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MULTI-STAKEHOLDER PARTNERSHIPS IN PROMOTING SUSTAINABLE DEVELOPMENT IN ASIA AND THE PACIFIC: ENERGY SERVICES FOR SUSTAINABLE DEVELOPMENT IN RURAL AREAS

(Item 4 (a) of the provisional agenda)

STAKEHOLDER INVOLVEMENT IN WIDENING ACCESS TO ENERGY SERVICES

Note by the secretariat

SUMMARY

Widening access to energy services is a major challenge that needs to be addressed in a strategic, comprehensive and integrated manner in order to contribute to attaining the goals of the Millennium Summit and in meeting the commitments of the Johannesburg Plan of Implementation of the World Summit on Sustainable Development. Although the primary responsibility for addressing the issues lies with the Governments, it is increasingly being recognized that the involvement of relevant stakeholders at various stages of planning and implementation of policies and strategies facilitates the process and makes these more sustainable than a unilateral approach. At its first session, the Committee on Managing Globalization recommended that the secretariat continue its efforts to promote stakeholder involvement as a means of enhancing the ownership, transparency and accountability of activities and programmes designed to achieve sustainable development. The present document reviews the experiences of the secretariat in advocating stakeholder involvement in its programme activities to enhance access to energy services in rural areas, highlighting major issues and challenges faced and listing major lessons learned. The Subcommittee is invited to discuss the relevant issues and share policy and operational experiences in promoting stakeholder involvement in widening access to energy services. The Subcommittee is also invited to provide further guidance to the secretariat in promoting stakeholder involvement.

CONTENTS

Introduction

1. More than a billion people in rural areas of the Asian and Pacific region lack access to modern energy services. Thus, the lack of access to modern energy services constitutes a major barrier to poverty reduction and sustainable development in rural areas. As a means of generating other services that help to reduce poverty, such as food, water, health, communication and education facilities, and allowing for income-generating activities to take place, the provision of adequate, affordable, reliable and environmentally benign energy services is a prerequisite for achieving the internationally agreed development goals, including the Millennium Development Goals. The provision of energy services was also emphasized as a matter of urgency in the Johannesburg Plan of Implementation of the World Summit on Sustainable Development.

2. Moreover, the current pattern of energy supply and consumption, in particular commercial energy, is unsustainable owing to inefficiencies and poor management. In addition, people who do not have access to modern energy rely heavily on biomass. Though renewable, biomass is used inefficiently, which places stress on locally available natural resources, adds drudgery and causes health problems.

3. It is heartening to note that a number of countries in the region are taking measures to enhance access to energy services in rural areas, through, among others, the involvement of stakeholders in formulating and implementing relevant policies. The secretariat seeks to support those efforts by advocating and facilitating the establishment of legal and institutional frameworks supportive of the involvement of a wide rage of stakeholders.

4. Through its capacity-building and advocacy activities, the secretariat seeks to identify and test different approaches for increasing access to energy services. Recognizing that a range of models is needed to serve people living under different conditions, the involvement of stakeholders, including beneficiaries or clients, policy makers, private and civil society entities, as well as academia, is key to securing access to energy services for the rural population. In addition to ensuring that the needs of beneficiaries are met in an appropriate manner, such an approach may also make use of the experiences, expertise and resources of civil society, the private sector, financial institutions and academia.

I. Concept of stakeholder involvement

5. In the secretariat's activities related to increasing access to energy services by the rural population, a stakeholder has been defined as: "any organization or individual which may affect or may be affected by the issue under consideration". In other words, stakeholders include all individuals or groups with an interest in a given activity. Stakeholder involvement is a facilitating process designed to integrate the views of all stakeholders into a decision-making process.

6. Involving stakeholders is perceived to be an effective tool in addressing sustainability issues related to energy policy formulation and implementation of related programmes and projects. Benefits

include a higher level of ownership and enhanced transparency and accountability. The principal justifications for dedicating resources for advocating multi-stakeholder involvement include the following:

(a) Decisions will benefit from a wider field of expertise and creativity;

(b) All are allowed to focus on their core competence;

(c) Relationships will be based upon mutual trust and recognition;

