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Business Ready (B-Ready)

Methodological Workshop

Utility Services

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Outline

Utility Services

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2. Indicators:
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    b. Pillar II – Public services: Quality of governance and transparency of utility services
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1. Motivation – why do Utility Services matter?

- Utility Services are critical to the economy, providing the vital infrastructure.
- Electricity, water, internet support business operations and are used as factors of production by businesses.
  - ✓ Over 30 % of businesses globally identified electricity supply as a major constraint to their activities (World Bank Enterprise Surveys).
  - ✓ Inadequate water supply may also lead to decreased productivity, deterioration of machinery, and reduced profits.
  - ✓ Reliable networks and affordable broadband connections may facilitate adoption of digital technology by businesses.
  - ✓ Effective regulatory frameworks, good governance, transparency, and efficiency of utility services are pivotal elements of a good business environment.
  - ✓ Facilitating timely access to resources at a reasonable cost is vital to promoting investment and economic growth.

2. Indicators – Outline

Regulatory framework

Quality of electricity, water, and internet regulations

1. Regulations for efficient deployment of utility connections and quality of supply*
2. Regulations on safety of utility connections*
3. Environmental regulations for sustainable provision and use of utility services*+

Public services

Quality of the governance and transparency of utility services

1. Monitoring reliability and sustainability of service supply and safety of connections*+
2. Transparency of utility services* ^
3. Interoperability of utility services*

Efficiency

Efficiency of utility service provision in practice

1. Electricity (time, cost, reliability)* ^
2. Water (time, cost, reliability)*
3. Internet (time, cost, reliability)*

The * symbol denotes components that will cover the **adoption of digital technologies**. The + symbol denotes components that will cover **environmental sustainability**. The symbol ^ denotes components that will cover **gender**.

a. Pillar I – Quality of electricity, water, and internet regulations

1.1	**Regulation for efficient deployment of utility connections and quality of supply**
1.1.1	Regulatory monitoring
1.1.2	Utility infrastructure sharing and efficient digital connectivity
1.1.3	Mechanisms on service quality assurance
1.2	**Regulations on safety of utility connections**
1.2.1	Professional certifications
1.2.2	Inspection regimes
1.2.3	Liability regimes
1.2.4	Cybersecurity
1.3	**Environmental regulations for sustainable provision and use of utility services**
1.3.1	Sustainable provision and use of electricity
1.3.2	Sustainable provision and use of water
1.3.3	Sustainable wastewater practices
1.3.4	Sustainable provision and use of internet

a. Pillar I – Quality of electricity, water, and internet regulations

What does it cover and why is it important?

Category 1.1 – Regulation for efficient deployment of utility connections and quality of supply

- This category measures good practices in the regulatory and institutional framework that govern the process of providing utility services to businesses and that ensures an adequate quality of supply for electricity, water, and internet.
- Reliable provision of utility services have been linked to the presence of strong regulatory systems and agencies with clear mandates.

Category 1.2 – Regulations on safety of utility connections

- This category assesses good regulatory practices that aim to promote safe utility connections.
- Regulations that ensure utility connections comply with safety and quality standards benefit both firms and the economy, protecting public health and welfare.

Category 1.3 – Environmental regulations for sustainable provision and use of utility services

- This category measures the sustainable provision of utility services through adherence to standards for sustainable electricity, water provision, wastewater practices and energy efficiency in digital connectivity infrastructure.
- The positive impact for society is derived from enhanced environmental sustainability and improved adherence to environmental standards.

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a. Pillar I – Quality of electricity, water, and internet regulations

Preliminary Scoring

		No. of indicators	FFP*	SBP*	Total Points	Rescaled Points
1.1	**Regulations for efficient deployment of utility connections and quality of supply**	**12**	**12**	**12**	**24**	**44.4**
1.1.1	Regulatory monitoring	6	6	6	12	22.2
1.1.2	Utility infrastructure sharing and efficient digital connectivity	3	3	3	6	11.1
1.1.3	Mechanisms on service quality assurance	3	3	3	6	11.1
1.2	**Safety of utility connections**	**9**	**9**	**9**	**18**	**33.3**
1.2.1	Professional certifications	2	2	2	4	7.4
1.2.2	Inspection regimes	2	2	2	4	7.4
1.2.3	Liability regimes	3	3	3	6	11.1
1.2.4	Cybersecurity	2	2	2	4	7.4
1.3	**Environmentally sustainable provision and use of utility services**	**10**	**2**	**10**	**12**	**22.2**
1.3.1	Sustainable provision and use of electricity	3	1	3	4	7.4
1.3.2	Sustainable provision and use of water	3	1	3	4	7.4
1.3.3	Sustainable wastewater practices	2	n.a.	2	2	3.7
1.3.4	Sustainable provision and use of internet	2	n.a.	2	2	3.7
	Total	**31**	**23**	**31**	**54**	**100**

