



STAKEHOLDER ENGAGEMENT

PARTNERSHIP FOR MARKET READINESS

MRV TRAINING WORKSHOP

BEIJING, CHINA

SEPTEMBER 23-25, 2013

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- ◆ Key Concepts, Options and Trade-offs
 - What is stakeholder engagement?
 - Who are the stakeholders?
 - What are the engagement methods?
 - What drives decisions on who, what, when?
- ◆ Input from experts
 - Trade-offs with stakeholder engagement
 - Preparing a stakeholder engagement plan
- ◆ Summary

- ◆ **Stakeholder engagement** allows and ensures that **relevant parties** throughout a society are **appropriately consulted and informed** in the design, implementation and operation of an MRV program
 - Comes in many different forms
 - Has been a major driver of success for facility-level MRV programs
 - Usually involves difficult conversations and some conflict, but it has significant benefits

- ◆ The benefits of effective stakeholder engagement include:
 - Ensuring **transparency**
 - Establishing **relationships** with interested parties
 - Increasing **understanding** of the issues
 - Increasing the **buy-in** (acceptance) of the process

- ◆ What other benefits do we see from effective stakeholder engagement?

- ◆ What are the challenges?

- ◆ Key topics which are usually addressed:
 - Design and implementation of the program
 - Program participation, administration, compliance and enforcement
 - Technical issues (eligibility, methodologies, data, calculations, factors, QA/QC, etc)
 - Program results, performance and improvements

- ◆ Sometimes a single engagement session will cover many of these topics

- ◆ Facility-level MRV programs usually involve a wide variety of stakeholders:
 - Program participants in all of the sectors covered by the program, including different personnel within the program participants (engineers, environment, health & safety, legal)
 - Verifiers, technical experts and other service providers involved in the program such as consultants, accountants and lawyers
 - Government (national and sub-national)
 - General public, NGOs, trade associations, etc

- ◆ Examples of engagement methods (1):
 - Publication of documents and guidance material (websites, print)
 - “One-to-many” presentations, such as in large gatherings of interested stakeholders
 - “One-to-some” presentations, where the group is smaller and more interactive
 - Formal and informal training and capacity building delivered online or in-person

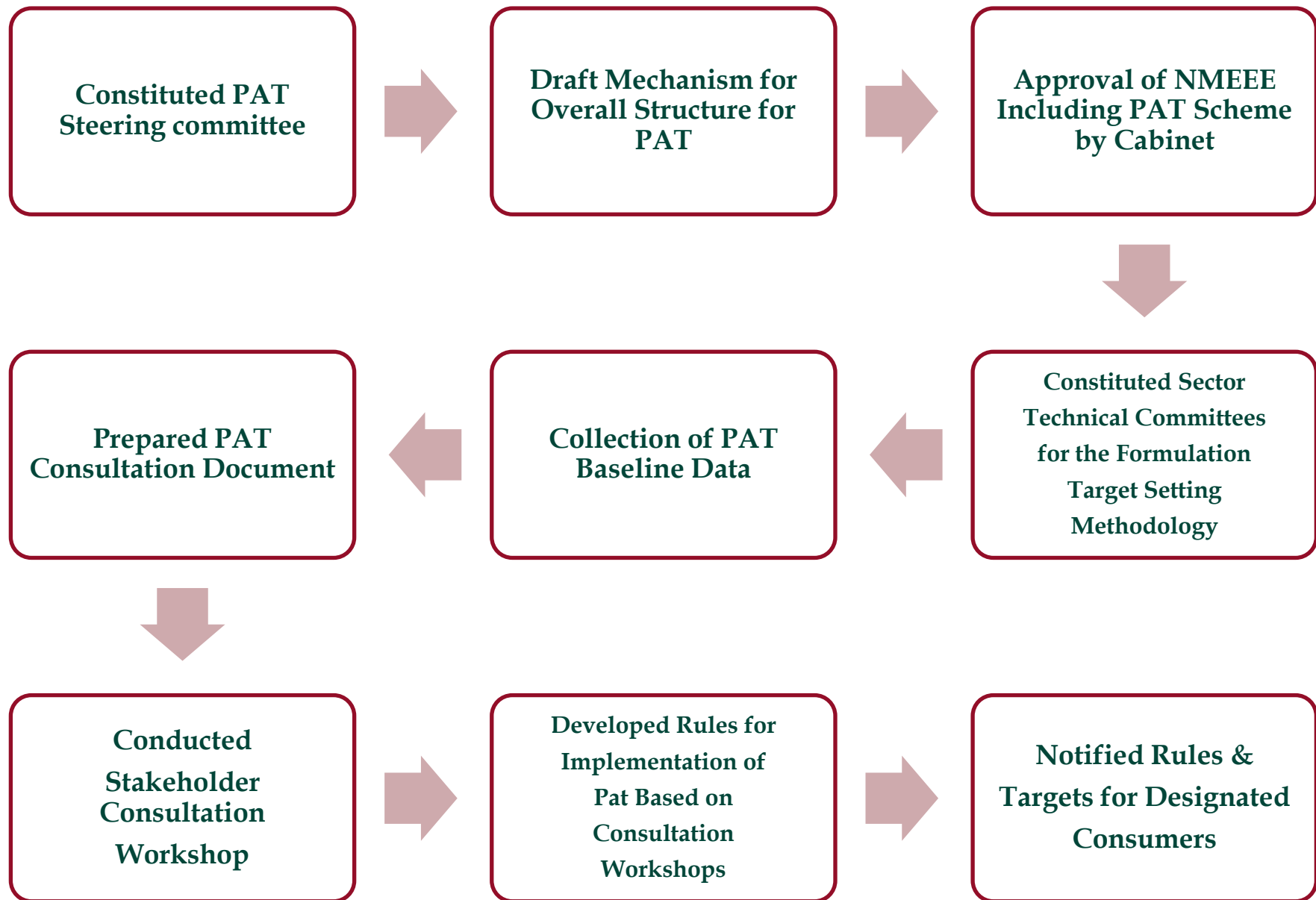
◆ Examples of engagement methods (2):