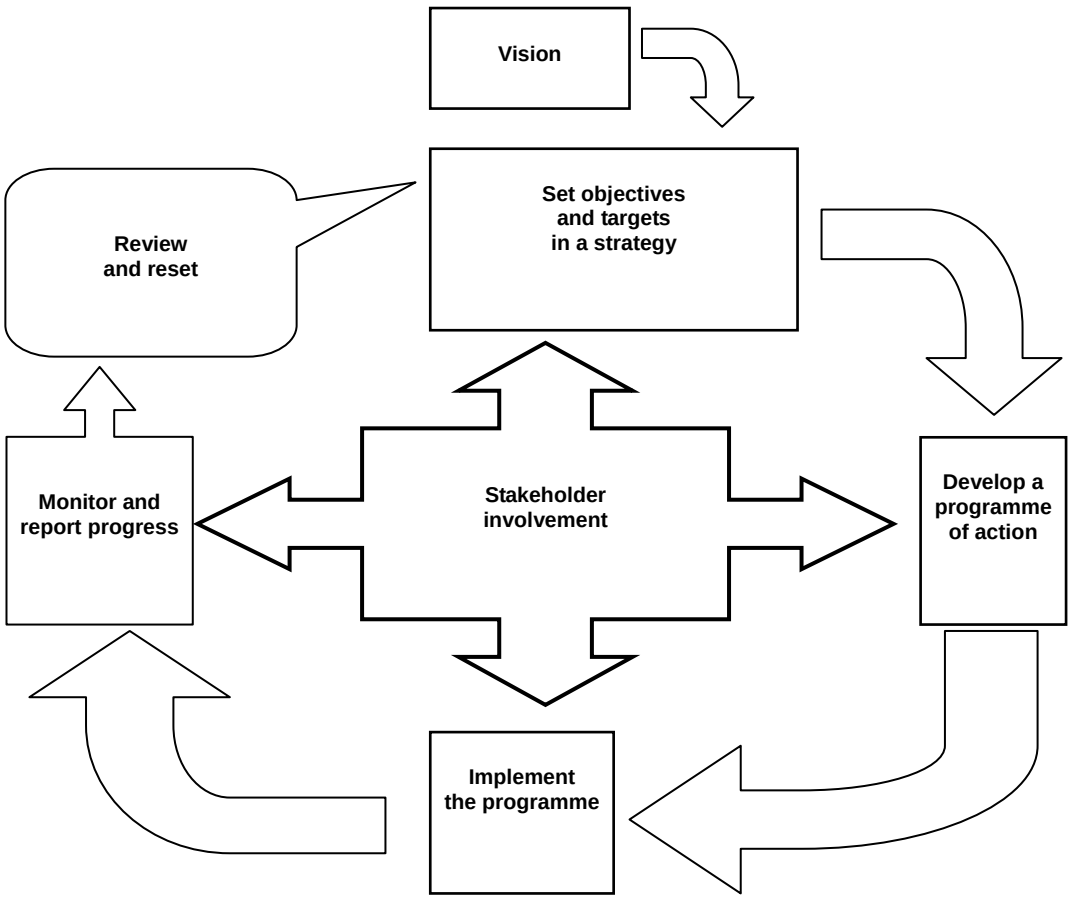
(d) A wider choice of options will lead to more sustainable outcomes;

(e) The short-term costs of involvement will be outweighed by the long-term benefits of fair and lasting solutions;

(f) Less monitoring cost and risk of failure;

(g) More cost-effective solutions and predictable outcomes.

7. In order to effectively enhance access to energy services for sustainable development in rural areas, extensive interventions at the policy and operational levels are required. Stakeholder involvement, therefore, has to form the central part of policy and strategy formulation as well as of project design. While the entities that have a stake in policy formulation may not necessarily coincide with those that have a stake in project design and implementation, it is important to recognize the interrelationships among stakeholders to ensure that operational activities support policy implementation and vice versa. It therefore becomes evident that the process of involving stakeholders needs to be managed effectively in order to realize the potential benefits mentioned above.



8. To effectively involve stakeholders, the unit responsible for the activity in question needs to identify (a) the relevant stakeholders, (b) the expected benefits and costs of involving each stakeholder and (c) the level of involvement of each stakeholder.