*Scoring will consider the perspectives of entrepreneurs (firm flexibility points) and broader public interests (social benefits points).

b. Pillar II – Quality of governance and transparency of utility services

2.1	**Monitoring reliability and sustainability of service supply, and safety of connections**
2.1.1	KPIs to monitor quality, reliability and sustainability of service supply
2.1.2	KPI transparency
2.1.3	Monitoring of safety of utility connections in practice
2.2	**Transparency of utility services**
2.2.1	Transparency of tariffs and tariffs settings
2.2.2	Publication of connection requirements
2.2.3	Publication and announcement of planned outages
2.2.4	Complaint mechanisms and transparency of complaint processes
2.2.5	Sex-disaggregated customer surveys
2.3	**Interoperability of utility services**
2.3.1	Interoperability at the utility level
2.3.2	Electronic applications
2.3.3	Electronic payments

b. Pillar II – Quality of governance and transparency of utility services

What does it cover and why is it important?

Category 2.1 – Monitoring reliability and sustainability of service supply, and safety of connections

- This category measures the existence and online availability of performance indicators on quality, reliability, and sustainability of service supply, as well as safety of connections.
- Measuring data on quality of provision of public services helps establish "what works" in achieving the set objectives, to identify functional competences, and to enhance public accountability.

Category 2.2 – Transparency of utility services

- This category measures data on transparency of electricity, water, and internet services that can help firms plan their operations better.
- Transparent service provision allows firms to calculate costs, anticipate expenses, and, thus, plan operations efficiently.

Category 2.3 – Interoperability of utility services

- This category assesses the level of coordination between the agencies involved in the approval processes and digitalization of utility services.
- Interoperability of utility systems facilitates the process of issuing new connections in a cost-efficient and less time-consuming manner.

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b. Pillar II – Quality of governance and transparency of utility services

Preliminary Scoring

		No. of indicators	FFP*	SBP*	Total Points	Rescaled Points
2.1	**Monitoring reliability and sustainability of service supply, and safety of connections**	**11**	**9**	**11**	**20**	**30.3**
2.1.1	KPIs to monitor quality, reliability and sustainability of service supply	4	3	4	7	10.6
2.1.2	KPI transparency	4	3	4	7	10.6
2.1.3	Monitoring of safety of utility connections in practice	3	3	3	6	9.1
2.2	**Transparency of utility services**	**15**	**15**	**15**	**30**	**45.4**
2.2.1	Transparency of tariffs and tariffs settings	3	3	3	6	9.1
2.2.2	Publication of connection requirements	3	3	3	6	9.1
2.2.3	Publication and announcement of planned outages	3	3	3	6	9.1
2.2.4	Complaint mechanisms and transparency of complaint processes	3	3	3	6	9.1
2.2.5	Sex-disaggregated customer surveys	3	3	3	6	9.1
2.3	**Interoperability of utility services**	**8**	**8**	**8**	**16**	**24.2**
2.3.1	Interoperability at the utility level	2	2	2	4	6.1
2.3.2	Electronic applications	3	3	3	6	9.1
2.3.3	Electronic payments	3	3	3	6	9.1
Total		**34**	**32**	**34**	**66**	**100**

*Scoring will consider the perspectives of entrepreneurs (firm flexibility points) and broader public interests (social benefits points).

c. Pillar III – Efficiency of utility service provision in practice

3.1	**Electricity**
3.1.1	Time to obtain a connection
3.1.2	Cost of connection and service
3.1.3	Reliability of supply
3.2	**Water**
3.2.1	Time to obtain a connection
3.2.2	Cost of connection and service
3.2.3	Reliability of supply
3.3	**Internet**
3.3.1	Time to obtain a connection
3.3.2	Cost of internet connection and service
3.3.3	Reliability of supply

c. Pillar III – Efficiency of utility service provision in practice

What does it cover and why is it important?

Category 3.1 – Time to obtain a connection

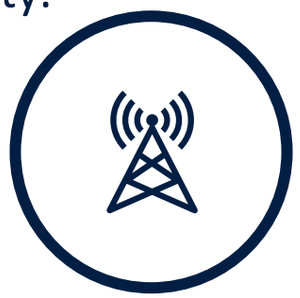
- This category assesses the time it takes to obtain new electricity, water and internet connections
- Delays in obtaining permits could lead to higher transaction costs and fewer connections. A straightforward process that requires less time to receive connections can positively impact firm revenues, lower connection costs.

Category 3.2 – Cost of connection and service

- This category assesses the cost it takes to obtain new electricity, water and internet connections, as well as service supply.
- Expensive utility connections and tariffs are burdensome and can impact firms. Less costly utility connection processes are associated with better firm performance.

