

Utilities Performance Monitoring Unit (mandate):

- 1. Set & Evaluate Operational Performance Targets:** These functions based on MWI policy and guidelines include the setting of more specific targets for service operation. This activity previously done by PMU and currently to be done by the new unit created for this purpose
- 2. Monitor Compliance with standard of KPI's:** This function includes the review of reports and direct verification of compliance of standards and KPIs. This was implemented by former PMU under the umbrella of Assignment Agreements should be done by third independent party like the regulator as per License agreements. Essential to this function is a self-reporting mechanism by the utilities.
- 3. Review and recommend tariff:** This activity includes the review of cost recovery levels of the sector and the analysis of costs recovered by tariff and the amount of required subsidies by utility. Based on this information gathered from utilities, the Regulator should prepare an options analysis for the Cabinet to present potential scenarios of tariff adjustment and/or subsidies required.
- 4. Recommend Subsidy:** As part of the tariff analysis, this function will allow the precise estimation of subsidies required by each utility and the reason of these, assuring that efficiency factors are met so subsidies are not allocated to inefficient uses.
- 5. Incentive/Penalties on Service Delivery:** This function will include a detailed list of causes and results of incentives and penalties that will be specified in license agreements for each operator. The execution of these will be in the hands of the Regulator.
- 6. Settle customer complaints and disputes between regulated entities:** These functions will be carried out by the Regulator following an internal regulation. This is a second level of complaint in addition to the utilities system of complaints management.
- 7. Conduct inspections and investigations:** This function to be carried out by the Regulator will be a routine exercise that utilities should be prepared to deal with.
- 8. Recommends updates and changes on laws, legislation and regulations:** This function involves the constant evaluation of existing laws and regulations and the analysis of its impacts of financial and operational performance results to guide the drafting of amendments of laws and regulations and the development of proposals to implement those changes at the level of Ministry, Cabinet and the legislative body.