9. Stakeholders can be involved at different levels, for example as entities for gathering, processing or disseminating information or in consultations or hearing processes. At a high level of involvement, a stakeholder can participate in the decision-making process on an equal basis with the responsible unit, which is, by definition, itself a stakeholder. Some stakeholders even hold the ultimate decision-making power. Often, academia is involved at a low level for gathering, analysing and disseminating information. Other stakeholders, such as utility associations, unions and national non-governmental organizations (NGOs), may be invited to consultative meetings, where their views may or may not influence the final decision. At the policy level, government ministries responsible for planning, financing and environmental and social issues need to participate in formulating energy policies to ensure coordination and the proper consideration of their concerns. At the programme and project levels, communities, local governments and other local entities, as well as financial institutions, would be involved to ensure the effective implementation of activities; other national government entities would be expected to be involved at a lower level.

10. The following table identifies different stakeholders with an indication of their level of involvement depending on the nature of the activity:

Activity	Stakeholders	Level of involvement
Formulating energy policy to widen access to energy services in rural areas	Ministry of Energy	Responsible unit
	Ministry of Rural Development	Medium
	Ministry of Planning	High
	Ministry of Finance	High
	Ministry of Environment	Medium
	Ministry of Science and Technology	Low
	Ministry of Commerce	Low
	Ministry of Forestry	Low
	Provincial government	Medium
	Academic institutions	Medium
	Utilities	High
	NGOs	Low
	Local communities	Low
	Private sector	Low
	Donor community	Low
Programme on increased utilization of renewable energy	Ministry of Energy	Responsible unit
	Ministry of Rural Development	High
	Ministry of Planning	Low
	Ministry of Finance	High
	Ministry of Environment	Medium
	Ministry of Science and Technology	High
	Ministry of Commerce	Low
	Ministry of Forestry	Medium
	Provincial government	Medium

	Academic institutions	Medium
	Utilities	Medium
	NGOs	Medium
	Local communities	Medium
	Private sector	Medium
	Donor community	Medium
Implementing a biomass project in rural communities	Project implementation agency	Responsible unit
	Ministry of Energy	Medium
	Ministry of Rural Development	Medium
	Ministry of Planning	Low
	Ministry of Finance	Low
	Ministry of Environment	Medium
	Ministry of Science and Technology	Medium
	Ministry of Commerce	Low
	Ministry of Forestry	Medium
	Provincial government	High
	Academic institutions	High
	Utilities	High
	NGOs	High
	Local communities	High
	Private sector	High
	Donor community	High

Source: Based on various guidelines published by the secretariat.

11. It should be noted that the actual identification of stakeholders and their level of involvement will depend on the outcome expected from the stakeholder involvement, which needs to be assessed in the stakeholder involvement plan.

II. Issues and challenges

12. Lack of awareness of the need to establish clear linkages with other sectors often results in lack of prioritization and resources given to the identification and involvement of appropriate stakeholders in the formulation and implementation of policies and programmes for enhancing energy services in rural areas. In turn, this leads to lack of acknowledgement of the challenges related to stakeholder involvement as well as lack of exposure to and capacity for managing the stakeholder involvement process in a satisfactory and beneficial manner. To promote stakeholder involvement as a means of enhancing energy services for sustainable development in rural areas, it is thus necessary to enhance national capacity to (a) develop plans for the proper management of stakeholder involvement and (b) manage the process of stakeholder involvement.

13. To strengthen national capacity so as to fully take advantage of stakeholder involvement, it is necessary not only to promote it through proper legislation but also to ensure that an appropriate framework has been established. An enabling environment to ensure collaborative working arrangements at the institutional level needs to be reviewed together with aspects in encouraging innovative financing mechanisms and public-private partnership arrangements.

14. Traditional institutional arrangements, with their strict hierarchies and bureaucratic procedures, at times constitute barriers for governmental bodies and agencies to interact beyond the level of information exchange. Institutional arrangements need to be tailored to collaborative approaches so that they can be used as vehicles, rather than obstacles, for the introduction of integrated, comprehensive and people-centred approaches to policy, programme and project formulation in support of energy service provision for the rural population.

15. The energy services needs of over 1 billion people in Asia and the Pacific cannot be met through public funds alone. Alternative and more sustainable channels for overcoming government budgetary constraints in providing basic services to the poor must be identified and established. To meet such challenges, an innovative financing mechanism, including private sector participation, needs to be incorporated into government policies and operational activities. Governments need to create an enabling environment in which the private sector could pursue its objectives, including adequate returns on investment, in providing the necessary technology and financial resources to meet the needs of rural communities. As the private sector may be unable to respond to the needs of every rural community, it is important to segment the rural market in order to identify the private sector's role in the provision of financial resources and expertise.

