeal the regulatory body's decisions, and the grounds for pursuing appeals

#### **Guidance for assessment teams:**

This indicator considers four elements of quality for assessing the quality of appeals mechanism, wherever it is allowed. If a review or appeal of the orders and decisions of the regulator body is not allowed, then a value of low should be assigned. Assessment teams should determine which of the following elements of quality are fulfilled.

#### Elements of Quality:

- *Any affected party can appeal a decision:* Applicable laws allow appeals or review of regulatory decisions by any party affected by the decision. Many regulatory decisions affect consumers as well as broader public interests. It is therefore essential that consumer, public interest groups and other affected parties have be allowed to file for appeal or review, even though they may not have been a direct party to the original case brought before the regulator.
- *Appeals can be filed on procedural grounds:* A review or appeal of the orders and decisions of the regulatory body are allowed on the grounds of procedural violation (i.e. not issuing proper notice, or not giving opportunity of hearing to one party). This possibility enhances regulatory credibility and certainty that regulatory bodies will follow pre-defined procedures while making decisions, and is a key provision for accountability.
- *Appeals can be filed on substantive grounds:* Regulatory decisions can be appealed if they are based on inadequate analysis, failure to consider important facts, or other substantive grounds. Such appeals involve more in-depth scrutiny of the decisions / orders of the regulator, hence making it more accountable.
- *Appeal mechanism impacts decisions in at least one case:* There is at least one instance / case in the last one (calendar or financial) year in which the decisions or orders of the regulatory body have been significantly modified or overturned. An appeals mechanism is only meaningful if it actually prompts changes in decisions on the part of the regulator. To assess whether this element of quality is met, the assessment teams should review the history of cases filed before the appellate forum. Actual precedence of major changes in the regulatory body decisions by appellate forum validates the utility of appeals mechanism in making regulatory bodies more accountable.

RP 9 APPEAL MECHANISM		
Elements of Quality		Explanation
Any affected party can appeal a decision	—	
Appeals can be filed on procedural grounds	—	
Appeals can be filed on substantive grounds	—	
Appeal mechanism impacts decisions in at least one case	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The orders or decision of the regulatory body <b>cannot</b> be challenged in the form of review or appeal before another authority or in a court of law		Low —
Review or appeal regulatory decisions meets <b>one</b> element of quality		Low-Medium —
Review or appeal regulatory decisions meets <b>two</b> elements of quality		Medium —
Review or appeal regulatory decisions meets <b>three</b> elements of quality		Medium-High —
Review or appeal regulatory decisions meets <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP10 Judicial courts or administrative forums that address environmental and social claims

#### **Relevance of the indicator:**

The quality of the judiciary systems that hear or are responsible for hearing and resolving claims related to environmental damages is a key factor in achieving positive environmental and social outcomes. In this case, the judicial courts that hear --or have heard-- claims related to power sector infrastructure, or claims related to the denial of basic procedural rights of citizens in decision-making in the electricity sector.

#### **Guidance for assessment teams:**

This case study indicator should be applied to a case related to an environmental or social aspect of power sector regulations that has been brought before a country's judicial or administrative review system in the past 5 years. If no cases have been brought before the courts in the past 5 years, then this indicator should not be applied.

A decision is binding when the responding party is obliged to abide by decisions and the forum can apply a punitive or remedial measure to ensure that the decision is honored. Punitive measures include loss of job, fine, or even imprisonment, where a responding party does not adhere to the decision. Remedial measures include the ability of the forum to cause a third party to provide the requested relief.

To assess the court's or forum's impartiality and independence, the assessment team should consider whether:

- Members of the court/forum have tenure of appointment or some other assurance that their livelihood is not threatened by their decisions
- rules or practices require limited relationships and/or contact with the parties to a proceeding, or require forum members to eliminate themselves from decisions where they might have a conflict of interest
- Members of the court/forum are drawn from a sector that has a clear stake in the outcome or are elected or appointed by a constituency that has a stake in the outcome

#### **Elements of quality:**

- *Binding Decisions:* The court / forum issued a binding decision allowing redress of environmental and social damages.
- *Independence:* The court / forum was independent and impartial.
- *Capacity to address sector-specific issues:* The court / forum had the capacity and training to influence the decision.
- *Access to information for parties:* Parties to the process were able to gain access to information and conduct fact-finding as necessary.
- *Clear basis for claims:* The law clearly defined what claims or kinds of damages the court / forum will consider.
- *Standing of affected parties:* Parties other than utility representatives were recognized to have standing to bring a claim before the forum.

<b>RP10 QUALITY OF THE JUDICIAL OR ADMINISTRATIVE FORUMS THAT ADDRESS ENVIRONMENTAL AND SOCIAL CLAIMS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Binding decisions	—	
Independence	—	
Capacity to address sector- specific issues	—	
Access to information for all parties	—	
Clear basis for claims	—	
Standing of affected parties	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The judicial or administrative forum exhibited <b>none</b> of the elements of quality		Low —
The judicial or administrative forum exhibited <b>one - two</b> elements of quality		Medium —
The judicial or administrative forum exhibited <b>three or more</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p>        <p><b>Any Additional Information:</b></p>
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### RP11 Training of regulatory body members and staff

#### **Relevance of the indicator:**

The electricity sector in many countries has undergone rapid changes in market structure, industry structure and ownership over the past few years. The role of regulators has been made more complex by changes in the financial sector, in technology, and growing interdependence across countries. Regulators address very complex issues, and the capacity of regulators and their staff to deal with new and technically complex challenges needs to be enhanced on an ongoing basis through training and education. Training and education should also come from a diverse range of faculty and sources that represent different perspectives and viewpoints, to avoid the possibility of indoctrination in any one perspective. This indicator addresses whether regulatory members and their staff have access to such training and educational opportunities.

#### **Guidance for assessment teams:**

Through interviews with staff of the regulatory body, surveys, and published sources such as annual reports, the assessment team should research the various training courses that members of the regulatory body and senior staff have participated in over the last two years. In addition to finding out how many courses were attended (by all members and staff of the regulatory body), teams should also collect information on sources of funding or sponsors for the training courses, and the organizers and faculty of the course, to assess whether the three elements of quality identified below have been met. If regulators and senior staff together, have had three or less than three such training opportunities in the past two years, then a value of 'Low' or 'Low-medium' should be assigned. If more than three trainings have occurred, teams should assess whether this training meets the elements of quality.

#### **Elements of Quality:**

- *Certainty*: the regulatory body has a clear and implemented policy that ensures regulatory body members and their staff receives training / knowledge enhancement on a regular basis, for example by specifying a certain number of days of training for each members and senior staff.
- *Multi-disciplinary training*: members of the regulatory body and senior staff have attended courses from more than one discipline (i.e. technical, economic / financial, legal, public policy, social development).
- *Diversity*: The training opportunities expose regulatory body members and staff to a range of viewpoints and perspectives about the issues before the electricity sector, and a variety of solutions through policy and regulatory approaches. Teams should analyze training courses attended by members and staff in last two years to determine whether a diverse range of institutes organize trainings, or funding sources for these trainings come from a number of sources and involve a diversity of faculty perspectives.

RP 11 TRAINING OF REGULATORY BODY MEMBERS AND STAFF		
Elements of Quality		Explanation
Certainty	—	
Multi-disciplinary training	—	
Diversity	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Regulatory body members and staff have <b>not received</b> any specialized training opportunities in the last two years		Low —
Regulatory body members and staff have <b>received</b> three or less than three specialized training opportunities in the last two years		Low-Medium —
Regulatory body members and staff have <b>received</b> four or more specialized training opportunities in the last two years, but this training meets <b>one</b> element of quality		Medium —
Regulatory body members and staff have <b>received</b> four or more specialized training opportunities in the last two years, and this training meets <b>two</b> elements of quality		Medium-High —
Regulatory body members and staff have <b>received</b> four or more specialized training opportunities in the last two years, and this training meets <b>three</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP12 Regulator's capacity to evaluate environmental issues

#### **Relevance of the indicator:**

The existence of the necessary financial resources and staff expertise within the regulatory body (or executive branch unit responsible for oversight of the electricity sector) to adequately address environmental problems is a measure of institutional commitment as well as capacity to address sustainability. While the regulatory body may not be expected to take responsibility or have internal capacity for all environmental issues, resources and clear systems should exist to enable the regulator to draw on the capacity of public agencies such as those responsible for environment, protected areas, large infrastructure development, water resources, or public health.

#### **Guidance for assessment teams:**

Assessment teams will need to rely on diverse sources of information, including staff directories or lists, interviews with former or current executive staff, and, to the extent possible, planning or other documents that detail budgetary expenditures and staff resources. The aim should be to gain a sense of the general state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Capacity:**

- *Dedicated financial resources:* Specific budgetary resources are explicitly earmarked or directed to support research or investigation into environmental issues or problems.
- *Access to expertise:* Systems are set up for the executive to draw on the staff and expertise of related government bodies. Specific systems exist for collaboration with the agency responsible for the environment and at least two of the following agencies: health, water, gender, rural development / agriculture, education, oil/gas/ petroleum (if separate).
- *Designated point person:* At least one staff person has explicit responsibility to address the environmental aspects of policies and performance in the electricity sector.
- *Knowledge enhancement on environmental issues:* Evidence of staff training / knowledge enhancement on environmental issues in the past two years.

