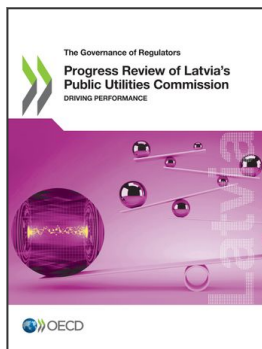


Annex A. At a glance: progress on the 2016 Recommendations

2016 Recommendations	Assessment of progress	Status
Role and objectives		
Focus on high-level goals and related outcomes and align functions with these outcomes	The PUC now has a stronger focus on goals and outcomes, which it could strengthen by measuring progress on its strategic objectives against key performance indicators.	Moderate progress on recommendation
Clarify goals and priorities	The PUC developed strategic directions that meet the interests of users, but could explain further how it balances the different interests and priorities it sets for itself.	Good progress on recommendation
Ensure that regulatory functions are fit-for-purpose	The PUC is better equipped for its designated functions; it now faces the task of fine-tuning the efficiency incentives in order to increase the impact of the new regulatory approach.	Good progress on recommendation
Assess how best to continue participating in the policy making process without losing sight of the PUC's core regulatory functions and the PUC's independence	The PUC provides valuable input to ministries during the policy development process and the drafting of related legislation, whilst maintaining adequate resources to execute its functions. However, it did not assess how to continue participating in this process without losing sight of its independent role.	Limited progress on recommendation
Set up appropriate institutional mechanisms for developing and overseeing the implementation of the strategic framework	The PUC established the Advisory Council in 2020. Going forward, the PUC will need to manage expectations around the work and function of the Council.	Moderate progress on recommendation
Input		
Advocate for an alternative process for setting the regulatory fee which guarantees adequate accountability, minimises the risk of conflicts of interests and prevents potential undue influence	The new fee setting process is more robust and reduced the executive's influence over the fee, but there is a need for clear criteria and procedures to ensure the right fee level in the future.	Moderate progress on recommendation
Further investigate the possible long-term effects of the salary cap on the capacity of the regulator to attract, retain and develop talent	The competitiveness of PUC salaries has improved following a legislative reform in 2018 that changed the salary cap, but the impact of the salary cap on the PUC's ability to attract and retain talent for senior positions is remains unclear.	Good progress on recommendation
Develop a "total rewards" approach to attract and retain staff	The PUC implemented a new bonus system since 2016, with financial and non-financial incentives.	Recommendation implemented fully
Process		
Advocate for staggered terms for Board members	There is a new robust process for the selection of Board members, that further staggers Commissioners' terms, and allows for maximum two Commissioners to have their terms confirmed or renewed in one calendar year.	Recommendation implemented fully
Exploit even further the multi-sector model and facilitate mobility across sector departments	Staff mobility within the PUC is shown to take place on a case-by-case basis, but the regulator lacks an organisation-wide mobility strategy.	Moderate progress on recommendation
Introduce more regular and formal exchanges between Parliament and the PUC	The PUC presents its Annual Action Plan and the Annual Report to the Saeima. However, the current level of engagement is limited, given the breadth of	Good progress on recommendation

2016 Recommendations	Assessment of progress	Status
	topics and length of the reports.	
Remuneration of Board members after the end of term	There has been timid advancement on the process of amending the remuneration of Board members during the two-year cooling-off period.	No progress on recommendation
Output and outcome		
Develop a performance assessment matrix that links goals and priorities to outputs and outcomes	The PUC had not developed a performance assessment matrix that would allow for a specific mapping of goals and priorities against outputs and outcomes.	No progress on recommendation
Use performance data and information to communicate with key stakeholders	The PUC enhanced transparency through more external communication. However, it is difficult for stakeholders to grasp how the PUC performs in the absence of key indicators.	Moderate progress on recommendation
Use data to develop choices for consumers	Since the last review, there are limited information comparison tools for e-communications and energy. There is a need for more data-driven tools and consumer education platforms which make use of extensive data.	Limited progress on recommendation



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