16. Given the limited public resources available, other options, including private sector participation, are increasingly being considered to supplement government efforts in investment in and efficient management of the energy sector. However, the nature and low profitability of rural energy projects in general raise concerns about the private sector's ability to respond to the needs of rural communities. Some experience in project implementation, as noted below, indicates that with appropriate policies and institutional arrangements in place, a public-private partnership could be a good model to overcome such concerns. The challenge, however, lies in creating a mechanism in which public-private partnerships could be formed to develop projects which respond to social, economical and environmental concerns and satisfy the interests of all partners with respect to finance, affordability, resources and technology.

III. ESCAP initiatives to support energy services for sustainable development in rural areas

17. ESCAP is assisting a number of countries in developing policies and introducing new approaches for promoting sustainable energy development in rural areas. The main ongoing projects and activities include: (a) strengthening national capacities in strategic planning and management of natural resources; (b) capacity-building on the integration of energy and rural development; and (c) promotion of pro-poor public-private partnerships for the provision of energy services to rural populations. The three initiatives, although different in content and scope, have all been designed to assist countries in energy sector planning, incorporating sustainable development dimensions and

promoting the use of renewable energy technologies. A key element of the implementation strategy of all three initiatives is the advocacy and promotion of, and capacity-building for, increased stakeholder involvement at all levels.

18. The activities of the above-mentioned projects have included elements in developing a plan to involve stakeholders and managing the stakeholder involvement process in formulating policies and implementing operational activities. Through these activities, it is expected that participating countries will be able to identify the challenges in promoting stakeholder involvement in formulating energy policies and operational activities as well as their implementation, leading to concrete benefits. A pilot project, implemented within the framework of the pro-poor public-private partnership project, demonstrated an effective model on public-private partnership, built on strong collaboration among community members, NGOs, the electric power utility, the private sector and the government entities concerned.

Strategic planning and management of natural resources development

19. Within the framework of the project on strategic planning and management (SPM) of natural resources development, the secretariat is assisting selected participating developing countries of the Asian and Pacific region in the strategic planning and management of their natural resources development and in environmental protection. The project has three main components: (a) development of guidelines on SPM which reflect the experiences and good practices of the region; (b) conducting regional or subregional training workshops to ensure that the approach is understood; and (c) implementing national-level activities to identify measures to adopt the SPM approach in formulating energy policies for sustainable development.

20. Guidelines on SPM of the energy sector have been developed in partnership with experts from member government agencies, academia and research institutes from within and outside the region incorporating and reflecting relevant experiences. Regional, subregional and national training courses have been held to ensure that the approach is understood. In consultation with the participating Governments, national-level activities are under implementation in Bangladesh, Cambodia, the Lao People’s Democratic Republic, Maldives, Mongolia, Nepal, Pakistan, Samoa and Vanuatu.

21. The main implementer of project activities at the national level is the national team, a multi-stakeholder entity established under the project and led by the ministry responsible for the formulation and management of energy policies for sustainable development. The national teams have been tasked with analysing gaps between the current energy policy formulation and implementation process and the SPM approach, focusing on the appropriate consideration of sustainable development aspects of energy sector development. Based on the analysis, recommendations for improvement have been made through a consultation process and put forward for the consideration of decision makers.

22. Through the implementation of the project, participating countries noted that (a) the SPM approach serves as a good tool for stakeholders, including civil society, to become involved and share responsibilities and (b) the introduction of SPM involved making the planning process and the monitoring of the progress transparent, implying high levels of ownership and accountability on the part of planners and implementers. However, participating countries also identified major challenges in further promoting SPM, such as (a) the current planning processes suffer from top-down approaches, insufficient coordination, inadequate stakeholder involvement and lack of financial and human resources, (b) although a number of plans are in place in some countries, they face difficulties in implementing policies and strategies, which partly stem from inappropriate institutional structures and coordinating mechanisms and (c) the identification and systematic involvement of stakeholders will require a great deal of work.

23. The SPM approach places stakeholder involvement at the core of formulating policies and managing their implementation. The strength of the SPM approach lies in its potential to enable policy makers to integrate sustainable development issues into energy policies but the challenge is the effective involvement of the stakeholders. Establishing a national team consisting of a wide range of government entities with expertise and knowledge of existing social, economical and environmental policies is a good start. It was observed that although official approval processes exist in many countries to ensure that the views and interests of other ministries are reflected in energy sector policies, difficulties were faced in ensuring the participation of representatives of other government bodies at the working level. Thus, coordination and cooperation at all levels need to be strengthened.