RP12 REGULATOR'S CAPACITY TO EVALUATE ENVIRONMENTAL ISSUES		
Elements of Capacity		Explanation
Dedicated financial resources	—	
Access to expertise	—	
Designated point person	—	
Knowledge enhancement on environmental issues	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Regulatory body exhibits <b>no</b> elements of capacity to assess environmental issues		Low —
Regulatory body exhibits <b>at least one</b> element of capacity to assess environmental issues		Medium —
Regulatory body exhibits <b>two or more</b> elements of capacity to assess environmental problems or issues		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP13 Regulator's capacity to evaluate social issues

#### **Relevance of the indicator:**

The existence of the necessary financial resources and staff expertise within the regulatory body (or executive branch unit responsible for oversight of the electricity sector) to adequately address social problems is a measure of institutional commitment as well as capacity to address sustainability. While the regulatory body may not be expected to take responsibility or have internal capacity for all social issues, resources and clear systems should exist to enable the regulator to draw on the capacity of public agencies such as those responsible labor, health, gender, housing, rural and urban development, public services, or similar issues.

#### **Guidance for assessment teams:**

Assessment teams will need to rely on diverse sources of information, including staff directories or lists, interviews with former or current executive staff, and, to the extent possible, planning or other documents that detail budgetary expenditures and staff resources. The aim should be to gain a sense of the general state of capacity for a relatively recent time period (within the last five years).

#### **Elements of Capacity:**

- *Dedicated financial resources:* Specific budgetary resources are explicitly earmarked or directed to support research or investigation into social issues.
- *Access to expertise:* Systems are set up for the executive to draw on the staff and expertise of related government bodies. Specific systems exist for collaboration with at least two of the following agencies: health, water, labor, gender, rural development, education,
- *Designated point person:* At least one staff person has explicit responsibility to address the social aspects of policies and performance in the electricity sector.
- *Knowledge enhancement on social issues:* Evidence of staff training / knowledge enhancement on social issues / problems in the past two years.

<b>RP13 REGULATOR'S CAPACITY TO EVALUATE SOCIAL ISSUES</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Dedicated financial resources	—	
Access to expertise	—	
Designated point person	—	
Knowledge enhancement on social issues	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Regulatory body exhibits <b>no</b> elements of capacity to assess social issues		Low —
Regulatory body exhibits <b>at least one</b> element of capacity to assess social issues		Medium —
Regulatory body exhibits <b>two or more</b> elements of capacity to assess social problems or issues		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP14 Information available to public regarding use of consultants

#### **Relevance of the indicator:**

Consultants often play a key role in the regulatory process, assisting and advise the regulator on key issues such as tariff revisions or power purchases. Transparency in the choice and performance of these consultants is therefore crucial to enhance accountability and credibility in the regulatory process.

#### **Guidance for assessment teams:**

Considering the important role that consultants often play in regulatory decision-making, it is essential that substantial information regarding their role be made available to the public. This indicator assesses the extent to which the regulatory body makes this information available to the public. To apply this indicator, seek information on the procedures and practices of the regulatory body for the use of consultants, to determine whether the following elements of quality are fulfilled:

#### **Elements of Quality:**

- *Details of the consulting arrangement are publicly available:* Substantial details about the consulting arrangement such as terms of reference, budget and procedure for selecting the consultant, and the final choice are **routinely** made public (either through the website or published annual report or other similar measure) for all consulting arrangements.
- *Reports and recommendations of the consultants publicly available:* The report or other advice provided by the consultant should be made available to public as a **routine practice**, with reasonable lead time before making decisions based on the consultant's recommendations.

<b>RP 14 INFORMATION AVAILABLE TO PUBLIC REGARDING USE OF CONSULTANTS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Details of the consulting arrangement publicly available	—	
Reports and recommendations of the consultants publicly available	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
No details of the consultants involved in assisting the regulatory body (other than the name of the firm) are made public on a routine basis		Low —
Public disclosure regarding use of consultants meets <b>one</b> element of quality		Medium —
Public disclosure regarding use of consultants meets <b>two</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP15 Clarity about regulatory procedures and substantive basis of decisions

#### **Relevance of the indicator:**

The regulatory body needs to function in a predictable manner. Clarity about the procedures of the regulator can enhance the credibility of the regulatory process for all stakeholders. This indicator assesses the extent to which the regulatory body operates according to clearly laid out rules, regulations, and guidelines.

#### **Guidance for assessment teams:**

This indicator considers certainty about the procedures of the regulator, and certainty about the substantive basis for its decisions. Procedural certainty relates to well-laid-out, defined rules of procedure for filing cases or petitions, public hearings, etc. Certainty about substantive decision-making includes regulations such as principles to guide tariff setting, principles to guide power purchase approvals, parameters for evaluation of capital and other expenditure by licensees. Such rules and guidelines govern the substantive basis for regulator decisions. This indicator does not address flexibility or rigidity of such rules / regulations / guidelines since the appropriateness of such qualities will be highly country-specific.

To apply this indicator, assessment teams should select a representative case or decision made by the regulator in the past year. First, teams should assess whether the process defined in the laws and rules of the body were followed in reaching a decision or order. The team's analysis should address parameters such as the timeline for making the decision, and the different stages of hearings from the admission of the petition /case, validation and collection of evidence, and public hearings. Second, the teams should analyze whether the decision or order reflects pre-defined substantive criteria, norms or principles that guide regulatory decisions. Depending on the nature of the case study, the team's analysis should address parameters such as the criteria for approving new generation capacity / power purchase agreements, and tariff determination. Based on this research, the team should determine whether the following elements of quality have been met in the case study:

#### **Elements of Quality:**

- *Procedural certainty*: the regulatory body followed rules of business or procedures in making a decision. If either there are no clear rules or procedure for regulatory decision-making, then this element of quality is not fulfilled.
- *Clarity about substantive basis of decisions*: The regulator adhered to regulations and guidelines that govern substantive aspects of the regulatory process. If either there are no clear guidelines or principles for the substantive basis for decision making in place, then this element of quality is not fulfilled

<b>RP15 CLARITY ABOUT REGULATORY PROCEDURES AND SUBSTANTIVE BASIS OF DECISIONS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Procedural certainty	—	
Clarity about substantive basis of decisions	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The proceeding before the regulatory body did not meet any elements of quality.		Low —
The proceeding before the regulatory body meets <b>one</b> element of quality		Medium —
The proceeding before the regulatory body meets <b>two</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP16 Regulator's response to environmental and social claims

#### **Relevance of the indicator:**

This indicator is intended to assess whether the regulatory body in the electricity sector (or the closest equivalent) recognizes the relevance or legitimacy of environmental and social claims in practice, consistent with its mandate to address these issues (as addressed in RP 4 and 5). Electricity sector officials may not always recognize social or environmental issues as relevant to the operations of the electricity sector. But many regulatory decisions can have potentially far reaching effects (both positive and negative) on the environment and on human welfare, so it is important that agencies overseeing the electricity sector recognize the relevance of these claims to sector performance. For example, electricity regulatory bodies make decisions about technical distribution losses, energy conservation and demand side management, and renewable energy that have major environmental implications. Similarly, regulatory decisions about electricity prices can make household electricity services unaffordable for low income consumers, so claims regarding the impacts of electricity prices, the need to balance these impacts with cost recovery or profit should be considered.

#### **Guidance for assessment teams:**

This indicator should be applied if a value of "Medium" or higher was assigned to RP4 and / or 5. The team should identify the specific environmental and social responsibilities that are included in the mandate and list these in the indicator explanation section. The team should then review cases brought before the energy regulator over the past two years that were made on the basis of environmental and social considerations (e.g., price impacts on the poor, public health and air quality impacts resulting from license for new generation plant, barriers to entry for renewable energy generators, etc.), and select a case that is broadly representative of recent general practice. Next, use the elements of quality to assess whether the regulator was willing to consider the claim, as it has clear environmental and social responsibilities as part of its mandate, or whether the claim was rejected.

#### **Elements of quality:**

- *Explanation provided for response to claim:* The regulator provides a justification for accepting or rejecting the claim.
- *Exercise of stated environmental and social mandate:* The regulator responded to the claim in a manner consistent with its mandate. Claims should be mapped against the regulator's stated mandate, to determine whether none, some, or the entire mandate is being implemented or actively pursued by the regulator. If the assessment team's review of claims or decisions that relate to environmental and social concerns demonstrate that the regulator is either failing to partially or fully exercise its social and environmental mandate, then this element of quality is not met.

<b>RP16 REGULATOR'S RESPONSE TO ENVIRONMENTAL AND SOCIAL CLAIMS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Explanation provided for response to claim	—	
Exercise of stated environmental and social mandate	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Regulators response to cases on environmental or social grounds meets <b>no</b> elements of quality		Low —
Regulator's response to cases on environmental or social grounds meets <b>one</b> element of quality		Medium —
Regulator's response to cases on environmental or social grounds meets <b>both</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP17 Proactive initiatives of the regulator

#### **Relevance of the indicator:**

The electricity sector is complex and dynamic. Regulators that take the initiative to address new challenges that confront the sector are more likely to be effective than regulators that only responds to cases or petitions that are brought before it by licensees and other stakeholders. This indicator addresses the extent to which the regulator is proactive about taking the initiative to address issues that affect the sector.

#### **Guidance for assessment teams:**

The proactive nature and initiative of the regulatory body can be assessed based on certain types of events or decisions the body makes. Some of these typical events / instances are described below. Assessment teams should determine how many such events / instances have taken place in the last two years and evaluate them accordingly.

Assessment teams should describe each such event that it considers an instance of 'proactiveness'. If the regulatory body has existed for less than two years this indicator should not be applied, for in this initial period where the regulatory body is faced with the challenge of establishing itself as an institution, it will be difficult for it to be proactive.

