



# **SRMI FACILITY (Phase 2)**

## **STAKEHOLDER ENGAGEMENT APPROACH**

**October 2021**

**SRMI** Sustainable Renewables  
Risk Mitigation Initiative

**Disclaimer:** This Stakeholder Engagement Approach is a Facility-level document. Further development, engagement and consultation will be conducted as part of the finalization of stakeholder engagement plans to be developed by the Borrowers for each project under the SRMI Facility (Phase 2).

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## 1. PURPOSE AND GENERAL PRINCIPLES OF THE FACILITY-LEVEL STAKEHOLDER ENGAGEMENT APPROACH

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The SRMI Facility (Phase 2) aims to provide technical and financial support to nine countries, namely Ethiopia, Guinea Bissau, Indonesia, Kyrgyzstan, Mongolia, Seychelles, Tajikistan and Tunisia. The present Facility-level Stakeholder Engagement Approach (SEA) outlines general principles to (i) identify the main stakeholders for each Project under the SRMI Facility, (ii) describe the engagement process to be undertaken in accordance with the World Bank Environmental and Social Framework (ESF)'s Environmental and Social Standard 10 (ESS10) Stakeholder Engagement and Information Disclosure and (iii) develop under each Project a Stakeholder Engagement Plan (Project SEP) in line with the outlined principles and strategy in the SEA. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

The present SEA has been developed to present the overall stakeholder engagement strategy envisaged for the projects under the SRMI Facility (Phase 2) to enable participation of both affected (or likely to be affected, directly or indirectly) and interested stakeholders. Under each SRMI Project, Borrowers will be required to ensure that stakeholders are provided with timely, relevant, understandable, and accessible information, and will be consulted in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. Stakeholder engagement will take into consideration various factors which may inhibit participation such as gender inequality, illiteracy, ethnicity, disability, and other exclusion factors amongst vulnerable groups. Hence, consultations will be targeted to ensure a tailored engagement approach. Environment and social risks and benefits generated and/or associated with the Projects will be communicated through open and constructive dialogues. Risk mitigation measures will be prepared in consultation with the identified stakeholders, including vulnerable groups.

The engagement with stakeholders will begin as early as possible to gather initial views on the project proposal, continue on an ongoing basis, and will be managed throughout each Project's life cycle. Throughout the engagement process, stakeholders are encouraged to provide feedback on all activities and on the identification and mitigation of environmental and social risks and impacts. A documented record of the stakeholder engagement will be maintained and disclosed as part of the environmental and social assessment, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

Each SRMI Facility (Phase 2) Project will have its own Project SEP that will be developed and owned by the Borrowers, in accordance with ESS10. This plan will be publicly disclosed by the Borrower and will be updated as needed. The stakeholder engagement will be applied for all projects' components.

## 2. FACILITY CONTEXT

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### 2.1 Rationale

While the proportion of renewable energy (RE) generation is rising every year, it remains a small percentage of the total world-wide electricity production and far from the targets needed to meet the Paris Agreement objectives. The proportion of the world electricity generated by wind, solar – together Variable Renewable Energy (VRE), biomass and waste-to-energy, geothermal, marine and small hydro rose from 6 percent in 2010 to 12.9 percent in 2018. Large solar and wind deployment is needed for access, energy security and to stay below the Climate Change Paris Agreement 2C° scenario. According to the Sustainable Development Scenario of the International Energy Agency (World Energy Outlook 2018), 950 GW of solar PV and 580 GW of wind need to be installed by 2025 in developing countries. It represents another 690 GW solar and 330 GW wind installation from today's level.

The limited installed capacity of cost-competitive solar and wind in developing countries reveals important regulatory, structural, and technical constraints. The main constraints identified are (i) limited generation and transmission planning capacity, (ii) inadequate regulatory framework that constrains the mobilization of sustainable private investments, (iii) limited procurement capacity to select the Independent Power Producers (IPPs), (iv) limited financial viability of off-takers and (v) VRE grid integration challenges due to weak grids especially in Sub-Saharan Africa.

The World Bank through its Energy Sector Management Assistance Program (ESMAP), developed SRMI to address these challenges and propose a comprehensive financial and technical support to countries. Launched in 2018 for the COP 24 under the leadership of the World Bank in partnership with the Agence Française de Développement (AFD), the International Renewable Energy Agency (IRENA) and the International Solar Alliance (ISA), SRMI – previously known as the Solar Risk Mitigation Initiative – aims to support countries in developing and implementing sustainable renewable energy programs that will attract private investments and so reduce reliance on public finances while maximizing socio-economic benefits for the countries (including from women empowerment's perspective).