24. With regard to developing a stakeholder plan and managing the process, there is a further need to strengthen national capacity to effectively reap the benefits of stakeholder involvement. Appropriate institutional arrangements to promote greater inter-ministerial collaboration, at the working level in particular, are needed to ensure the proper integration of sustainable development issues in energy policies.

25. In sustaining SPM activities, it is necessary to identify an entity as the focal point for the proper coordination and monitoring of energy policies and their implementation, and to recommend the establishment or empowerment of such an entity. It is necessary to implement awareness raising and information dissemination activities that emphasize the need for the involvement of all stakeholders, including civil society, in order to establish the necessary knowledge base for their active participation. Creating an enabling environment for the empowerment of stakeholders is a prerequisite for such a participatory approach, which underlines the need for political support.

Integration of energy and rural development planning

26. The secretariat is currently implementing a project entitled “Capacity-building on integration of energy and rural development planning”. The project aims to promote rural energy development

based on locally available energy resources through the enhanced integration of energy issues into rural development policies and programmes. Under the project, activities are being carried out to build capacities and raise the awareness of government officials of linkages between energy and rural development, including the need for networking and dialogue in the development, implementation and management of rural energy plans and policies. Major means of facilitating the integration between the energy and rural development sectors include the enhanced involvement of stakeholders and sharing of experiences within the context of integrated rural development. The project is being implemented with the participation of Bangladesh, Cambodia, the Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, Sri Lanka and Viet Nam.

27. As a starting point, guidelines on the integration of energy and rural development policies and programmes were developed, and a regional training of trainers course was organized for lead stakeholders of each project country.

28. National teams consisting of main stakeholders, including government officials involved in rural development or energy policy planning and implementation, research institutions, rural developers, rural energy entrepreneurs and NGOs, have been established under the project. The teams are to take the lead role in increasing dialogue among stakeholders involved in energy and rural development and in identifying and bridging the gaps between energy and rural development planning and policies. National activities include training and the development of a national strategy to create an enabling environment for the meaningful and effective involvement of stakeholders in the planning and management of energy programmes for rural development.

29. The national teams identified the benefits of proper and systematic stakeholder involvement as increased policy options and better opportunities for policy implementation through an enhanced implementation capacity.

30. As the project also focuses on the operational level, stakeholders with experience in and knowledge of implementing energy projects in rural areas need to be included as national team members. Also, both local and national entities must be represented in order to ensure linkages and develop shared visions and objectives, which is a chief prerequisite for moving forward.

31. As to the issue of the level of involvement of stakeholders and the placement of decision-making power, a major issue for discussion, which evolved during the development of the guidelines, related to the need for decentralization in order to promote integrated, participatory and people-centred approaches to enhancing energy services in rural areas. While Governments are the main drivers in establishing an enabling environment for collaboration and stakeholder involvement, it is not possible for Governments alone to make appropriate decisions at the microlevel to meet the needs of communities. A more balanced approach to ensure expeditious implementation and decision-making was deemed to be necessary.

32. In the course of implementation, the lack of coordination among government and other agencies was found to be a common issue in a number of countries and constituted a barrier for the integration of energy in rural development. Some other key challenges identified were inadequate information exchange, data collection, financing mechanisms, demonstration projects and policies and the weakness of institutional capacity.

33. With respect to stakeholder involvement, the following observations were made or common concerns raised: (a) in general, although a number of stakeholders take part in project implementation, only a limited number are involved in the formulation of policies and strategies; (b) though frequently promoted and recommended, institutional frameworks and procedures do not yet adequately enable stakeholder involvement; and (c) the necessary initiatives are not taken at the policy level and many stakeholders do not have sufficient incentives or capacities to involve others in policy formulation and implementation.

34. It was recognized that in many cases gender issues are not properly reflected in existing energy and rural policies and programmes or in institutional support structures. Against this concern, the project benefited from additional financial and technical support from the United Nations Development Programme, which ensured that the impacts of approaches advocated by the project on women as well as men were properly analysed and reflected. There is a need to recognize that women have expertise in a wide range of topics and that there are other, weighty justifications for their involvement other than their sex.