Pro-active measures by the regulatory body:

- *Self initiated cases (Suo-motu petitions)*: Suo-motu petitions are cases initiated by the regulatory body of its own volition to address anomalies or issues that confront the electricity sector. Assessment teams should determine whether the regulatory body has initiated any such efforts, and if so record how many times it has done so.
- *Discussion papers, studies, conferences*: Studies, discussion papers and conferences can be useful tools to generate public debate and consultation about important issues. Assessment teams should determine whether the regulatory body has used any of these tools. Such papers / studies / conferences must result from the regulator's own initiative, and should not be a direct response to any legal requirements or cases filed before the regulatory body.

**RP 17 PROACTIVE INITIATIVES OF THE REGULATOR**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
There are <b>no</b> instances of the regulatory body making proactive initiatives in the past two years.	Low ___
There are <b>one - four</b> instances of the regulatory body making proactive initiatives in the past two years.	Low-Medium ___
There are <b>more than five</b> instances of the regulatory body making proactive initiatives in the past two years.	Medium ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**



## **REGULATORY PROCESS**

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### RP18 Disclosure of documents in the possession of the regulatory body

**Relevance of the indicator:**

The credibility of the regulatory process hinges on its transparency. This indicator assesses the extent to which all documents / information which form the basis of regulatory decisions and orders are available to public. The indicator also addresses the extent to which there are any restrictions, on making documents public.

**Guidance for assessment teams:**

Assessment teams should study applicable law, rules, and regulations of the regulatory body to assess the extent to which these documents are available to the public. If the regulatory process is subject to any overarching 'right to information' statutes, then these should also be studied. Any case law or judgments of the court that have significant impact on these issues should also be considered. If this indicator is applied to a unit within the executive (rather than a separate independent commission), then the operating procedures and rules of executive regarding disclosure of documents will need to be reviewed.

**RP18 DISCLOSURE OF DOCUMENTS IN THE POSSESSION OF THE REGULATORY BODY**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
All documents in the possession of the regulatory body are considered confidential, or the regulator is bound to keep all documents confidential if any stakeholder claims confidentiality	Low ___
All documents (or documents for which any party claims confidentiality) in the possession of the regulatory body are expected to be confidential, <b>but</b> , the regulatory body has the authority to make documents public (even if a party has claimed confidentiality)	Low-Medium ___
Decisions regarding whether the public can have access to documents are at the discretion of regulatory officials. There are <b>no clear provisions</b> about which documents in the possession of the regulatory body are public or confidential.	Medium ___
All documents in the possession of the regulatory body are presumed to be available to the public unless they are classified as ‘confidential’ by the regulator, but <b>there are no well-defined procedures and rules</b> to determine ‘confidentiality’	Medium-High ___
All documents in the possession of the regulatory body are presumed to be available to the public unless certain documents are classified as ‘confidential’ by the regulatory body, and <b>there are clear procedures and rules</b> to define such ‘confidentiality’	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### RP19 Procedure for public access to regulatory body documents

#### **Relevance of the indicator:**

Legal requirements to disclose information only support transparency if that information is actually accessible by the public. For such access to information provisions to have impact, it is important to ensure that this right to information can be exercised in practice, and that there are no hurdles to obtaining documents at an operational level. This indicator focuses on operational issues and practices for access to information.

#### **Elements of Quality:**

- *Well-indexed database of documents:* An index of documents is available to help people know what documents are available, and help them identify and access these documents.
- *Simple, well-defined procedure for inspecting / obtaining documents:* Such procedures help operationalize access to information. The lack of such procedures discourage people from exercising their rights to information, as they will have to spend significant time and effort to obtain documents, and may become a tool for officials to hide information from the public.
- *Reasonable cost:* The cost for assessing (inspection or obtaining copies) the documents is reasonable. High costs will discourage people from seeking information available to them. Assessment teams can judge whether costs are reasonable on the basis of considerations such as expense for photocopying documents or administering the document disclosure system.
- *Wide dissemination of information:* Efforts are made to make the public aware of how they can access information in the possession of the regulator through measures such as advertisements, brochures, websites and newsgroups. In the absence of such dissemination efforts, few people may be aware of the measures, and consequently not utilize them, despite the presence and simplicity of the procedure.

<b>RP19 PROCEDURE FOR PUBLIC ACCESS TO REGULATORY BODY DOCUMENTS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Well-indexed database of documents	—	
Simple, well-defined procedure for inspecting / obtaining documents	—	
Reasonable cost	—	
Wide dissemination of information	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Procedures for public access to regulatory documents meets <b>no</b> elements of quality		Low —
Procedures for public access to regulatory documents meets <b>one</b> element of quality		Low-Medium —
Procedures for public access to regulatory documents meets <b>two</b> elements of quality		Medium —
Procedures for public access to regulatory documents meets <b>three</b> elements of quality		Medium-High —
Procedures for public access to regulatory documents meets <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p>   <p><b>Any Additional Information:</b></p>
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## **REGULATORY PROCESS**

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### RP20 Space for public participation in the regulatory process

**Relevance of the indicator:**

Effective public participation can enable the consideration of a diverse range of perspectives in regulation, and reduce opportunities for regulatory capture by facilitating direct accountability to citizens. This indicator assesses the extent to which the proceedings of the regulatory body are open, and people have the right to participate in these proceedings.

**Guidance for assessment teams:**

Relevant statutes (laws, rules or regulations) may allow all proceedings before the regulatory body to be open, implying that any member of the public can sit in the hearing / meeting room during proceedings of the regulatory body, but they may not be allowed have any input to the discussion record (in effect, they are not allowed to participate). If people are allowed to participate in the proceedings, then they should also have the right to make submissions that become part of the record of the proceedings. The term, 'public' is used in this indicator to describe any interested or affected party or person.

**RP20 SPACE FOR PUBLIC PARTICIPATION IN THE REGULATORY PROCESS**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
Laws states that regulatory proceedings are <b>not open</b> and the public has <b>no</b> right to participate	Low ___
Laws state that <b>unless</b> the regulatory body makes a special order, proceedings before the body are <b>not open</b> and the public <b>has no right</b> to participate	Low-Medium ___
Laws <b>do not specify</b> whether proceedings before the regulatory body are open to the public or if the public can participate in the proceedings	Medium ___
By law, all proceedings before the regulatory body are <b>open</b> to the public, but the public has <b>no right</b> to participate	Medium-High ___
By law, all proceedings before the regulatory body are <b>open</b> to the public, <b>and</b> the public <b>has the right</b> to participate	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP21 Public access to regulatory documents and hearings

#### **Relevance of the indicator:**

The two preceding indicators assessed procedures for public access to regulatory documents and space for public participation in the regulatory process. The impact of these transparency and participation provisions is contingent on citizen interest and capacity to take advantage of this institutional space for them to be included in the regulatory process. This indicator therefore assesses the extent to which the public have made use of these procedures and spaces in practice.

#### **Guidance for assessment teams:**

This indicator should only be applied if the values assigned to for indicators RP19 and RP20 (procedure for public access to regulatory body documents and space for public participation in the regulatory process) are both 'Medium' or higher. Assessment teams should determine the total number of:

- *Number of public requests for documents:* The number of times in the past year members of the general public or any consumer / civil society group have used procedures to access regulatory body documents such as petitions and other submissions made before the regulatory body, consultant reports to the regulator, etc. (calendar year or administrative / financial year), Requests for published documents such as orders and rules / regulations should not be counted for this purpose. Regulatory bodies typically maintain registers to track requests for documents. To seek information for this element, assessment teams should review such registers or other such systems in place at the regulatory body to track document requests. Teams can also gather this information while interviewing regulatory body staff, but if this research approach is adopted teams should confirm the information provided by staff by seeking the names and contact information of people seeking information.
- *Participation in public hearings:* Number of hearings in the last one year in which members of the public (other than parties to the relevant cases or proceedings, were present). The objective is to measure the extent to which people and civil participate in hearing on the strength of standard systems without special efforts made by the regulatory body, so decisions such as tariff revisions that are widely advertised should not be included in this review.

**RP21 PUBLIC ACCESS TO REGULATORY DOCUMENTS AND HEARINGS**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
In the last one year there were <b>up to 10 ‘instances’</b> of use of procedures and spaces for public access to documents and hearings	Low ___
In the last one year there were <b>11 - 25 ‘instances’</b> of use of procedures and spaces for public access to documents and hearings	Medium ___
In the last one year there were <b>more than 25 ‘instances’</b> of use of procedures and spaces for public access to documents and hearings	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**



### RP22 Institutional mechanisms for representing the interests of weak groups

#### **Relevance of the indicator:**

Even when people have a right to participate, experience suggests that the interests of some sections of society are often not adequately represented in the regulatory process. These sections typically include small consumers with low paying capacity, elderly and retired people, consumers in rural / remote areas, as well as tribal / indigenous populations. While regulatory decisions may have the greatest impact on these weaker groups (at least in part because they are poorer), their concerns may not be taken into account in decision-making if they are not represented. Special arrangements are therefore needed to include the interests of these weaker sections of society.

#### **Guidance for assessment teams:**

A number of institutional arrangements can be used to enhance the representation of the interests of weaker stakeholders. Having multiple mechanisms in place can help ensure these systems are not subverted or weakened over time. An illustrative list of such institutional structures is given below.

