



The World Bank Group

Energy Strategy Consultation Plan

Sustainable Development Network

Revised February 2010

The Context

The World Bank Group (WBG) is preparing a new Energy Strategy, expected to be finalized in early 2011 (see annex 1 for the timetable). As part of its preparation, the WBG will consult with a wide array of stakeholders to seek their views and input.

The strategy is being prepared against the backdrop of an external environment which has changed considerably over the past few years. The need to address the access agenda is as great as ever—the world still has more than one billion people without access to electricity and many more without access to modern cooking and heating fuels. Electricity outages in many developing countries are, if anything, growing in frequency and intensity, seriously limiting economic development and efforts on behalf of poverty reduction. At the same time, there is a general scientific consensus that global warming is an urgent and growing concern. As well, the global financial crisis has raised risk levels and increased uncertainty in investments, while reducing available resources for development assistance and investment flows.

The new WBG Energy Strategy is called upon to fulfill its mandate of poverty reduction by helping developing countries meet their energy needs in a manner that respects the “triple bottom line” of sustainability—environmentally, socially, and economically.

The Objectives

The Energy Strategy consultation process will seek to elicit multi-stakeholder input in as broad and inclusive a manner as possible in order to produce an Energy Strategy that responds effectively to multiple demands. By engaging a wide range of stakeholders in dialogue, the consultation process will also aim to

- raise awareness about synergies as well as trade-offs in improving access and reliability of energy supply while facilitating the shift to a more environmentally sustainable energy development path;
- begin to build the base for a productive on-going relationship between the WBG and key stakeholders so that implementation of the Energy Strategy can continue to benefit from diverse perspectives.

The Audience

The objective of the energy strategy consultation is to involve a wide range of stakeholders and constituencies including international organizations, multilateral development banks, UN agencies, government ministries, parliamentarians, the private sector, civil society, foundations, academia, think tanks, and practitioners involved in the energy sector broadly. The consultative process will make special efforts to seek the views of as wide and diverse a population of stakeholders as possible. Civil society groups may be canvassed to seek suggestions on identifying key stakeholders and obtaining their views on the evolving energy strategy.

The Process

The first phase of the consultative process will be based on an Approach Paper which proposes that the WBG help developing countries achieve the twin objectives of

- improving access and reliability of energy supply;
- facilitating the shift to a more environmentally sustainable energy development path.

The Approach Paper also proposes that, to achieve these twin objectives, two strategic supporting pillars—considered essential for a reliable, efficient, and sustainable energy sector—be pursued:

- Improving the operational and financial performance of the energy sector
- Strengthening governance of the energy sector to improve the contribution of energy to equitable economic development.

The consultations will enable stakeholders to provide feedback on the Approach Paper, which will feed into the subsequent drafting of the Energy Strategy. The Approach Paper is being made available in English, Arabic, Chinese, French, Russian, and Spanish.

The Energy Strategy consultation process will adopt a multi-pronged approach that includes (1) a global Web-platform; (2) country-based, sub-regional, and regional face-to-face meetings complemented by video conferences; (3) selected meetings in low-income countries with energy shortages and low access to modern forms of energy; and (4) global meetings.

Several background notes are posted as annexes to the Approach Paper to guide the strategy and upcoming consultation process. Additional background papers and briefs will be posted as they become available. These are expected to include, among others, the WBG's role in promoting clean energy technology, reducing technical and non-technical losses in the power sector, private and public roles in the power sector, energy subsidy reform, and liquid biofuels.

Pre-Consultation Phase

During the pre-consultation phase, which begins in October 2009, the Energy Strategy Approach Paper is made available on the energy strategy consultation Web site. Also posted are the annexes supporting the Approach Paper as well as key reference documents that illustrate the evolution of the WBG's thinking about its role in the energy sector in developing countries. The pre-consultation phase, lasting more than months, will provide a good opportunity for stakeholders to gain a broad understanding of the WBG's engagement in the energy sector ahead of consultations.

By posting these documents prior to the start of consultations, the WBG hopes that interested stakeholders will have sufficient time to formulate their thoughts and opinions on the proposed approach. This will enable stakeholders to be ready to provide substantive feedback in next year's face-to-face and Web-based consultations.

Although the WBG is not expecting comments on the Energy Strategy Approach Paper until the start of consultations in January/February 2010, interested stakeholders may use this Web site to contact the energy strategy consultation team should they have questions or need clarifications on the Approach Paper.

Phase One: Face-to-Face and Electronic Consultation

This first phase of the consultation process, lasting five months (January 2010 – June 2010), will consist of face-to-face meetings, videoconferences, sub-regional, regional, global meetings and Web-based consultations.