Promotion of pro-poor public-private partnerships for the provision of energy services to rural populations

35. The two projects described above focused on stakeholder involvement in relation to policy formulation and institutional arrangements, whereas this particular project, which is funded by the Government of the Netherlands, focuses on operational activities in establishing a model to promote stakeholder involvement in the form of public-private partnerships.

36. This ongoing project focuses on the following key sectors related to sustainable development: water, energy, health and biodiversity conservation. It aims to provide affordable basic services to the poor in selected countries through public-private partnerships. The project assists central and local governments and the private sector in developing plans for public-private partnerships for public services delivery that incorporates the provision of basic services to the poor. For the purpose of the present document, only the energy component is considered.

37. The energy component of the project has been designed to mobilize private sector involvement and provide sustainable and affordable energy through a rural electrification demonstration project with microhydro to poor households to improve their social conditions. Along with this demonstration project, assistance is also provided to the Government in establishing a

mechanism for mobilizing and allocating financial resources for rural electrification projects accessible to, among others, public-private partnership projects.

38. Through a consultative and participatory process, involving the relevant government agencies, the community, NGOs and the private sector, the site chosen for the implementation of the energy component of the demonstration project was Cinta Mekar, a village community located in Kab Subang, West Java, Indonesia. Although the electricity supply reached the community through the main government-owned utility company, not all members of the community had access because of the costs involved. Fortunately, a water stream, which had the potential to be harvested to produce electricity, passed through this community. However, to make the project viable it was believed that it would be necessary to sell the produce to the utility company. As a result of the recent law promulgated by the Government, small-scale generators were permitted to sell the electricity to the grid. With the positive response from the utility and the support from the ESCAP project, a partnership venture between the community and the private sector was formed to build a microhydropower plant with a total capacity of 120 kW. Support was also secured from other stakeholders, including government agencies, such as the Directorate General of Electricity and Energy Utilization and the Ministry of Cooperatives, and IBEKA, an NGO, which together with the community constituted the steering committee to implement the project. ESCAP also worked with these partners to elaborate a social development plan to share the income from the project to benefit the community, especially the poor. This included support for access to electricity, support for education and health care and seed funds for income-generating activities. The project's approach has been to work with the community itself, rather than poor individuals, to ensure mutual support through the elaboration of a community social development plan. The plan was aimed at providing additional access points to electricity for the poor.

39. There were four principal partners involved in implementing the project: (a) government agencies (the Ministry of Energy and Mineral Resources, the Directorate General of Electricity and Energy Utilization); (b) the local community, Cinta Mekar; (c) IBEKA; and (d) a private sector company, HIBS. The following describes the role of each of these main counterparts with respect to stakeholder involvement. Each stakeholder has a different role in carrying out the projects for energy services for sustainable development in rural areas.

40. The Government needs to ensure the creation of an enabling environment that provides economic incentives to the private sector to promote public-private partnership. These could be created through appropriate institutional arrangements and a regulatory framework. The role of the government agencies in this project has been to facilitate the process by issuing licences or permission to build and sell the electricity to the grid as well as act as a mediator in case of disputes. It also chairs the steering committee. It is expected that this steering committee will also manage the implementation of the social development plan. As a long-term policy, the Government has

committed to facilitating the replication of the Cinta Mekar model in other parts of the country by setting up an appropriate mechanism to finance small-scale rural energy projects, adapt norms and regulations to take account of emerging sustainable rural energy technologies, adopt a more balanced and productive fiscal system in the energy field, stimulate competition and, perhaps most important, contribute to capacity-building.

41. The local community has been actively engaged in implementing the project. A social development plan was developed to identify the priority as well as the modality in providing access points to the households in the local community. As end-users, the people in the local community actually played an important role in the decision-making process. The community has also provided other substantial in kind contributions.

42. NGOs and civil society groups, as intermediaries, are in a better position to mobilize community participation for rural energy projects and are crucial in influencing the decision-making process that may affect the development of local communities. They can also provide information to the community and help the communities, in an organized manner, with their energy programmes. In this particular project, the NGO assisted in drawing up a social development plan with the local community. NGOs could also play an important role in ensuring that appropriate technologies are introduced and environmental issues properly addressed and in reviewing the sustainability of the project.