#### **Institutional Arrangements**

- *Consumer Representatives:* one or more “consumer representatives” may be appointed to represent the interests of consumers before the body in all proceedings;
- *Submissions on behalf of weaker groups:* regulatory body staff may make specific submissions on behalf of weaker sections;
- *Government representation:* A separate government institution may exist with the specific mandate of representing the interests of weaker sections in regulatory proceedings
- *Representation by executive branch for social development:* the government ministry or department tasked with social and rural development or employment/ labor issues may be included when regulatory decisions are likely to have significant impact on weaker / marginalized sections.
- *Other mechanisms*

This list of mechanisms is not comprehensive and there may be other such mechanisms in place in different countries—assessment teams should be sure to consider alternative approaches that may be employed in their country, while assigning value for this indicator. The details of these institutional mechanisms should be provided in the indicator explanation.

**Note:** This indicator will not be applicable if people have no right to participate in the regulatory process (i.e., if the value assigned to RP20 is low or medium low, i.e., the proceedings before the regulatory body are not open to the public in general).

RP22 INSTITUTIONAL MECHANISMS FOR REPRESENTING THE INTERESTS OF WEAK GROUPS		
Institutional Arrangements		Explanation
Consumer Representatives	—	
Submissions on behalf of weaker groups	—	
Government representation	—	
Representation by executive branch for social development	—	
Other mechanisms	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
<b>No special efforts</b> / arrangements are made to ensure that the interests of weaker sections / stakeholders are represented during the regulatory process		Low —
There is <b>no permanent</b> institutional arrangement to ensure that the interests of weaker sections / stakeholders are adequately represented in the regulatory process, but on certain occasions the regulatory body makes <b>ad-hoc</b> arrangements for this purpose		Low-Medium —
<b>One</b> institutional arrangement is in place to ensure that the interests of weaker sections / stakeholders are adequately represented in the regulatory process		Medium —
<b>Two</b> institutional arrangements are in place to ensure that the interests of weaker sections / stakeholders are adequately represented in the regulatory process.		Medium-High —
<b>Three</b> institutional arrangements are in place to ensure that the interests of weaker sections / stakeholders are adequately represented in the regulatory process.		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP23 Building the capacity of weaker groups to participate in the regulatory process

#### **Relevance of the indicator:**

In addition to creating mechanisms that represent the interests of weaker stakeholders in the regulatory process, it is also important to develop the capabilities of such stakeholders to participate directly in the regulatory process to represent their own interests and issues independently. Unless this is done, such weaker stakeholders will perpetually rely on the support of the various mechanisms discussed in RP22 (i.e., consumer representatives or regulatory body staff with specific mandate), which may not always adequately advance their interests in the long term.

#### **Guidance for assessment teams:**

This indicator assesses two key ways of enhancing the capability of weaker sections / stakeholders: provision of information to weaker stakeholders and provision of financial and legal support. For example, in some cases the regulatory body or other government agency may provide free legal advice to eligible petitioners, waive petition fees and charges, or provide financial support to perform studies. In applying this indicator, assessment teams should consider the standard and routine practices of the relevant agency, rather than ad-hoc or one-off efforts by the relevant agency to this end. Weaker sections or stakeholders are defined to include socio-economically vulnerable groups such as indigenous communities, low income groups, populations in isolated rural areas, informal industries and other small commercial establishments.

#### **Elements of Quality:**

- *Information targeting weaker stakeholders:* the regulator body or another government agency undertakes activities such as training courses, preparation of informational brochure and other literature targeted at weaker stakeholders
- *Support for weaker stakeholders to represent themselves:* the regulatory body or another government agency provides technical, legal and / or financial support for weaker stakeholders to represent their own interests in regulatory proceedings.

<b>RP23 BUILDING THE CAPACITY OF WEAKER GROUPS TO PARTICIPATE IN THE REGULATORY PROCESS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Information targeting weaker stakeholders	—	
Support for weaker stakeholders to represent themselves	—	
<b>Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Regulatory body or other government agency <b>does not</b> undertake any activity to build capacity of weaker sections <b>or</b> to provide financial, technical and legal support		Low —
Regulatory body or other government agency's efforts to build capacity of weaker sections meets only one element of quality		Medium —
Regulatory body or other government agency's efforts to build capacity of weaker sections meet both elements of quality.		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS

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### RP24 Interventions by civil society in the regulatory process

#### **Relevance of the indicator:**

Many of the earlier indicators assessed the existence of procedures and mechanisms to enhance public participation in the regulatory process. However, these procedures and mechanisms for public participation are only meaningful if civil society organizations make use of these measures in practice. This indicator assesses the frequency and depth of public participation in the regulatory process.

#### **Guidance for assessment teams:**

- *Number of cases filed:* Assessment teams should determine the number of cases filed by consumers or civil society organizations in support of the long-term public interest. Appeals against the orders of regulatory bodies should be counted as separate cases. However, petitions filed by consumer groups in response to tariff-increases filed by utilities should not be included in this count as these are submissions made in response to a case / petition filed by licensee, whereas the intent of this parameter is to seek information about proactive efforts and use of the regulatory process by public.
- *Nature of cases filed:* Teams should also review the nature of cases filed. Cases filed before the regulatory body may be (1) "Private interest" cases whose outcome would primarily benefit a particular consumer or set of consumers, and/ (2) "Class benefit" or "Public interest" cases whose outcomes would be in the long-term interest of more than one consumer category. While private interest cases are important, civil society groups have a responsibility to use the regulatory process to advance long term public interests.
- *Number of civil society organizations involved:* Teams should also identify the number of civil society organizations involved. If more than two organizations have filed cases in the long term "public interest" before the regulatory body, then teams should consider assigning this indicator a value of 'High.'

Assessment teams should discuss the impact or relevance of the values in three earlier indicators on the value for this indicator. For example, if this indicator has a low value then is this the result of low values in earlier related indicators? If there are multiple regulators as electricity is regulated at the state level in the assessment country, then this indicator should only be applied to one case study regulator (i.e. all three parameters should be applied to the same regulatory body).

**RP24 INTERVENTIONS BY CIVIL SOCIETY IN THE REGULATORY PROCESS**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
During the last two years <b>no</b> cases were filed before the regulatory body by consumers or civil society organizations / groups	Low ___
During the last two years one or more cases pertaining to “private interests” were filed by consumers / groups	Low-Medium ___
During the last two years between <b>one and three</b> “public interest” cases were filed by civil society organizations / groups	Medium ___
During the last two years <b>more than three</b> “public interest” cases were filed by civil society organizations	Medium-High ___
During the last two years, apart from meeting the above criteria, (i.e. more than three public interest cases) <b>more than two</b> civil society organizations / groups were involved in the “public interest” cases / appeals	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP25 Electricity provider engagement with civil society organizations and potentially-affected populations

#### **Relevance of the indicator:**

The direct interface between civil society organizations and electricity service providers can be an important component of the electricity sector decision chain. As community-based and other civil society groups grow increasingly well versed in sector issues and demand being included in decision-making, they are increasingly well-placed to take their demands directly to service providers and exert influence. For example, community organizations have sometimes approached distribution companies to discuss expansion of service / access, or improvements in metering systems. This indicator seeks to address the degree to which service providers allow formal space for this engagement to be constructive (beyond just taking consumer grievance claims). For simplicity, this indicator focuses on the most important utility or private sector electricity distributor in terms of population coverage or volume of revenues generated.

#### **Guidance for assessment teams:**

If the sector is unbundled, apply the indicator to a utility / company engaged in distribution. Try to select a utility that is a dominant player in its sub-sector, or covers a significant share of the population. This indicator will require an interview or direct communications with the selected service provider, and with representatives of communities or civil society organizations that have interacted with the service provider. Resources for vulnerable groups may include covering travel and lodging costs associated with a consultation, or support with translation. To test availability of information about filing complaints, the team should rely on an Internet search, visit the corporate public information office (if that exists), or directly request the information from the service provider.

#### **Elements of quality:**

- *Designated department:* A department exists --or at least one specific staff person is appointed-- with responsibility for engaging and consulting the public (distinct from a public relations or consumer grievance function).
- *Corporate policy addresses community engagement:* The policy defines when and on what issues the service provider seeks to engage the public or potentially affected communities, and this policy is publicly posted (either electronically on the internet or at a public information office).
- *Creation and operation of a consultation group:* Provider has invited civil society organizations, community based and policy or issue oriented organizations, to form part of a consultative group that meets on a periodic basis to discuss specific issues of relevance to both the provider and civil society.
- *Support for weaker groups:* Evidence that corporation / utility provides resources to more vulnerable or weaker socio-economic sectors to enable their engagement / participation in a consultation process initiated / led by the utility / provider.
- *Information on how groups can file complaints:* Service provider communicates or supplies information on how collective groups of customers or populations potentially affected by its actions / development activities can file complaints.

<b>RP25 ELECTRICITY PROVIDER ENGAGEMENT WITH CIVIL SOCIETY ORGANIZATIONS AND POTENTIALLY-AFFECTED POPULATIONS</b>		
<b>Elements of Quality</b>		<b>Explanation</b>
Designated department	—	
Corporate policy addresses community engagement	—	
Creation and operation of a consultation group	—	
Support for weaker groups	—	
Information on how groups can file complaints	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The most important electricity provider meets <b>no</b> elements of quality for effective engagement with civil society		Low —
The most important electricity provider meets <b>one</b> element of quality for effective engagement with civil society		Low-Medium —
The most important electricity provider meets <b>two</b> elements of quality for effective engagement with civil society		Medium —
The most important electricity provider meets <b>three</b> elements of quality for effective engagement with civil society		Medium-High —
The most important electricity provider meets <b>four</b> or more elements of quality for effective engagement with civil society		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP26 Orders and decisions of the regulatory body

#### **Relevance of the indicator:**

Stakeholders need to know the basis for regulatory decisions, and understand how their comments and views have been taken into account in these decisions, if they are to have faith in the decisions of the regulatory body. If the orders and decisions of the regulator do not have a clear basis and justification, stakeholders may not be satisfied with outcomes. Requiring the regulatory body to provide reasons for its decisions and to respond to public comments and objections is also essential to promote accountability in the regulatory process.