Under the context of the Covid-19 crisis, SRMI's unique, integrated and replicable approach can support countries unlock a green economic stimulus through targeted public investments in order to leverage private sector investments at scale. SRMI aims to offer development and climate financing for (i) technical assistance to help countries develop evidence-based VRE targets, implement a sustainable renewable energy program, and maintain robust procurement processes with transaction advisors; (ii) critical public investments to enable integration of VRE, finance solar/wind park infrastructure, and increase access to electricity; and (iii) risk mitigation instruments to cover residual risks perceived by private investors. This financial support for renewable energy development is needed more than ever in the current situation alongside government economic support measures to short-term job allowances, direct cash transfers to citizens or targeted liquidity support to small and medium size enterprises.

The SRMI Facility aims to provide technical and financial support to nine countries, namely Ethiopia, Guinea Bissau, Indonesia, Kyrgyzstan, Mongolia, Seychelles, Tajikistan, Somalia and Tunisia. If in 2017 those countries only represented 5 percent of the total global greenhouse gas (GHG) emissions, under a business as usual (BAU) scenario they would on average double their emissions between 2017 and 2030. With international support, the nine countries are committed to contribute to GHG emissions reductions

especially focusing on their energy sector which is the main contributing sector. However, the countries have now prioritized immediate emergency response to manage the current Covid-19 crisis. The question of how the economic recovery is designed remains crucial in shaping the long-term pathways for emissions and determining whether the Nationally Determined Contributions (NDC) targets can be achieved. If governments do not roll out low carbon development strategies and policies in response to the coming economic crisis, emissions could rebound and even overshoot previously projected levels by 2030, despite lower economic growth in the period to 2030.

It is therefore critical in this context to support policymakers to develop green stimulus interventions with catalytic concessional climate financing and support a medium-term strategy.

## 2.2 Facility Objectives

The SRMI Facility (Phase 2) objectives are to:

- (i) Tackle the lack of sustainable and bankable pipeline of RE projects in developing countries to achieve low-emission development pathways;
- (ii) Develop renewable energy as part of a green stimulus package for the targeted countries to provide core support in the economic recovery post Covid-19.

The SRMI Facility RE Programs will draw on the lessons learned from the successes and failures of national electricity policies and independent power producers (IPP) selection processes in developing countries.

## 2.3 Facility Overview

The main barriers identified that need to be addressed to leverage private investments can be grouped into two broad categories: (i) risks occurring during the development phase, that is, prior to construction and operation; and (ii) those that arise once the project begins to operate. Both types of risk are integrated into the IPPs and lenders' cost of capital. These risks have been exacerbated under the current crisis, and comprehensive risk support will need to be provided to leverage private investments.

To tackle those risks, the SRMI Facility (Phase 2) will support activities under three components, namely:

- a. **Component 1: Technical Assistance** – concentrates on comprehensive and integrated planning support to develop least-cost generation plans combined with VRE integration analysis, legal, financial and procurement support with transaction advisory assistance for IPP selection under competitive bidding, and technical and E&S support to prepare solar and wind parks for future tenders;
- b. **Component 2: Public Investments** – concentrates on public investments for solar and wind parks common infrastructure, VRE integration grid upgrades (including publicly owned battery storage), grid resilience to climate change and electrification to increase the population's resilience; and
- c. **Component 3: Risk Mitigation Instruments** – concentrates on providing risk mitigation instruments to private investors for grid-connected renewable energy/storage solutions.

The technical assistance component focusses on the country/macro level risks looking at developing sustainable RE targets to reduce planning risks and providing evidence-based targets for low-emission pathways, reduce procurement risks through a robust and transparent selection of IPPs and by increasing government's internal capacity, and reducing developing risks for IPPs by providing land and permits through solar/wind park schemes. The public investment component focusses on the grid and infrastructure level risks looking at ensuring minimal curtailment and risk to the grid stability due to high penetration of VRE, increase grid resilience to climate change impacts, finance the public infrastructure needed for the IPPs and provide access to electricity to vulnerable populations. The risk mitigation instrument component focusses on the residual risks for private investors looking at ensuring a sustainable leveraging of private investments in grid-connected and off-grid RE projects.