- Small group in person discussions or conference calls, where an agenda guides the conversation
- One-to-one in-person meetings, telephone calls
- Emails, letters, submissions
- Call center operations, where scripted responses are provided to common questions
- Webinars, RSS feeds
- An increasing range of modern electronic communication tools...

- ◆ There are three key drivers for decisions on who, what and when for engagement
 - **Diversity of participants** in the stakeholder engagement (e.g. technical specialists, lawyers, general public, other government agencies)
 - **Regulatory culture** in the jurisdiction and the covered sectors, and how stakeholders expect to be engaged and informed of regulatory changes
 - **Readiness** of the program participants, and how prepared the facilities are for the MRV program (training needs assessments can help with this)

- ◆ A stakeholder engagement plan from an existing facility-level MRV program
 - How long did it take to prepare?
 - Was it difficult to do?
 - How did you think about the key aspects?
 - objectives of the engagement
 - which stakeholder engagement methods to use
 - which stakeholders to engage and when
 - what issues are important
 - what will indicate success
 - How often is it updated and what changes?

Steps in Structuring PAT Mechanism



Chronology of PAT Notification

30 June 2008	Hon'ble PM releases the National Action Plan of Climate Change
September 2008	NMEEE endorsed by steering Committee, MoP
3 October 2008	Discussion on Draft outline in PMO
14 Nov 2008	First consultation workshop at Mumbai
August 2009	PM's council on Climate Change approves NMEEE in principle
December 2009	EFC recommends the implementation plan of NMEEE to Cabinet with a financial outlay of Rs. 235.35 Crs
8 March 2010	The Energy Conservation (Amendment) Bill was introduced in the Lok Sabha
May 2010	Cabinet approves the financial outlay Amendment to Energy Conservation Act, 2001 passed in parliament
December 2010	Request for Proposal for Conducting Baseline Energy Audit of the Designated Consumers under the Perform Achieve and Trade (PAT) Scheme
2011	Finalization of rules, methodology and targets
30 March 2012	PAT Notification and PAT Rules released by MoP

- ◆ Stakeholder Consultation Process was integral part of the development of PAT Mechanism
- ◆ Government of India involved industry and various other stakeholders in design of PAT Scheme
- ◆ GoI had set up three Working Groups to design key elements under National Mission for Enhanced Energy Efficiency
- ◆ GoI had set up Working Group to develop PAT Mechanism under Chairmanship of Shri Anil Kumar, Additional Secretary
- ◆ Four Sub-Groups were established to look into various aspects of the PAT Scheme

◆ **Terms of Reference (ToR):**

- The task for this sub-group is to recommend methodology for setting up specific energy consumption norms for each designated consumer in the baseline year and target year.