#### **Guidance for assessment teams:**

Analyze the legal provisions (laws, rules, regulations or decrees) that establish operating guidelines for the regulator to see whether they require the regulatory body to give reasoned orders and responses to public comments or objections. Assessment teams will subsequently have to form an opinion about the 'sufficiency' or quality of reasoning provided by the regulatory body in its orders. To do so they should select three representative orders / decisions of the regulatory body and evaluate whether, on balance, these orders are reasoned. Case studies for this indicator can be selected from important or high profile orders or decisions made in the last one year, and may include issues such as tariff determination or change, approval of power projects, and power purchase agreements. In the indicator explanation the team's should clearly justify its opinion about the quality of reasoning and include direct of what teams consider to be good- or bad-quality reasoning from the case study order. Teams should exercise care to ensure that the indicator assesses only the quality of reasoning in the order, and not the merit of the decision itself. In other words, **do not** assess whether the decision was correct or incorrect any stakeholder perspective.

**RP26 ORDERS AND DECISIONS OF THE REGULATORY BODY**

<b>Explanation:</b>	
<b>Values</b>	<b>Select</b>
Not applicable/ Not assessed	___
There is <b>no</b> legal requirement that regulatory orders / decisions contain reasons or respond to public comments and objections	Low ___
There <b>is</b> a legal requirement <b>but</b> orders / decisions of the regulatory body <b>either lack sufficient</b> reasons <b>or</b> fail to respond to public comments and objections	Medium ___
There <b>is</b> a legal requirement <b>and</b> orders / decisions of the regulatory body <b>contain sufficient</b> reasons and respond to public comments and objections	High ___

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### RP27 Dissemination of decisions

**Relevance of the indicator:**

To enhance the credibility of the regulatory process and ensure that the regulatory body's decisions are widely available, an effective dissemination process is essential. This indicator assesses how the regulatory body disseminates its orders and decisions.

**Guidance for Assessment Teams:**

Teams should assess whether the following elements of quality are met, by reviewing the dissemination process and practice followed by the regulatory body. This information could be compiled from interviews of staff of the regulatory body, visiting the regulatory body's reading room /library as well as its website etc.

**Elements of Quality:**

The five elements of quality for effective dissemination process are:

- *Easy availability:* All orders / decisions of the regulatory body are be easily accessible to stakeholders through measures such as making copies available for sale at the regulatory body's office (or at locations such as public libraries in large geographic areas), posting orders / decisions on the regulatory body's website, etc.
- *Timely availability:* All orders / decisions should be made available to stakeholders soon (within one week) after they are finalized and the decision has been shared with the parties directly involved. The time taken to make orders or decisions available on official websites is a good basis for determining whether these orders / decisions are made public in a timely manner.
- *Local language:* orders / decisions are available in languages understood by most people in the regulator's jurisdiction. In many countries the regulatory body's official language is different from the common local language. If orders / decisions are only available in a language that most people affected by the decision do not understand, they will not be able to use them effectively. .
- *Use of multiple modes of dissemination:* The regulatory body makes special efforts, such as issuing press release and advertisements in newspapers and TV to disseminate key, important decisions of the regulatory body such as tariff revisions.
- *Help in understanding orders:* The regulatory body provides support in the form preparation of brochures / pamphlets, or the appointment of a public officer to help explain the order and its impact on people in cases where orders are particularly complex and important.

RP27 DISSEMINATION OF DECISIONS		
Elements of Quality		Explanation
Easy availability	—	
Timely availability	—	
Local language	—	
Use of multiple modes of dissemination	—	
Help in understanding orders	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
The process for dissemination of the regulatory body's orders / decisions meets no elements of quality		Low —
The process for dissemination of the regulatory body's orders / decisions meets <b>one to two</b> elements of quality		Low-Medium —
The process for dissemination of the regulatory body's orders / decisions meets <b>three</b> elements of quality		Medium —
The process for dissemination of the regulatory body's orders / decisions meets <b>four</b> elements of quality		Medium-High —
The process for dissemination of the regulatory body's orders / decisions meets <b>five</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

### RP 28 Tariff philosophy

**Relevance of the indicator:**

Predictability and certainty in the regulatory process is necessary to create stakeholder confidence in the regulatory process. Certainty and predictability also enables stakeholders to plan advance actions to meet the regulatory expectations, or minimize adverse effects. An overarching tariff philosophy with clear principles that guide periodic tariff revisions can help establish such certainty, and increase accountability in the regulatory body's tariff setting process. These principles typically cover issues such as how to address cross-subsidization, incentive- or performance-based regulation, which costs will be included in tariff, and which benchmarks (if any) will be used. A tariff philosophy is usually very broadly defined in policy documents or in the rules and orders of the regulatory body. This indicator assesses the existence and quality of the regulatory body's tariff philosophy (or principles to guide tariff setting).

**Guidance for assessment teams:**

Assessment teams should review the legal instruments, as well as policy documents prepared by the regulatory body, and review them to see whether the following elements of quality have been met. The assessment team should also review the most recent tariff order produced by the regulator to determine whether they principles / philosophy were applied in practice.

**Elements of Quality:**

- *Detailed analysis:* a detailed analysis of cost drivers, projected efficiency gains, and economic impact on different stakeholders such as utilities, governments and different consumer categories is required
- *Mitigating adverse impacts:* measures to mitigate adverse impacts on different stakeholders such as weaker sections and/or utilities are required
- *Easy to understand:* the tariff philosophy is presented in simple language, is well-defined, and clear (there is minimal room for conflicting interpretation of the principles);
- *Recent tariffs reflect the philosophy /principles:* The most recent tariff order / decision of the regulatory body includes an explanation of how the decision is consistent with the principles stated in the tariff philosophy.

RP 28 TARIFF PHILOSOPHY		
Elements of Quality		Explanation
Detailed analysis	—	
Mitigating adverse impacts	—	
Easy to understand	—	
Recent tariffs reflect the philosophy /principles	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There are is no tariff philosophy or principles to guide the regulatory body’s tariff determination process		Low —
Tariff determination is guided by predetermined tariff philosophy / principles, but meets zero or <b>one</b> element of quality		Low-Medium —
Tariff determination is guided by predetermined tariff philosophy / principles, but meets <b>two</b> elements of quality		Medium —
Tariff determination is based on / guided by predetermined tariff philosophy / principles, but meets <b>three</b> elements of quality		Medium-High —
Tariff determination is guided by predetermined tariff philosophy / principles, and meets <b>all four</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP29 Participation in decision-making related to affordability of electricity prices

#### **Relevance of the indicator:**

Electricity prices have important social impacts. They determine how much of a household's income is spent on electricity, have ripple-effects throughout the economy that make productive activities more or less expensive, and also drive decisions to undertake or employ energy conservation measures. For these reasons, electricity tariffs must balance different objectives such as efficiency, cost recovery for utilities, sufficient returns to ensure maintenance and new investment in the electricity sector, and distributional impacts on small and large electricity consumers. Pricing tends to be dominated by concerns with cost recovery and fair returns. Relatively less attention is given to low-income constituencies, or to the impact on poverty. The degree to which regulators explicitly consider affordability and seek to understand the impact of tariff revisions by seeking the views or input of the consumers most likely to be affected by electricity price changes is an indicator of their attention to this key public interest concern.

#### **Guidance for assessment teams:**

This case study indicator should be applied to major tariff decision issued by the regulator within the last five years. It could involve either a major changes in electricity prices nationally or at the state level among trend-setting provinces or states. The assessment team should focus on the regulatory body, executive branch, or agency responsible for setting or revising electricity prices. Review the most current policies and procedures for tariff revision, documents that lay out the principles to be followed in determining electricity tariffs, and, if possible, documents related to the most recent tariff revision or review. This will draw on research collected to apply the regulatory process indicators. The team will need to verify whether any formal requirements are in place for consultation with civil society or public interest groups, and if such a requirement specifies particular mechanisms or approaches. The team should then seek to interview relevant authorities and a sample of representatives from organizations that have a history of representing poverty concerns or consumer associations to assess whether these consultations actually took place. Other sources of information include media or press reports or records of official meetings, if such records can be obtained by the assessment team.

#### **Elements of quality:**

- *Attention to affordability in tariff principles / philosophy:* Explicit attention was given to the affordability of electricity services for low-income and rural consumers.
- *Public participation in revisions:* More than two mechanisms of public participation were used to get input from low-income or differentially impacted socio-economic groups in proposed tariff revisions, and there was a publicly available explanation of how their views were incorporated into the final tariff.
- *Educating low-income groups:* Systematic efforts to educate or communicate with low-income or differentially impacted socio-economic groups (such as rural households, informal businesses and small enterprises, low-income urban populations, retirees, etc.) regarding the impact of and justification for tariff changes. Explanatory notes should record the form or methods employed to educate or raise awareness.

