



Capacity Building – An Approach The Bahamian Framework

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Introduction

Aspects of capacity building considered in this paper

- Design of the Regulator
- Funding Options
- Selection of Funding Options
- Acquisition and Retention of Human Resources
- Hiring of Consultants
- Outsourcing
- General Resources



The Design of the Regulator

- Functions and duties will heavily impact design
- Functions empowered by form of legislation
- Design will impact on cost of regulation and options considered before enactment of legislation



The Design of the Regulator

Types of Design

- Sector Specific
- Multisector
- Combination of both



The Design of the Regulator

Advantages of multisector regulator:

- Synergies and sector cross training
- Less likelihood of capture by any sector
- Shared human resources resulting in efficiency in costs
- Economies of scope



The Design of the Regulator

Disadvantages of multisector regulator:

- Lack of sector specific expertise
- Design appears to be only appropriate for small countries
- “Putting all of your eggs in one basket”



The Design of the Regulator - Bahamas

- PUC Acts 1993 & 1999
- Multisector – Telecommunications, Electricity and Water
- Currently only regulates Telecommunications
- Will regulate other sectors when Minister appoints



Funding Options

Regulator must have adequate and reliable funding

Available options:

- Budgetary Allocations
- Levies/Licence Fees
- Usage/Service Fees
- Combination

Selection of Funding Options

Guiding Principles for selection and implementation of levy/licence fees or budget allocation are as follows:

1. Transparency
2. Objectivity
3. Equity

Selection of Funding Options

- PUC uses a combination of all three funding options
- Annual budget of B\$2.9million
- Budget sources
 1. Licence fees – 86%
 2. Budget Allocation – 14% (available for capacity for electricity and water sectors)
 3. Service Fees – Less than 1%

The Acquisition and Retention of Human Resources

Regulator must be able to acquire its own human resources and has these options:

1. Own Staff
2. Use of Consultants
3. Outsourcing

The Acquisition and Retention of Human Resources

Staffing

Factors to be considered include:

1. Agency functions
2. Skills required
3. Skills available in the country (serious for Caribbean countries)
4. Unwillingness to work for new regulator

The Acquisition and Retention of Human Resources

Compensation Package and Training

- Benchmark salaries and benefits with regulated and private sector entities
- Generally avoid civil service salaries and conditions as are typically lower than private or statutory corporations
- Initial and continuous training through seminars, workshops, exchange and twinning programmes and higher degrees

The Acquisition and Retention of Human Resources

PUC challenged with recruiting qualified staff

- Established comparable compensation package with regulated entities
- Implemented aggressive training programme utilizing PURC, ITU, OOCUR, CTU, NERA, TEMIC, USTTI, Adam Smith, etc.



The Acquisition and Retention of Human Resources

- PUC is still challenged with recruiting economists (Other countries are also challenged and the PUC poached Franklin Brown from the OUR in Jamaica)
- Currently 22 professional and administrative staff

The Hiring of Consultants

- Provide expertise in initial stages and on complex issues
- How does regulator know which consultant to hire?
 - Contacts and Relationships of Senior employees e.g. Chairman and Executive Director from their former positions
 - Networking with organizations like OOCUR and ITU



The Hiring of Consultants

- Government used PWC for consultancy on “Establishment of the PUC”
- PUC used consultants on a variety of projects
- Outsource certain tasks
- PUC has outsourced the issue of marine radiocommunications licences to BMA
- PUC may delegate any of its numbering functions per Section 14 (4) of Telecommunications Act

General Resources

- Networking
- Membership in Organizations (e.g. ITU and OOCUR)
- Relationship with Central Government (periodic reports including financial and operational)
- Image (public relations, infomercials, website)



Conclusion

- Regulator's design dependent on enabling legislation and functions
- Regulator design will impact cost of operation
- Adequate and sustainable financial and human resources needed
- Competitive salaries and benefits are needed to recruit and retain professional staff

Conclusion

- Regulator should be independent to make its decisions but accountable
- Regulator should be able to withstand public scrutiny with respect to its actions

Capacity building is not an overnight exercise.
It takes time to determine needs.

Thank You

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