The main expected outcomes under the SRMI Facility are:

- a. a reduction in GHG emissions thanks to an increase in investments in VRE capacity through private investments in grid-connected and off-grid projects, and enabled VRE integration,
- b. the leveraging of private investments reducing the burden on public finances,
- c. improvement of grid resilience as well as resilience of local communities around the projects, and
- d. strengthening of institutional and regulatory capacity.

The main objective of the Facility is to support countries to shift to low-emission pathways and ensure access to affordable, reliable, sustainable and modern energy to its populations.

### 3. SUMMARY PRELIMINARY ENGAGEMENT

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In the present section, preliminary stakeholder engagements that were held in the nine countries related to the deployment of renewables and in particular engagements on the core objectives and steps of SRMI, are presented. These engagements are mostly linked to technical assistance provided to countries that are now enabling the development of those new projects. The project level stakeholder tasks, including stakeholder identification, analysis, information dissemination, consultation and engagement etc. will be carried out later as part of each project design and implementation and presented in each Project SEP.

#### 3.1 Ethiopia

The World Bank Group was instrumental in assisting the Government of Ethiopia in setting up the office of the Public Private Partnership Directorate General (PPP-DG) at the Ministry of Finance in 2018. Backed by a new PPP legislation, the PPP-DG was mandated to conduct competitive selection of private developers for infrastructure and other public services – including renewable energy. Renewable energy development by Independent Power Producers (IPPs) is the foremost PPP activity undertaken by the PPP-DG over the last three years, to create a strong pipeline of well-prepared IPP projects for competitive bidding. WBG has been closely engaged in the Round-1 bidding of solar IPPs by providing IDA guarantees to the selected IPPs (except forex cover), whereas IFC has provided transaction advisory support. The WBG is also closely engaged in the subsequent rounds of bidding for IPP projects. The Bank has been closely engaged in transmission network strengthening and in establishing geothermal resources in Ethiopia through its ongoing projects. With this background, the recent engagements with various stakeholders in context of the proposed GCF supported program are as follows:

- a. Feb 19, 2021: To address the forex issue, the PPP-DG held a meeting with donor partners to discuss the possibility of organizing a ‘Pooled Revolving Convertibility Guarantee Fund’.
- b. Mar 19-20, 2021: Site visit to Aluto-Langano area to assess the progress in installation of drilling rigs and steps necessary for start of drilling. Discussions held with the CEO of EEP regarding possible institutional arrangements for continued drillings using the available rigs to establish at least 100 MW of geothermal generation capacity.
- c. Apr 02, 2021: Discussion with the State Minister of Energy and the Director of PPP DG regarding the need for organizing a forex facility and the possibility of availing GCF financing for the same.
- d. Apr 02, 2021: Discussion with CEO of EEP regarding the setting up of a forex facility for IPPs, the options for institutional arrangements for drilling activities for geothermal resource establishment, and a possible IDA project on transmission strengthening and expansion (including for VRE absorption).
- e. Apr 06, 2021: Discussion with IFC advisory and investments teams to confirm that the proposed forex facility can alleviate the concerns of IPP developers and their potential lenders.

#### 3.2 Guinea Bissau

There have been many meetings with different stakeholders in Guinea Bissau over the last three years, not all documented. The paragraphs below identify some of the key activities/meetings/stakeholder groups with regards to renewable energy deployment in Guinea-Bissau, organized by the World Bank Guinea-Bissau energy team or that included the team’s participation.