<b>RP29 PARTICIPATION IN DECISION-MAKING RELATED TO AFFORDABILITY OF ELECTRICITY PRICES</b>		
Attention to affordability in tariff principles / philosophy	—	
Public participation in revisions	—	
Educating low income groups	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
No elements of quality for participatory decision-making to address affordability of electricity services were met in the tariff revision process		Low —
Three elements of quality for participatory decision-making to address affordability of electricity services were met in the tariff revision process		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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## REGULATORY PROCESS CASE STUDY INDICATOR

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### RP30 Licensing

#### **Relevance of the indicator:**

Issuing distribution or other types of licenses / concessions or approving power purchase agreements is a major function of the regulatory body. The regulatory body's decisions on these issues have major financial and other long term implications for consumers and the sector. The specific features of a favorable license or power purchase agreement are substantially affected by the unique situations that vary from country to country and are therefore beyond the scope of this toolkit. This indicator assesses the general elements of a robust licensing process by the regulatory body.

#### **Guidance for assessment teams:**

Assessment teams should review the legal instruments (laws, rules, regulations etc.) and two recent licensing / power purchase agreements / approvals conducted by the regulatory body. Based on this review teams should first decide if the applicable legal instruments, clearly define circumstances / conditions / investments for which a licensee / concession will be required, distinct from cases that will not require a license/ concession. For example, is a license required to supply electricity to remote areas not served by the national grid? Does extending power lines or building a new power plant require a license / concession from the electricity regulator? If laws and regulations are not clear about 'requirements' or 'exemptions' for a license / concession, then assessment teams should assign a value of low. If there is such clarity, then the teams should assess whether the following elements of quality are met.

#### **Elements of Quality:**

- *Well defined procedure for consideration of license applications:* the process for consideration of the licensee application is well defined to avoid discretion, and ensure procedural certainty. Applicable laws specify timelines and the manner in which cases will be processed
- *Well defined criteria for consideration of license applications:* Applicable laws, regulations and rules clearly define conditions / criteria that will be used to determine whether the license /concession will be granted.
- *Clarity about the basis for amendment / revocation / suspension of licenses:* The license / concession / agreement has clear provisions regarding the process and conditions for amendment, revocation or suspension of licenses.
- *Dispute resolution* - The license / concession / agreement has clear provisions regarding the processes, mechanism, and conditions for resolution of disputes between the regulator and licensee
- *Compliance and performance-monitoring:* The license / concession / agreement has clear provisions regarding the processes and mechanisms for monitoring the compliance and performance of the licensee.

Because desirable provisions for these three aspects will significantly depend on each country's specific country, assessments teams should provide a detailed itemization of which issues have clear provisions and which do not.

RP30 LICENSING		
Elements of Quality		Explanation
Well defined procedure for consideration of license applications	—	
Well defined criteria for consideration of license applications	—	
Clarity about the basis for amendment / revocation / suspension of licenses	—	
Dispute resolution	—	
Compliance and performance-monitoring	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There are <b>no</b> clear rules regarding ‘requirements’ or ‘exemptions’ for licenses		Low —
The licensing process meets <b>one - two</b> elements of quality		Low-Medium —
The licensing process meets <b>three</b> elements of quality		Medium —
The licensing process meets <b>four</b> elements of quality		Medium-High —
The licensing process meets <b>all five</b> elements of quality		High —

**Researcher Name and Organization:**

**Sources of Information:**

**Any Additional Information:**

## REGULATORY PROCESS

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### RP31 Periodic performance reports by licensees and utilities

#### **Relevance of the indicator:**

For the regulatory process to be effective it is essential that the regulatory body and all stakeholders have access to reports on utility performance on a routine basis. A good regulatory process ensures this access through a binding requirement for the utilities to file periodic performance reports. This indicator assesses the existence of such reporting requirements and the quality of such reporting in terms of the content of the reports, and the methods of disseminating this information.

#### **Guidance for assessment teams:**

Utility performance reports are typically referred to as annual reports, annual revenue requirements (ARR), or annual performance reviews. In some cases utilities may be required to file such reports less regularly (every 2 - 3 years). These reports are usually filed with the regulatory body or some government department / authority (e.g., the department of energy). This indicator should be applied to the most recent reports submitted by licensees and utilities. If no reports have been submitted in the last three years, then a value of low or not applicable should be assigned.

#### **Elements of Quality:**

- *Mandatory filing requirement:* Utilities and licensees are required to file periodic performance reports, and the consequences of not filing these reports (such as penalty fees, or license revocation) are clearly defined.
- *Easy availability:* Reports are easily accessible if they are available to stakeholders through the website, included in the library / information office of the utility / regulatory body (or, in case of large geographical area, at other locations like public libraries, etc.), and other such measures.
- *Timely availability:* Reports are made accessible to stakeholders within 3 – 6 months from the end of the reporting period (if the reporting period is one year or longer).
- *Available in local languages:* Reports are available in languages understood by most people in the service area of the licensee or utility. In many countries, business is conducted in a different than the commonly spoken local language. If reports are available only in business language the public cannot use them effectively.
- *Consistency and clarity of reporting parameters:* utilities use consistent parameters and data for their reporting over time and the assumptions, basis of different parameters are clearly specified. Ideally, utilities will increasingly use global standards for these reports such as the *Global Reporting Initiative* guidelines.
- *Comprehensive reporting:* All information essential for assessing utility performance is provided in the report. Critical information includes various components utility costs (human resources, interest, power purchase, fuel cost, etc.), the performance of generation plants, details of transmission and distribution systems, transmission and distribution losses, revenue from different consumer categories, as well as connected load and demand patterns. The nature of information expected in the report will depend on the market structure and regulatory system. If regulation is on a cost-plus basis, then many more details pertaining on licensee expenditure are needed, than in the case of incentive or performance-based regulation.

RP31 PERIODIC PERFORMANCE REPORTS BY LICENSEES AND UTILITIES		
Elements of Quality		Explanation
Mandatory filing requirement	—	
Easy availability	—	
Timely availability	—	
Available in local languages	—	
Consistency and clarity of reporting parameters	—	
Comprehensive reporting	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
Utilities and licensees (electricity companies) are <b>not</b> required to file periodic performance reports with the regulatory body		Low —
Utilities and licensees are required to file periodic performance reports, but reporting meets <b>one - two</b> elements of quality		Low-Medium —
Utilities and licensees are required to file periodic performance reports, but reporting meets <b>three</b> elements of quality		Medium —
Utilities and licensees are required to file periodic performance reports, but reporting meets <b>four - five</b> elements of quality		Medium-High —
Utilities and licensees are required to file periodic performance reports, but reporting meets <b>all six</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p> <p><b>Sources of Information:</b></p> <p><b>Any Additional Information:</b></p>
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### RP32 Consumer service and quality of supply

#### **Relevance of the indicator:**

From a consumer perspective, the quality of service and reliable electricity supply is very important. Typical parameters for assessing the quality of consumer service include the accuracy of metering and billing; quality of bill payment facilities; the time taken for new connections; and procedures and time for increase in load. Typical parameters for assessing quality of supply include voltage fluctuations; frequency and duration of interruptions in service, load-shedding, etc. Ensuring reliable and high quality electricity supply and efficient service is one of the important aspects of the regulatory process. This indicator assesses mechanisms in the regulatory process to meet this responsibility.

#### **Guidance for assessment teams:**

Assessment teams should review policy documents prepared by the regulatory body and operational guidelines to determine whether the following elements of quality have been met.

#### **Elements of Quality:**

##### **Existence of Standards**

- *Standards for consumer service and supply quality:* the regulator has adopted clear and reasonable standards of performance for consumer service and quality of supply
- *Supply standards are mandatory:* regulated entities (utilities, distribution companies and other licensees) are required to meet these standards

##### **Quality of Standards**

- *Monitoring performance:* Systematic mechanism to monitor actual performance in terms of consumer service and quality of supply exist
- *Compliance reviews:* Periodic reviews are undertaken to evaluate compliance with the standards of performance.
- *Compliance review information / results publicly available:* Base documents / data for compliance reviews (such as actual performance levels) are made available to the public, and the public has an opportunity to make comments and suggestions;
- *Consumer grievance:* Well-defined procedures and forums for addressing consumer grievances regarding service and quality of supply exist.

RP32 CONSUMER SERVICE AND QUALITY OF SUPPLY		
Elements of Quality		Explanation
<b>Existence of Standards</b>		
Standards for consumer service and supply quality	—	
Supply standards are mandatory	—	
<b>Quality of Standards</b>		
Monitoring performance	—	
Compliance reviews	—	
Compliance review information / results publicly available	—	
Consumer grievance	—	
<b>Continued Explanation:</b>		
<b>Values</b>		<b>Select</b>
Not applicable/ Not assessed		—
There are <b>no</b> well-defined standards of performance for consumer service and quality of supply		Low —
Consumer service and quality of supply standards exist, but they are <b>not</b> mandatory		Low-Medium —
Consumer service and quality of supply standards are mandatory, but they meet <b>one</b> element quality		Medium —
Consumer service and quality of supply standards are mandatory, but they meet <b>two - three</b> elements of quality		Medium-High —
Consumer service and quality of supply standards are mandatory, they meet <b>all four</b> elements of quality		High —

<p><b>Researcher Name and Organization:</b></p>  <p><b>Sources of Information:</b></p>   <p><b>Any Additional Information:</b></p>
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**POLICY PROCESS**