43. The private sector, with its financial resources, could play a much more important role in enhancing access to energy services for sustainable development in rural areas, including providing decentralized energy systems. The private sector provided one third of the investments for this project; the remainder was provided by both the NGO and ESCAP, which provided a third each. The private sector has also provided technologies, construction and operation and management skills.

44. The project was successfully completed and commissioned in April 2004. As a final event, a concluding workshop was held to share the results of the pilot project with a wider range of participants from across Indonesia and explore the possibility of replicating the model countrywide.

45. The Concluding Workshop on the Energy Component (Rural Electrification) of the ESCAP Public-Private Partnerships Project was held in Jakarta on 14 and 15 June 2004. With over 160 participants ranging from officials of the central government, the electric power utility, the private sector company and the NGO and members of the local community, the Workshop recommended that (a) the small hydropower plant demonstration project in Cinta Mekar should be replicated elsewhere in Indonesia, (b) innovative financing instruments and arrangements should be developed as soon as possible to enhance the private sector’s involvement in rural electrification, (c) a training facility should be established near the Cinta Mekar demonstration project to promote the development of public-private partnerships for rural electrification, (d) local governments should be involved from the

initial stages in rural electrification projects to facilitate the process of approval, including planning, land-use permission and environmental impact assessment, and (e) rural electrification development should be gender-responsive in terms of institutional framework, planning and budgetary policy aspects.

46. The pilot project demonstrated the effectiveness of private sector participation in providing energy services in rural areas. The joint community-private sector venture entered into a power purchase agreement with the power utility, which will allow the private sector partner to recover its investment.

IV. Lessons learned on stakeholder involvement through project implementation

47. Through implementing these three projects which focus on stakeholder involvement, the secretariat is actively incorporating issues and concerns to modify the implementation modality to suit national needs. The following section is a summary of the lessons learned in stakeholder involvement.

48. To successfully implement a project emphasizing its implementation through stakeholder involvement, it is necessary to ensure that the stakeholder involvement, including its benefits, risks and tasks involved, is fully understood by those implementing the project. Skills to plan for and manage stakeholder involvement need more attention at all levels. The lack of understanding in identifying the expected outcome of stakeholder involvement, the identification of stakeholders and the level of involvement of stakeholders could lead to misunderstandings about stakeholder involvement. It is important to recognize that it is a managed process so as to ensure commitments from all concerned parties as well as transparency and accountability. Hence, capacity-building to ensure that proper stakeholder involvement is planned for and managed is critical.

49. In implementing capacity-building projects on policy formulation, it was recognized that it is equally important to involve the government body responsible for national development policies. While involving government bodies other than the Ministry of Energy and Mineral Resources proved to be relatively difficult, the planning body tended to facilitate the process to ensure coherent and mutually supportive policies. Recognizing the differences in government structure, it is noticeable that collaborative work among government bodies and agencies needs the further encouragement of higher authorities.

50. Although there are various levels of stakeholder involvement, at the level of participation, stakeholders will have a stake in making the decision. In order to ensure sustainability in widening access to energy services in rural areas, it is essential to directly involve the local communities in developing the plan and determining the technologies to be used and maintenance issues. To further accelerate a participatory approach in widening access to energy services in rural areas, it is probably important to shift the decision-making power closer to the local communities.

51. Without proper encouragement and guidance, it is unlikely that gender-related issues will be considered. It is necessary to ensure that social issues, including gender-related issues, are given full consideration in implementing projects, in particular in rural communities where women, who comprise half of the population, will be affected.

52. While the interest of the private sector to participate in a public-private partnership project is clear, it is important for Governments to ensure that an appropriate framework to encourage their participation is in place. In addition, to ensure that social and environmental issues are fully considered, the involvement of the beneficiaries either directly or through civil society groups is considered essential in forming effective partnerships, which could then be replicated.

53. From the lessons of the public-private partnership project described above it is evident that the private sector would not have entered into such an arrangement without a proper regulatory framework, which allows it to make a profit while receiving assistance from NGOs in identifying appropriate local communities to implement the project. This project is expected to lead to a more comprehensive regulatory framework to promote partnerships among various public and private sector entities in providing energy services in rural areas in Indonesia.

V. Issues for consideration by the Subcommittee

54. The Subcommittee may wish to deliberate on the issue of widening access to energy services in rural areas and on the role of stakeholder involvement in facilitating the process.

55. It may wish to recommend priority activities for the secretariat in its future work to widening access to energy services in rural areas, including the promotion of stakeholder involvement.