- a. First energy-sector experts roundtable (July 2018): the roundtable was chaired by the Prime Minister of Guinea Bissau in collaboration with the World Bank Country Director (the team can provide the full list of institutions who participated). A draft Least-cost Generation Expansion Plan was presented, which provided a framework for discussion on the role of renewable sources of energy in the country's development.
- b. Workshops around the preparation of a pre-feasibility study on solar development (2019): two workshops were organized to present preliminary results of a pre-feasibility study on solar development in Guinea-Bissau (by DNV GL). These presentations focused on the framework of the study, the locations and capacities planned for the solar power plants, the storage capacities envisaged, and the projections in terms of production costs. They were an opportunity to discuss the role of renewable energy, in particular solar, in the country's future energy mix.
- c. Donor coordination meetings (2018, 2019, 2021): the first meeting of the Energy-sector Donors Coordination Group took place in September 2018. Meetings were held in February 2019, and March 2021 (the latter as part of the identification mission of the PADES project). These coordination meetings offer a platform to donors to exchange on their respective programs including renewable energy development in Guinea Bissau.<sup>1</sup>
- d. Presentation of the power-sector policy note (2020-2021): the Guinea Bissau energy team prepared a policy note that identifies the most pressing actions and reforms across three pillars (Systematic optimized least-cost planning; efficient operational performance of the utility; ensuring financial sustainability) to help the power sector in Guinea Bissau develop more sustainably. The policy note was presented to energy-sector stakeholder, including representatives from the Ministry of Energy and the national utility, in October 2020 (the team can provide the full list of institutions who participated in the meeting). The note was presented again to both the Minister of Energy and the Minister of Finance<sup>2</sup> during the identification mission of the PADES project, in March 2021.
- e. Multiple energy-sector missions (2018 to 2021): the Guinea Bissau energy team held several missions from 2018 to 2021 to prepare, appraise, negotiate, and support the *Projet d'Urgence pour l'Amélioration des Services d'Eau et d'Électricité* (PUASEE) and more recently identify the *Projet d'Accès et de Déploiement de l'Énergie Solaire* (PADES). Missions offer a platform for discussion between the World Bank and several energy-sector stakeholders, including the Ministry of Energy, the Ministry of Finance and/or the Ministry of Economic Development, and the national utility. Missions are also an opportunity for the World Bank to propose and advance its renewable agenda.

### 3.3 Indonesia

Since 2018, with the support of the World Bank, PLN held various discussions on electrification internally with the different PLN team, such as:

- a. July 2019: roundtable on electrification business plan with planning team and procurement team
- b. In November 2019 and 2 January 2020 workshops were organized with PLN Wilayah East Nusa Tenggara, West Nusa Tenggara in Kupang and Lombok and PLN Wilayah Maluku and Maluku Utara both in Ambon on electrification strategy.

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<sup>1</sup> Note that the PADES project seeks to leverage financial resources from other donors and/or the private sector to develop Guinea Bissau's solar capacity.

<sup>2</sup> H.E. Jorge Malú, Minister of Natural Resources and Energy, and H.E. João Fadia, Minister of Finance.



- c. The workshop was organized to inform PLN internal stakeholders about the program. PLN Wilayah, which is in capital of respective province invited units from islands selected in this program. Typically, each island assigned two staff to participate in workshop. The PLN staff from Units came from either generation or distribution function. In the workshop, the staff from PLN Head quarter and bank team explain purpose of the exercise and stages of the program. In first workshop, Consultant presented data required in this exercise, then there was an intense exchange of information between consultant and PLN staff from units. In second workshop, Consultant explain result of their exercise and possible intervention in PLN at units level to achieve objective under this activity.

### 3.4 Kyrgyzstan

Successful project implementation requires participation and cooperation of all the key stakeholders – Ministry of Energy, OJSC, Regulator and local communities. The Bank is regarded as a very valuable partner in the energy sector active in different areas. Starting at the end of 2020, the dialogue linked to this activity was already initiated with the Regulator and MoE through bilateral discussions. The Bank presented a preliminary analysis of the role of solar to close the winter energy gap in Kyrgyz Republic and was able to confirm high level of interest and commitment toward the proposed project by MoE and the regulator. The project will deepen the engagement with all the relevant stakeholder to ensure that stakeholder concerns are addressed, and the expectations of all key players are managed. Additionally, the World Bank, in cooperation with key government counterparts, is starting the engagement on important sectoral reforms, including the revision of electricity tariffs, key to ensure the financial sustainability of the sector and enable private sector participation, and that will include a broad communication campaign. The Bank is also collaborating with IFC in the elaboration of a regulatory gap analysis to identify regulatory barriers that would need to be addressed to facilitate investments. Following this analysis, the Bank is planning to support the country to develop a comprehensive Renewable energy scale up strategy starting in April 2021, with focus on solar, that will also cover detailed feasibility studies of the identified sites.

### 3.5 Mongolia

The World Bank together with the Ministry of Energy (MoE) organized a workshop in February 2020 where scenarios for increased deployment of variable renewable energy sources as an alternative to coal-fired thermal generation was presented and discussed. Together with a Technical Working Group constituted by the MoE consultants financed by the World Bank have prepared a draft Electricity Supply Strategy (ESS), which will be presented in a consultation workshop, which will be organized in June 2021, provided covid-related travel restrictions will be lifted by then.