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
<b>INSTITUTIONS</b>			
PP1	Capacity of legislative committee	<ul style="list-style-type: none"> <li>• Access to knowledge</li> <li>• Knowledge enhancement</li> <li>• Financial Resources</li> <li>• Authority</li> </ul>	
PP2	Capacity of legislative committee to assess environmental issues	<ul style="list-style-type: none"> <li>• Relevant expertise</li> <li>• Designated point person</li> <li>• Dedicated financial resources</li> <li>• Knowledge enhancement on environmental issues</li> </ul>	
PP3	Capacity of legislative committee to assess social issues	<ul style="list-style-type: none"> <li>• Relevant expertise</li> <li>• Designated point person</li> <li>• Dedicated financial resources</li> <li>• Knowledge enhancement on social issues</li> </ul>	
PP4	Effective functioning of the legislative committee on electricity	<ul style="list-style-type: none"> <li>• Disclosure of interests</li> <li>• Active committee</li> <li>• Reasoned reports</li> <li>• Proactive committee</li> <li>• Public consultations</li> <li>• Transparency of submissions to committee</li> <li>• Transparency of committee reports</li> <li>• Reporting by executive</li> </ul>	
PP5	Staffing policies of electricity ministry/ department	<ul style="list-style-type: none"> <li>• Clear criteria</li> <li>• Predictable tenure</li> <li>• Disclosure of interests</li> <li>• Conflict of interest rules</li> </ul>	
PP6	Clarity and transparency of the executive's environmental mandate	<ul style="list-style-type: none"> <li>• Environmental responsibilities defined</li> <li>• Cooperation with other authorities</li> <li>• Available on website and local offices</li> <li>• Regular reporting</li> <li>• Outreach to weaker groups</li> </ul>	
PP7	Clarity and transparency of the executive's social mandate	<ul style="list-style-type: none"> <li>• Social responsibilities defined</li> <li>• Cooperation with other authorities</li> <li>• Available on website and local offices</li> <li>• Regular reporting</li> <li>• Outreach to weaker groups</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
PP8	Capacity of executive to evaluate environmental issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on environmental issues</li> </ul>	
PP9	Capacity of executive to evaluate social issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on social issues</li> </ul>	
PP10	Annual reports of the electricity ministry/department	<ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Review of progress</li> <li>• Easy availability</li> <li>• Local languages</li> </ul>	
PP11	Advisory committees to the electricity ministry / department	<ul style="list-style-type: none"> <li>• Clear mandate</li> <li>• Balanced composition</li> <li>• Financial resources</li> <li>• Regular meetings</li> <li>• Public disclosure of minutes</li> <li>• Public disclosure of documents</li> <li>• Transparent feedback from executive</li> </ul>	
PP12	Effective functioning of distinct planning / policy agency	<ul style="list-style-type: none"> <li>• Requirement to consult planning agency</li> <li>• Mechanism to evaluate executive response</li> <li>• Authority to seek information</li> <li>• Adequate resources</li> <li>• Transparency in functioning</li> <li>• Consultation procedures</li> </ul>	
PP13	Capacity of civil society organizations	<ul style="list-style-type: none"> <li>• Techno-economic analytic capacity</li> <li>• Proactive engagement and strategic capability</li> <li>• CSO analysis of environmental and social impacts</li> <li>• Support for weaker groups and grass roots links</li> <li>• Ongoing learning capacity</li> <li>• Networking</li> <li>• Broad credibility</li> </ul>	
<b>POLICY FORMULATION</b>			
PP14	Quality of legislative debate on electricity laws	<ul style="list-style-type: none"> <li>• Duration of debate</li> <li>• Attendance of members</li> <li>• Composition of speakers</li> <li>• Availability of transcripts</li> </ul>	



	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
PP15	Quality of media coverage of electricity policy and reform	<ul style="list-style-type: none"> <li>• Volume of coverage</li> <li>• Quality of coverage</li> <li>• Balance of coverage</li> </ul>	
PP16	Clarity of process for public participation in policy-making	<ul style="list-style-type: none"> <li>• Responsibility for decision</li> <li>• Clear time frame for decision</li> <li>• Clear time frame for input</li> <li>• Accountability for input</li> <li>• Documentation of consultation process</li> <li>• Timely distribution of information about process</li> <li>• Broad distribution of information about process</li> <li>• Targeted distribution of information about process</li> </ul>	
PP17	Public disclosure of information on the basis and goals of policy reform	<ul style="list-style-type: none"> <li>• Breadth of documentation availability</li> <li>• Ease of access</li> <li>• Timeliness of availability</li> <li>• Accessible by a range of stakeholders</li> </ul>	
PP18	Effectiveness of public participation process	<ul style="list-style-type: none"> <li>• Quantity of participation</li> <li>• Breadth of participation</li> <li>• Summary of public participation</li> <li>• Response to public participation</li> </ul>	
PP19	Consideration of environmental issues in sector reform law and policy	<ul style="list-style-type: none"> <li>• Addressed in background documents</li> <li>• Included in reform policy and laws</li> <li>• Mitigating direct impacts of power sector</li> <li>• Global and economic effects of environmental impacts</li> </ul>	
PP20	Assessment of job losses linked to policy changes or sector reforms in the electricity sector	<ul style="list-style-type: none"> <li>• Assessment of unemployment impacts was carried out</li> <li>• Assessment was conducted before reforms were implemented</li> <li>• Adverse impacts were mitigated</li> <li>• Redress mechanisms were created</li> </ul>	
PP21	Transparent formulation of policy on independent power	<ul style="list-style-type: none"> <li>• Legislative approval</li> <li>• Public consultations during policy development</li> <li>• Competitive bidding</li> <li>• Adequate demand analysis</li> <li>• Disclosure of the PPA</li> <li>• Analysis of financial impact</li> <li>• Adequate public consultations prior to project approval</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
PP22	Public disclosure regarding use of consultants	<ul style="list-style-type: none"> <li>• Details of consulting arrangement</li> <li>• Details of final report</li> <li>• Comment period on consultant report</li> <li>• Revision requirement in response to public comment</li> </ul>	
PP23	Transparency of donor engagement through policy loans	<ul style="list-style-type: none"> <li>• Transparency on policy position</li> <li>• Transparency on conditions</li> <li>• Transparency about disbursement</li> <li>• Transparency of evaluation mechanisms</li> </ul>	
<b>POLICY IMPLEMENTATION</b>			
PP 24	Transparency of donor engagement through technical assistance	<ul style="list-style-type: none"> <li>• Transparency on details of technical assistance</li> <li>• Transparency on outputs</li> <li>• Wide dissemination of effort</li> </ul>	
PP 25	Transparent and accountable implementation of IPP policy/legislation	<ul style="list-style-type: none"> <li>• Competitive bidding</li> <li>• Disclosure of the PPA</li> <li>• Adequate demand analysis</li> <li>• Analysis of financial impact</li> <li>• Adequate public consultations prior to project approval</li> </ul>	
PP 26	Transparent selection of private sector service providers	<ul style="list-style-type: none"> <li>• Transparency in request for proposals</li> <li>• Information provided to bidders publicly available</li> <li>• Transparency in decision criteria and process</li> <li>• Justification for decision</li> </ul>	
PP 27	Transparency of asset valuation / balance sheet restructuring	<ul style="list-style-type: none"> <li>• Disclosure and justification of methodology</li> <li>• Explanation of method application</li> <li>• Independent scrutiny</li> <li>• Public disclosure of review</li> </ul>	
PP 28	Transparency and accountability in the design and implementation of subsidies	<ul style="list-style-type: none"> <li>• Transparent criteria</li> <li>• Justification of allocation decisions</li> <li>• Monitoring and reporting</li> <li>• Evaluation</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
PP29	Clarity of authority and jurisdiction to grant environmental approvals for power sector projects	<ul style="list-style-type: none"> <li>• Provisions on authority and jurisdiction</li> <li>• Clarity on how authority is shared</li> <li>• Low cost or web access</li> <li>• Accessible format</li> <li>• Available in public office or library</li> <li>• Timely disclosure of approvals</li> <li>• Comprehensive disclosure</li> </ul>	
<b>ENVIRONMENTAL AND SOCIAL ISSUES</b>			
PP30	Public participation in setting minimum environmental performance standards	<ul style="list-style-type: none"> <li>• Basis for standards</li> <li>• Evidence of public consultation</li> <li>• Diversity of public participation mechanisms</li> <li>• Explanation of use of public input</li> <li>• Reporting on utility compliance</li> </ul>	
PP31	Public participation in developing policies to reduce environmental impacts	<ul style="list-style-type: none"> <li>• Consideration of multiple approaches</li> <li>• Evidence of consultation</li> <li>• Systematic efforts to consult affected communities</li> <li>• Multiple mechanisms for public participation</li> </ul>	
PP32	Inclusion of environmental considerations in the national plan for the electricity sector	<ul style="list-style-type: none"> <li>• Environmental considerations addressed</li> <li>• Comprehensive consideration of impacts</li> <li>• Multiple public participation mechanisms</li> <li>• Systemic efforts to seek input from range of stakeholders</li> <li>• Comments disclosed</li> <li>• Disclosure of how input incorporated into decision</li> </ul>	
PP33	Comprehensiveness of environmental impact assessment laws, policies and procedures	<ul style="list-style-type: none"> <li>• Requirements for EIA</li> <li>• Comprehensive consideration of impacts</li> <li>• Strategic impact guidelines</li> <li>• Strategic assessments conducted</li> </ul>	
PP34	Public participation in environmental impact assessments	<ul style="list-style-type: none"> <li>• Public Participation At Scoping</li> <li>• More than One Public Participation Mechanism Used</li> <li>• Adequate Comment Period</li> <li>• Public release of EIA reports</li> <li>• Public Consultation Guidelines</li> <li>• Disclosure of Public Comments on EIA</li> <li>• Public comments addressed in final EIA report</li> </ul>	
PP35	Scope for project- affected people to exercise their rights in project licensing/approval	<ul style="list-style-type: none"> <li>• Consultations adhered to required procedures/guidelines</li> <li>• Systematic efforts were made to educate</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
		<p>potentially project-affected people</p> <ul style="list-style-type: none"> <li>• More than one participation mechanism was employed</li> <li>• Principle of free, prior and informed consent guided consultation efforts</li> </ul>	
PP36	Participation in decision-making on access to electricity services	<ul style="list-style-type: none"> <li>• Evidence that more than one consultation was carried out</li> <li>• Systematic efforts were made to consult more vulnerable socio-economic groups</li> <li>• More than two mechanisms of public participation existed</li> <li>• Public comments were considered</li> </ul>	