◆ **Composition of Sub-Group**

◆ **Subgroup on Industry**

- **Chair:** Representative of Ministry of Textiles
- **Convener:** Energy Economist, BEE
- **Members:** IIT-D, TERI, Representatives of FICCI, CII, DIPP, Ministries of Fertilizers, Petroleum and Natural Gas, and of Sectoral Manufacturers Associations of Fertilizer, Textiles, Cement and Pulp & Paper sectors

◆ **Subgroup on Power Generation**

- **Chair:** Representative of CEA
- **Convener:** Energy Economist, BEE
- **Members:** Representative of CERC, NTPC, HPGC and MSPGCL

◆ **Terms of Reference (ToR):**

- The SWG-2 has to anticipate the issues and offer recommendations for systems and processes for efficient implementation of the Energy Savings Certificates (ESCs).

◆ **Composition:**

- ◆ **Chair:** Representative of Ministry of Environment & Forests
- ◆ **Convener:** Technical Specialist GTZ-BEE
- ◆ **Members:** CII, FICCI, Ministry of Petroleum & NG, Det Norske Veritas AS

◆ **Terms of Reference (ToR):**

- The ToR for this sub-group is as under:
- To recommend regulations and institutions necessary for trading of Energy Saving Certificates (ESCs)
- To recommend the appropriate trading process for ESCs
- To recommend the issuance process for ESCs to those designated consumers who exceed their target SEC reduction

◆ **Composition:**

- **Chair:** Joint Secretary, EC, MOP
- **Convener:** Secretary, BEE
- **Members:** Representatives of CII, FICCI, NSDL, Power Exchange, MoEF

◆ **Terms of Reference (ToR):**

- The SWG-4 has to identify opportunities for
- Cross-sectoral use of ESCerts and
- Outline the mechanism for synergizing renewable energy certificates (RECs) with Energy Savings Certificates (ESCerts)

◆ **Composition:**

- **Chair:** Secretary - CERC
- **Convener:** Technical Specialist GTZ-BEE
- **Members:** CII, FICCI, NSDL, Power Exchange, MNRE, Consultants

Sector-wise awareness levels regarding PAT Scheme

Sectors	Level of awareness
Aluminum	Limited awareness and understanding
Cement	Awareness at top management and energy manager levels
Chlor alkali	High level of awareness
Fertilizers	Low awareness in general
Iron and Steel	Adequate awareness
Pulp and Paper	Limited to a small group
Textiles	Very low levels of awareness
Thermal Power Plants	Adequate awareness in centrally and privately owned plants but low awareness in state owned power plants

Source: Confederation of Indian Industry, 2011

- ◆ PAT's design phase involved extensive consultations with the DCs through workshop and sector and plant level meetings
- ◆ This was aimed at enhancing awareness and improve industry's preparedness
- ◆ The objective was to incorporate comments and recommendations of each workshop after being reviewed to evolve robust acceptable mechanism
- ◆ Stakeholder Consultation process featured approximately 100 workshops and meetings bringing together DCs, state government officials, and energy auditors and managers
 - Over 50 workshops organized by BEE across the country before PAT notification to create awareness, evolve consensus on target setting etc
 - Over 25 workshops organized after PAT notification to create awareness, normalization process, implementation of MRV etc
 - BEE has created sector wise expert committees which held regular consultation meetings

- ◆ Diversity of various sectors in terms of
 - Scale of operation,
 - Ownership structure,
 - Skill sets and organizations structure in place
 - Existing level of awareness with respect to energy efficiency
 - Level of preparedness to market based mechanism
- ◆ Setting the acceptable targets and MRV process acceptable to sector
- ◆ Involving sector experts, industry associations and all DCs
- ◆ Ensuring confidence in PAT mechanism, realistic targets, MRV & its timeline
- ◆ Creating awareness as well as capacity building of wide range of stakeholders

- ◆ Stakeholder engagement is about informing and consulting with the relevant parties
- ◆ There are many different stakeholders involved in facility-level MRV programs
- ◆ There are lots of engagement methods
- ◆ Various issues should be considered when developing a stakeholder engagement plan
 - budget, stakeholder expectations, size & coverage of the program, diversity of stakeholders, regulatory culture, readiness

- ◆ What are the common topics for stakeholder engagement in facility-level MRV programs?
- ◆ When should stakeholders be engaged?
- ◆ What are the benefits of having a Stakeholder Engagement Plan?

- ◆ Common topics: see slide 4
- ◆ Stakeholders should be engaged across the entire life cycle of an MRV program
- ◆ A Stakeholder Engagement Plan provides:
 - a structured approach to articulating the plan
 - objectives of the engagement
 - which stakeholder engagement method to use
 - which stakeholders will be engaged
 - what issues are important
 - what will indicate success

FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR),

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