Category 3.3 – Reliability of supply

- This category assesses the reliability of electricity, water and internet connection in terms of the outages or interruptions, and the associated losses by businesses.
- Reliability of utility services impacts end-user behavior. Reliable utility services enable predictable production processes and business planning as well as boost firms' productivity.



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c. Pillar III – Efficiency of utility service provision in practice

Preliminary Scoring

		No. of indicators	Rescaled Points*
3.1	**Electricity**	**5**	**33.3**
3.1.1	Time to obtain a connection	1	11.1
3.1.2	Cost of connection and service	2	11.1
3.1.3	Reliability of supply	2	11.1
3.2	**Water**	**5**	**33.3**
3.2.1	Time to obtain a connection	1	11.1
3.2.2	Cost of connection and service	2	11.1
3.2.3	Reliability of supply	2	11.1
3.3	**Internet**	**5**	**33.3**
3.3.1	Time to obtain a connection	1	11.1
3.3.2	Cost of connection and service	2	11.1
3.3.3	Reliability of supply	2	11.1
	Total	**15**	**100**

*Scoring on Pillar III will consider the perspectives of entrepreneurs (firm flexibility points) only. For each indicator, scoring is calculated using the distance-to-frontier approach. Each category in Pillar III has the same weight. Within each category, each subcategory also has the same weight.

3. Preliminary Topic Scoring

Pillar	Title	No. of indicators	FFP	SBP	Total Points	Rescaled Points	Weight
I	Regulatory framework: Quality of electricity, water, and Internet regulations	31	23	31	54	100	0.33
II	Public services: Quality of governance and transparency of utility services	34	32	34	66	100	0.33
III	Efficiency: Efficiency of Utility Service provision in practice	15	100	n.a.	100	100	0.33

4. Data Sources

Data collection sources:

Pillars I and II

- **Private sector experts:** practitioners and lawyers working in the areas of electricity, water and internet.

Pillar III

- **Enterprise Surveys:** provide representative data on time and cost to receive utility connections and utility service, on service interruption and associated losses experienced by businesses in practice. A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector participate in the surveys.
- **Private sector experts:** When, for any reason, Enterprise Surveys are not feasible to obtain the needed data on time and cost to obtain utility connections, an alternative approach is to collect these data through consultations with private sector experts working in the area of electricity, water, and internet connections.

Data validation sources (for expert questionnaires):

- **Public sector experts:** include representatives from electricity, water or public utilities regulatory agencies, ministries of energy, environment and water, electricity and water utilities, metropolitan government agencies, municipalities, telecommunications regulatory bodies, communications commissions, and Internet Service Providers (ISP) representatives.

5. Parameters for Expert Consultations

General Parameters

Business Location

Largest City

Geographic location determines availability of electricity, water, and internet connections, the type of connections and construction required.

Utility Provider

Largest utility provider in largest city

In some cities, there could be one or several utility providers. Utility services provision may vary depending on the utility provider.

Specific Parameters

Electricity

Load Capacity- 180 kVA

180 kVA corresponds to connections of the firms that rely on electricity for production and business operations and use electricity more intensively than the basic level.

Water

Water Consumption- 32,000 or 72,000 liters per day

Water consumption reflects intensity of a firm's reliance on water as well as determines the size or complexity of a water connection. This information is required for water providers to set applicable tariff and may impact costs of water connections and timeframes for connections.

Internet

Speed- 25 Mbps – download speed; 3 Mbps – upload speed

Internet connections are usually categorized and priced based on the data usage and speed requirements.

6. Expert Screening and Selection

Relevant expert professions:

- Electricity: Contractors, electricians, engineers, lawyers, etc.
- Water: Contractors, engineers, lawyers, plumbers, water specialists, etc.
- Internet: Broadband technicians, network architects, ICT Policy/Advocacy, etc.

Relevant areas of specialization:

- Electricity: civil engineering, construction contracting, construction law, electrical contracting, electrical engineering, energy law, etc.
- Water: civil engineering, construction contracting, construction law, water regulation, etc.
- Internet: broadband installation, IT system administration, ICT Law/Regulatory compliance, etc.

Assessment of experts' knowledge and experience related to electricity, water and internet connections and associated regulations, services, and processes:

- Electricity: regulations affecting electricity services; applications for electricity connections; new electricity installations; payment for electricity services; electricity connections inspections; commercial electricity tariffs; complaint mechanisms for electricity services.
- Water: regulations affecting water services, applications for water connections; new water connection installations; payment for water services; water connections inspections; commercial water tariffs; complaint mechanisms for water services.
- Internet: broadband installation in new buildings, broadband competition, network maintenance and management, quality of service monitoring, cybersecurity compensation or consumer complaint disputes, negotiation of contracts related to new broadband connection and others.

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Thank you

Q&A

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