## REGULATORY PROCESS

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
<b>REGULATORY STRUCTURE</b>			
RP1	Institutional structure for regulatory decisions	<ul style="list-style-type: none"> <li>• An independent regulator exists</li> </ul>	
RP2	Authority of the regulatory body	<p><b>Authority</b></p> <ul style="list-style-type: none"> <li>• Information and evidence:</li> <li>• Investigation</li> <li>• Enforce compliance:</li> <li>• Penalties for breach of order</li> </ul> <p><b>Practice</b></p> <ul style="list-style-type: none"> <li>• Exercise of Authority</li> </ul>	
RP3	Jurisdiction of the Regulatory Body	<ul style="list-style-type: none"> <li>• Clarity about jurisdiction</li> <li>• Regulator entrusted with all critical functions</li> </ul>	
RP4	Scope and transparency of the environmental mandate of the regulatory body	<p><b>Scope of Mandate:</b></p> <ul style="list-style-type: none"> <li>• Environment included in mandate</li> <li>• Specific responsibilities</li> </ul> <p><b>Information Disclosure:</b></p> <ul style="list-style-type: none"> <li>• Published in government journal</li> <li>• Available on website</li> <li>• Low cost</li> <li>• Available in a range of formats</li> <li>• Wide dissemination</li> <li>• Groups representing environmental concerns</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
RP5	Scope and transparency of the social mandate of the regulatory body	<b>Scope of Mandate:</b> <ul style="list-style-type: none"> <li>• Social issues included in mandate</li> <li>• Specific responsibilities.</li> </ul> <b>Information Disclosure:</b> <ul style="list-style-type: none"> <li>• Published in government journal:</li> <li>• Available on website:</li> <li>• Low cost</li> <li>• Available in a range of formats</li> <li>• Groups representing social issues and weaker communities</li> </ul>	
RP6	Selection of regulators	<ul style="list-style-type: none"> <li>• Independence of the selection process</li> <li>• Well-defined process</li> <li>• Transparency about candidates</li> <li>• Criteria for composition and eligibility</li> <li>• Differing tenures</li> </ul>	
RP7	Preventing conflicts of interests on the part of regulators	<ul style="list-style-type: none"> <li>• Financial Interests</li> <li>• Cooling off period</li> <li>• Re-appointment prohibited</li> <li>• Regulatory representation prohibited</li> </ul>	
RP8	Autonomy of regulatory body	<ul style="list-style-type: none"> <li>• Fixed tenure</li> <li>• Financial autonomy</li> <li>• Discretion over human resources</li> </ul>	
RP9	Appeal mechanism	<ul style="list-style-type: none"> <li>• Any affected party can appeal a decision</li> <li>• Appeals can be filed on procedural grounds</li> <li>• Appeals can be filed on substantive grounds</li> <li>• Appeal mechanism impacts decisions in at least one case</li> </ul>	
RP10	Quality of the judicial or administrative forums that address environmental and social claims	<ul style="list-style-type: none"> <li>• Binding decisions</li> <li>• Independence</li> <li>• Capacity to address sector- specific issues</li> <li>• Access to information for all parties</li> <li>• Clear basis for claims</li> <li>• Standing of affected parties</li> </ul>	
RP11	Training of regulatory body members and staff	<ul style="list-style-type: none"> <li>• Certainty</li> <li>• Multi-disciplinary training</li> <li>• Diversity</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
RP12	Regulator's capacity to evaluate environmental issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on environmental issues</li> </ul>	
RP13	Regulator's capacity to evaluate social issues	<ul style="list-style-type: none"> <li>• Dedicated financial resources</li> <li>• Access to expertise</li> <li>• Designated point person</li> <li>• Knowledge enhancement on social issues</li> </ul>	
RP14	Information available to public regarding use of consultants	<ul style="list-style-type: none"> <li>• Details of the consulting arrangement publicly available</li> <li>• Reports and recommendations of the consultants publicly available</li> </ul>	
<b>DECISION-MAKING PROCESSES</b>			
RP15	Clarity about regulatory procedures and substantive basis of decisions	<ul style="list-style-type: none"> <li>• Procedural certainty</li> <li>• Clarity about substantive basis of decisions</li> </ul>	
RP16	Regulator's response to environmental and social claims	<ul style="list-style-type: none"> <li>• Explanation provided for response to claim</li> <li>• Exercise of stated environmental and social mandate</li> </ul>	
RP17	Proactive initiatives of the regulator	<ul style="list-style-type: none"> <li>• Self initiated cases (Suo-motu petitions)</li> <li>• Discussion papers, studies, conferences</li> </ul>	
RP18	Disclosure of documents in the possession of the regulatory body	<ul style="list-style-type: none"> <li>• Presumption that documents publicly available unless stated to be confidential</li> <li>• Clear procedures and rules to define 'confidentiality'</li> </ul>	
RP19	Procedure for public access to regulatory body documents	<ul style="list-style-type: none"> <li>• Well-indexed database of documents</li> <li>• Simple, well-defined procedure for inspecting / obtaining documents</li> <li>• Reasonable cost</li> <li>• Wide dissemination of information</li> </ul>	
RP20	Space for public participation in the regulatory process	<ul style="list-style-type: none"> <li>• Proceedings open to the public by law</li> <li>• Public has the right to participate</li> </ul>	
RP21	Public access to regulatory documents and hearings	<ul style="list-style-type: none"> <li>• Number of public requests for documents</li> <li>• Participation in public hearings</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
RP22	Institutional mechanisms for representing the interests of weak groups	<ul style="list-style-type: none"> <li>• Consumer representatives</li> <li>• Submissions on behalf of weaker groups</li> <li>• Government representation</li> <li>• Representation by executive branch for social development</li> <li>• Other mechanisms</li> </ul>	
RP23	Building the capacity of weaker stakeholders to participate in the regulatory process	<ul style="list-style-type: none"> <li>• Information targeting weaker stakeholders</li> <li>• Support for weaker stakeholders to represent themselves</li> </ul>	
RP24	Interventions by civil society in the regulatory process	<ul style="list-style-type: none"> <li>• Number of civil society organizations involved</li> <li>• Nature of cases filed</li> <li>• Number of cases filed</li> </ul>	
RP25	Electricity provider engagement with civil society organizations and potentially-affected populations	<ul style="list-style-type: none"> <li>• Designated department</li> <li>• Corporate policy addresses community engagement</li> <li>• Creation and operation of a consultation group</li> <li>• Support for weaker groups</li> <li>• Information on how groups can file complaints</li> </ul>	
RP26	Orders and decisions of the regulatory body	<ul style="list-style-type: none"> <li>• Legal requirement that orders include explanations / reasoning</li> <li>• Quality of reasoning in practice</li> <li>•</li> </ul>	
RP27	Dissemination of decisions	<ul style="list-style-type: none"> <li>• Easy availability</li> <li>• Timely availability</li> <li>• Local language</li> <li>• Use of multiple modes of dissemination</li> <li>• Help in understanding orders</li> </ul>	
<b>OPERATIONAL ISSUES</b>			
RP28	Tariff philosophy	<ul style="list-style-type: none"> <li>• Detailed analysis</li> <li>• Mitigating adverse impacts</li> <li>• Easy to understand</li> <li>• Recent tariffs reflect the philosophy /principles</li> </ul>	
RP29	Participation in decision-making related to affordability of electricity prices	<ul style="list-style-type: none"> <li>• Attention to affordability in tariff principles / philosophy</li> <li>• Public participation in revisions</li> <li>• Educating low-income groups</li> </ul>	

	<b>Indicators</b>	<b>Elements of Quality</b>	<b>Assessed Status</b> <i>N=element not met</i> <i>Y= element is met</i>
RP30	Licensing	<ul style="list-style-type: none"> <li>• Well defined <b>procedure</b> for consideration of license applications</li> <li>• Well defined <b>criteria</b> for consideration of license applications</li> <li>• Clarity about the basis for amendment / revocation / suspension of licenses</li> <li>• Dispute</li> <li>• Compliance and performance-monitoring</li> </ul>	
RP31	Periodic performance reports by licensees and utilities	<ul style="list-style-type: none"> <li>• Mandatory filing requirement</li> <li>• Easy availability</li> <li>• Timely availability</li> <li>• Available in local languages</li> <li>• Consistency and clarity of reporting parameters</li> <li>• Comprehensive reporting</li> </ul>	
RP32	Consumer service and quality of supply	<p><b>Existence of Standards</b></p> <ul style="list-style-type: none"> <li>• Standards for consumer service and supply quality</li> <li>• Supply standards are mandatory</li> </ul> <p><b>Quality of Standards</b></p> <ul style="list-style-type: none"> <li>• Monitoring performance</li> <li>• Compliance reviews</li> <li>• Compliance reviews information / results publicly available</li> <li>• Consumer grievance</li> </ul>	