*May 29, 2015*

**Soros Foundation Kazakhstan**

**Portfolio Review by the Transparency and Accountability Program**

**Focus/Project: “**Creating the conditions to use the capacity of citizens in the assessment of effectiveness of the state and regional policy in tariffs setting and energy efficiency.**”**

Dinara Pogodina, Transparency and Accountability Program coordinator, the goal of this program is to ensure transparency and accountability in the public finance management processes in Kazakhstan.

Dinara Pogodina presented the issues on adaptation of international tools in the Kazakhstani context by the example of the project **“**Creating the conditions to use the capacity of citizens in the assessment of effectiveness of the state and regional policy in tariffs setting, and energy efficiency.**”**

The presentation was followed by the discussion centered on the following questions:

**Can we say that this project is successful? What are the lessons learned?**

* How are the indicators checked? The research was aimed to analyze the current legislation for evidence of the existence of the conditions specified in the indicators, along with the legislative analysis, the inquiry letters have been sent to the authorized state bodies in order to make sure that the relevant information to be fully presented and to verify the sources.
* Toolkit on Electricity Governance Initiative includes 68 indicators. To study the situation in Kazakhstan it was decided to choose 54 indicators of them.
* What are lessons learned what was successful? This project showed planning and management at the high level. In the beginning the idea of co-operation was confirmed by the Memorandum, and for several years the Association of the energy experts existed without official registration. It was a union of NGOs united by the common goal. In October 2014 Kazakhstani Association "Transparent tariff" has received a legal registration. Today, 21 entities are the part of the Association that represent 12 regions of the country, while at the beginning of this project there were only nine NGOs from 9 regions of Kazakhstan. The amount of the members of the Association is increasing.
* What are the expectations and perspectives of this Association? The Association members share their experience and knowledge with newcomers, give all relevant information on the meaning of the indicators, and hold mentorship with each organization.
* To improve the internal communications the web resource [www.tariffkz.kz](http://www.tariffkz.kz) was created and it serves the communication platform not only for the existing members, but also for the general public, as it is user-friendly and improving constantly. Can we say that the project is successful? This project is very successful although young enough. It can exist independently and fundraise itself. SFK in due time was like a catalyst in organization development.
* Are there any internal contradictions within this Association? The Association is quite young and for today: there are no explicit contradictions due to good governance and skilled management.

The following changes were made:

* 2007: an Organization conducted an expert analytical work, proposals on structural, tariff and investment policy as well as regulatory and legislative support;
* 2008: Expert-analytical work «Proposals on structural, tariff and investment policy as well as regulatory and legislative support of electric networks «Almaty Power Consolidated Ltd».
* **2010:** An analysis of the legal database and its actual state of the economic-organizational structure, tariff and investment policy in the electricity sector of Kazakhstan.
* 2011: A qualified research “How to stop tariffs growth, to increase invest effectiveness and public accountability of electricity sector in Kazakhstan” was prepared within SFK grant.
* 2013: Research «Promotion of Electricity Governance Initiative in Kazakhstan»; the idea of creation of a coalition. Memorandum signed.
* 2014: Legal registration of the association «Transparent tariff».
* 2014–2015: «Practical recommendations oriented to the promotion of the project» were developed.

**Further expectations:**

* Toolkit of Program on holding regional researchers;
* 30 indicators of developed by the Association inspired by the EGI indicators toolkit which allow to assess the electricity sector and housing as well as state authorities activity;
* Basic field questionnaire, which assess the conditions and indexes of electric power industry and housing among the regions of Kazakhstan;
* Extension of research regions up to 12 in 2015 -2016 y.;
* Increasing the number of members of «Transparent tariff»;
* Tariff plan of each region of Kazakhstan.

**Conclusion:**

The project is a good example of implementation and adaptation of the world best practices and tools to the national context. However it is worth to mention that here we should differentiate between the obligatory standards, the main principles of which are universal when only full compliance to the specified criteria can be counted, and so called flexible tools, to which we can refer the EGI toolkit.

The flexible toolkits can be transferred to the local context being the source of inspiration for researchers and experts to work out the toolkit that would be applicable to the local conditions and acting legislation. And as a result this will lead to improvement of the effectiveness of research process making it more value added.