This consultation period will include targeted, country-based face-to-face meetings aimed at listening to the poor and marginalized groups in selected low-income countries with energy shortages and low access.

In addition to the Approach Paper and other documents already on the Web site, other background papers that may be produced will be posted on the site as well. Comments, session summaries of public consultation meetings, and participant lists will be made available in English and, to the extent possible, in the language of the consultation meetings. Through the consultation Web site, stakeholders will have an opportunity to submit suggestions and comments electronically.

Types of Consultation

1. **Web-Based Consultation:** The electronic comment period on the Approach Paper will start in January 2010 and will continue through May 2010.
2. **Country-Based, Sub-Regional, and Regional Meetings:** Face-to-face meetings will be held in each region between February and June, 2010. These meetings are expected to include country consultations, sub-regional consultations, and/or one regional consultation in each of the World Bank's six regions. A wide range of stakeholders will be invited to participate in these meetings, which will be publicized well in advance. Videoconferences will also be held with stakeholder groups within each region to extend the reach of the consultations and ensure a more extensive geographic representation of stakeholders.
3. **Selected Meetings in Low-income Countries with Energy Poverty:** Targeted meetings will be conducted in several low-income countries with energy poverty. These consultation meetings are aimed at gathering feedback from the poor and marginalized groups. The selection of these stakeholder groups will be carried out by WBG staff in country offices in partnership with local authorities and civil society organizations, universities, research institutions, and other local organizations with contacts throughout the country. The WBG may outsource the organization of this task to local organizations or academia to maximize effectiveness. Meetings will be held in local languages and will focus on the issues directly affecting the poor. The format and methodology will be tailored to the local context.
4. **Global Meetings:** At least two global consultation meetings will take place. Civil society organizations, representatives of other multilateral development banks, bilateral donors, parliamentarians, think tanks, and energy experts will be invited to these events. Limited

consultations, led by the International Finance Corporation, will be held with private sector firms and industry associations.

Input and Feedback

Given the importance of ensuring meaningful consultations, meetings will be conducted at the technical level that is appropriate for each audience. During the face-to-face consultation meetings, input will be sought on the energy priorities as perceived by stakeholders; and the appropriateness of the twin objectives, the two strategic supporting pillars proposed, and the associated approaches. All comments received will be summarized and shared through the consultation Web site. At least one feedback meeting with multi-stakeholders to report back on the input received at mid-point of the consultation process will be considered. A summary of the key issues raised during the first phase of consultations will be posted on the Web site in July 2010. Mindful of the overlap between the Urban, Energy, and Environment Strategy consultations, steps are being taken to ensure coordination among these processes.

Phase Two: Electronic Consultation on Draft Strategy

After the closing of the first phase of consultations in June 2010, the WBG will review the information and input gathered during the consultation process and prepare a draft strategy document. The draft energy strategy is expected to be discussed by the World Bank's Committee on Development Effectiveness (CODE) in October 2010. Following the CODE meeting, a revised draft strategy will be posted on this Web site for a two-month electronic comment period, along with a document outlining how the issues raised during the first phase of consultations were addressed in the drafting of the strategy paper.

This second consultation phase will be Web-based only—no face-to-face meetings will be held—and will seek to elicit additional input and comments from multiple stakeholders on the draft Energy Strategy.

Annex 1: Energy Strategy Timetable

| Date | Item |
|-----------------|--|
| Oct 2009 | Approach Paper and reference documents posted on the Web site |
| Jan 2010 | Start of web-based consultation (Jan. 19) |
| Feb 2010 | Start of face-to-face and video-based consultations on the Approach Paper |
| Early June 2010 | Close of initial comment period |
| Oct 2010 | CODE discussion of the draft strategy |
| Nov/Dec 2010 | Draft strategy posted on the Web for a two-month electronic comment period |
| Jan/Feb 2011 | Board discussion of the strategy |
| April 2011 | Publication of the strategy |

Annex 2: Phase One Consultation Questions

Here are the questions that the World Bank Group will be asking stakeholders to consider and comment upon during the consultation process.

1. Where do you think the help of the World Bank Group in the energy sector in developing countries is most needed?
2. Does the proposed approach adequately address the needs of the poor and marginalized? If not, how could it be strengthened?
3. Does the proposed approach strike the right balance between meeting the needs and priorities of low-income countries and those of middle-income countries?
4. Where there are trade-offs between meeting the local energy needs of individual countries and reducing global greenhouse gas emissions, what principles should the World Bank Group follow in resolving the trade-offs?
5. What should be the role of the World Bank Group in promoting new technology and/or helping to transfer existing technologies to new markets, and how much weight should the Bank Group give to each?
6. What other suggestions or comments do you have?