

# Improving Transparency and Accountability in the Electricity and Water Sectors

April  
**2018**

This document summarizes the need for transparency and accountability in the utility sectors and presents the RIC's proposals for ensuring the utility service providers become more transparent in their operations and therefore, more accountable to stakeholders and the public.

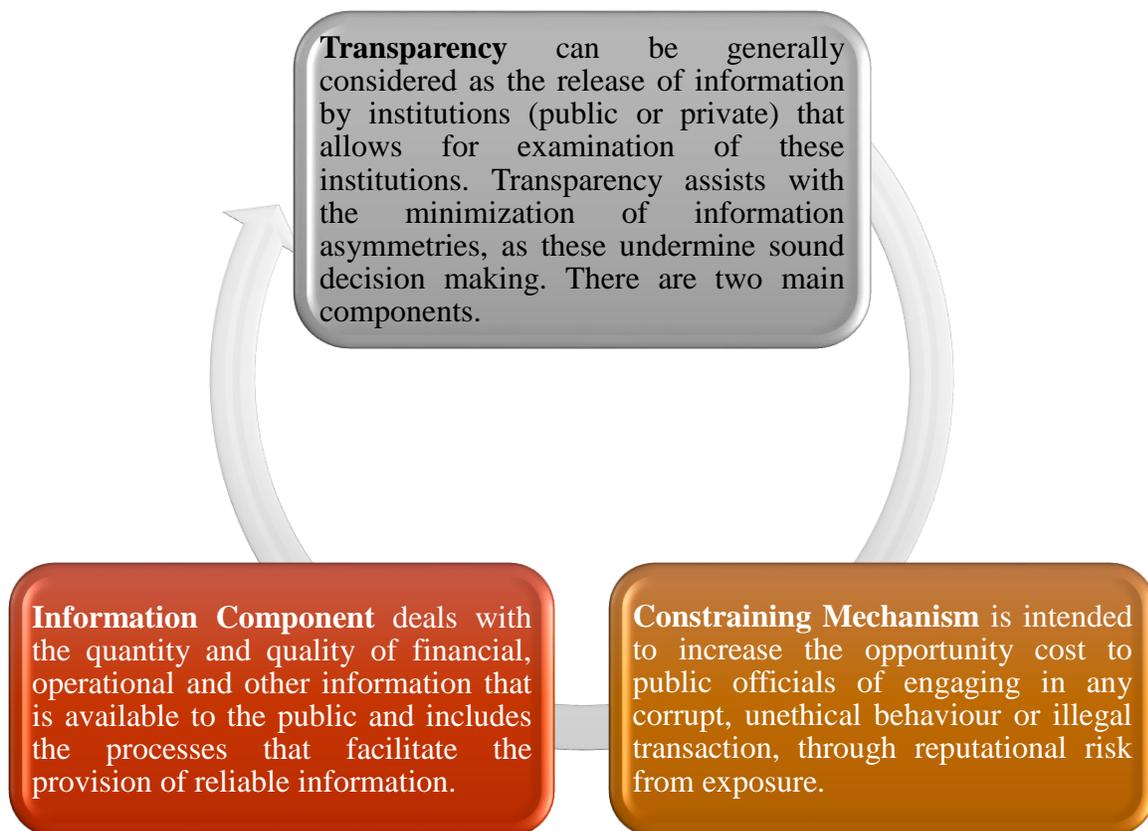
**Summary  
Document**

## PURPOSE OF THE DOCUMENT

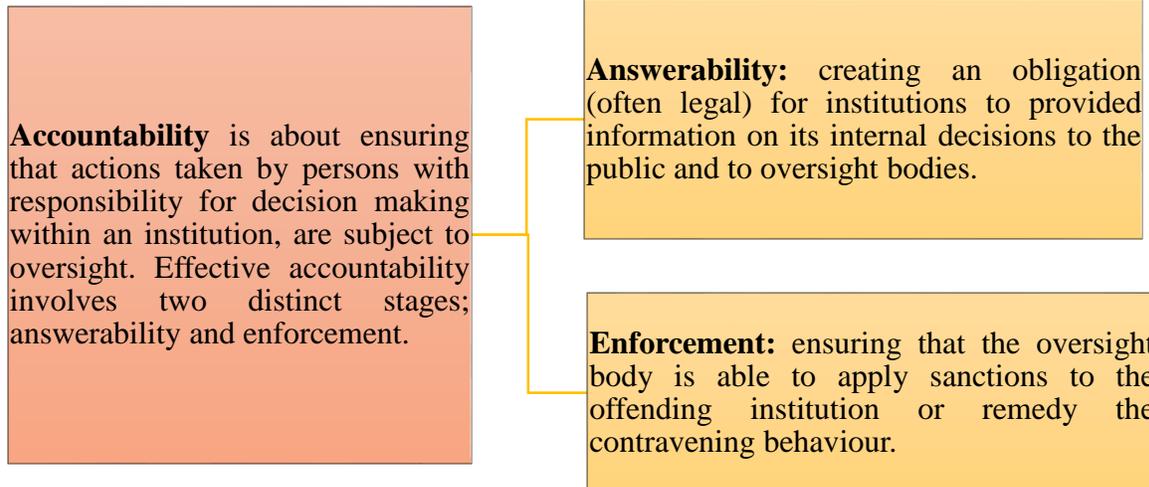
This paper discusses the need for transparency and accountability in the utility sectors and presents the RIC's proposals for ensuring that utility service providers, become more transparent in their operations and ultimately, more accountable to their stakeholders and the public<sup>1</sup>.

## TRANSPARENCY, ACCOUNTABILITY AND PARTICIPATION

It is generally accepted that greater transparency in public affairs is preferred to little or no transparency.



<sup>1</sup> The RIC undertakes a number of activities to ensure that its own activities are transparent and has published a number of documents which highlights the performance of the service providers in specific areas such as quality of service.



## SPECIFIC TOOLS / METHODS

There are a number of measures available to promote accountability and transparency, which the RIC must take into consideration, as the economic regulator of the electricity, water and wastewater sectors.

They are broadly classified under the following headings:

- Consultation
- Information Disclosure
- Openness - Making service providers answerable to consumers
- Ethics and Integrity - New Business Protocols
- Promoting Self-Assessment and Monitoring

## Consultation

Service providers must develop a consultation code inclusive of an obligation to consult with the public on plans/proposals to undertake any significant activity in the exercise of their core functions. Among the topics for public consultation, service providers must ensure that those affected by their major infrastructure and large construction projects are fully consulted and informed about these activities.

## Information Disclosure

Service providers must use their websites and other media/fora, to promote openness and facilitate public knowledge about, and participation in their core activities by:

making information and documentation available; and

making the website more interactive, especially in relation to e-mail queries, outlining how queries are responded to (feedback function).

the service providers must produce audited reports and accounts within twelve (12) months of the end of their financial year;

the service providers must produce quarterly revenue and expenditure statements in accordance with the regulatory accounting guidelines established by the RIC;

the service providers must make these reports and accounts widely accessible on their websites and to the media; and

the service providers must provide information on key performance indicators, the number of complaints and their effectiveness in dealing with those complaints.

## Openness - Making Service Providers answerable to Consumers

A number of measures must be implemented by service providers:

Boards must hold at least one (1) formal Annual Public Meeting in a public place and should make arrangements for consultation and deputation's of individuals to question the Board and the Chief Executive Officer/General Manager.

The service providers must make arrangements to provide information on their website on their procurement procedures, policies and practices.

Service providers will be required to disclose the identity of all their contractors, the value of the contracts and the main evaluation criteria used in selecting successful bidders.

## Ethics and Integrity – New Business Protocols

In this regard, the RIC would encourage the introduction of two specific measures to be implemented to help safeguard public procurement from corruption:

### Integrity Pacts

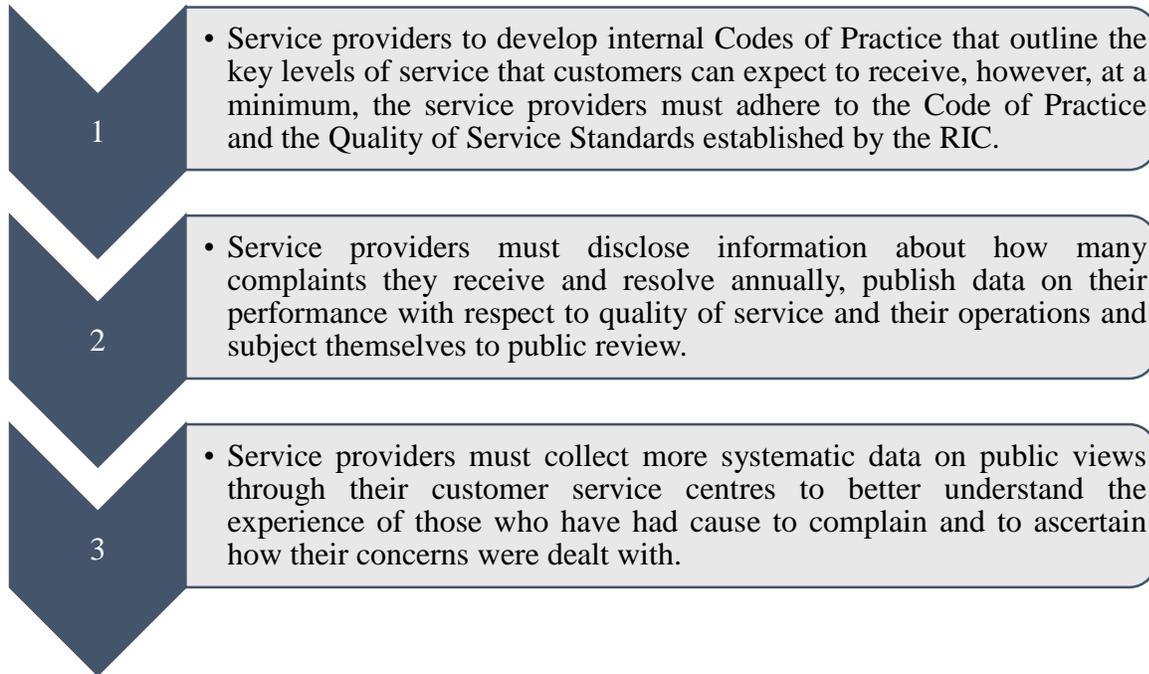
- An integrity pact is a binding agreement between the agency seeking to procure goods and/or services (i.e. utility service provider) and bidders for specific contracts.

### Social Witness

- The Social Witness is a representative of civil society who acts as an external observer in the procurement process. The social witness makes recommendations during and after the procurement process, provides public testimony, and has the right to full access to information during critical stages of the procurement process

## Promoting Self-Assessment and Monitoring

This is a valuable tool for increasing public awareness regarding the service providers' obligations with respect to the level of service it must provide to customers. The RIC proposes the following:



## OTHER MEASURES – INSTITUTIONAL AND GOVERNANCE ARRANGEMENTS

In the case of state-owned and operated utilities like T&TEC and WASA, the existing institutional and governance arrangements are not sufficiently specific, detailed or transparent to enable the Government to set strategic direction and required performance standards, evaluate service providers' performance, hold them accountable for their performance, or create effective incentives for them to improve their performance. In this regard, the RIC proposes that Government should have three written agreements with the service providers:



The RIC further proposes that these written agreements be made publicly available at the time of executing them and whenever they are updated. Additionally, the service providers should publish on their websites the results of their performance against all targets and produce half-yearly overview reports for the public with commentary on where and why the performance targets were not met.

### **RESPONDING TO THIS DOCUMENT**

In keeping with the RIC's obligation to consult, stakeholders are invited to comment on this document. Responses should be sent by post, fax or e-mail to:

**Executive Director**

Regulated Industries Commission  
Furness House – 1st & 3rd Floors  
Cor. Wrightson Road and Independence Square  
Port-of-Spain, Trinidad

Postal Address: P.O. Box 1001, Port-of-Spain, Trinidad

**Tel.** : 1(868) 625-5384; 627-7820; 627-0821; 627-0503

**Fax** : 1(868) 624-2027

**Email** : consultations@ric.org.tt

**The deadline for submission of comments to the main paper is May 9, 2018.**

All responses will normally be published on the RIC's website unless there are good reasons why they must remain confidential. Any requests for confidentiality must be indicated. A copy of this document is available from the RIC's website, [www.ric.org.tt](http://www.ric.org.tt).