The Government of Mongolia is also planning various workshops on solar deployment and competitive bidding:

- a. Summer/fall 2021: Variable RE development workshop presenting practical solutions to increased VRE grid integration/regulatory analysis with the MoE, the National Dispatch Center, the Energy Regulatory Commission and private sector representatives.
- b. Fall 2021: Competitive Bidding Workshop with representatives of private sector developers.

### 3.6 Seychelles

The World Bank has ongoing engagement with the Ministry of Environment, Energy and Climate Change as it supports its preparation to meet its NDC targets. The primary coordinating platforms with other Development Partners include the NDC partnership secretariat and development partners working on climate resilience and transition to renewable energy. Each of these bodies hold regular meetings to ensure stakeholder engagement and coordination across Development Partners in the sector.

### 3.7 Somalia

Ongoing stakeholder consultations are proposed to be undertaken as part of the SESRP project preparation and project implementation. Stakeholder consultations will be conducted to ensure fair and equal access to the projects' benefits and inform the sites prioritization. These will also include women-only sessions scheduled to ensure that they understand the scope of the project and how it will impact their access and usage of the electrical services. The consultative sessions will also include owners and managers of SMEs to understand their experiences and how availability of reliable electricity could contribute to increased productivity and income-generating opportunities. Synergies with relevant projects, such as the Shock Responsive Safety Net for Human Capital Project (P171346), will be pursued to inform project design and maximize impacts on gender equality.

The WB team is interacting with the MoEWR on an ongoing basis as part of the Somalia MPA. The team expects to engage with the client on the GCF funded mini-grids during specific sessions in FY22.

### 3.8 Tajikistan

The adoption of a scaled-up, regional approach requires deeper engagement with key stakeholders to encourage a long-term investment perspective. Successful project implementation requires participation and cooperation of all the key stakeholders – Ministry of Energy and Water Resources (MEWR), Ministry of Finance, Barqi Tojik (the state-owned generation company), Shabakahoi Intiqoli Barq (the state-owned power transmission company), Shabakahoi Taqsimoti Barq (the state-owned power distribution company), and local communities. The Bank is regarded as a valuable partner in the energy sector active in different areas. During last quarter of 2020, the dialogue linked to this activity was already initiated with public stakeholders through bilateral discussions. On the government side, the Bank was able to confirm high level of interest and commitment toward the proposed project. The project will deepen the engagement with all the relevant stakeholder to ensure that stakeholder concerns are addressed, and the expectations of all key players are managed.

Additionally, the World Bank, in cooperation with key government counterparts, finalized the high-level analysis for broader regional power trade to be driven by larger RE penetration in all Central Asian countries. The results of that analysis have confirmed that there is potential for solar PV scale-up in Tajikistan. MEWR is currently preparing an update to the existing generation expansion plan for next 20 years. That work is implemented with guidance from the World Bank and is expected to be finalized by July 2021. Subsequently, based on results of indicative generation expansion plan, MEWR will prepare a transmission network expansion plan, which, among other things, would take into account the additional

networks strengthening that may be required to integrate the new solar PV capacity. This work is expected to be completed by July 2022.

### 3.9 Tunisia

The World Bank has been supporting the deployment of renewables in Tunisia since 2017 through various complementary activities, focused on:

- a. integration of renewables through the construction of a new interconnection line to evacuate the green power to be produced in the south of the country for a use in the north (Energy Sector Improvement Project of US\$151 ml approved in 2018 to help the utility finance the reinforcement of the transmission network to integrate planned renewable energy projects and the commercial performance enhancement);
- b. deployment of dispatchable solar to mitigate the variability of the solar PV and wind developed in the country;
- c. estimation of the impact of renewable integration on total system cost through an ongoing cost of service study;
- d. design of the contractual framework for renewable projects under the auto-production regime and diagnostic of the financial barriers to renewable projects under the authorization regime.

This support is complementary to the technical assistance provided by the World Bank to support the financial viability and sustainable transition of the Tunisian energy sector through three pillars: (i) reform of energy subsidy accompanied by mitigation measures and communications; (ii) diagnosis of the financial, technical and commercial performance of STEG together with a Performance Improvement Plan to improve the technical and commercial performance and a financial recovery plan to improve the financial performance; and (iii) support for the establishment of the Electricity Regulatory Authority.

In this context, several missions and workshops have been organized by the World Bank that involved all key stakeholders of the Tunisia energy sector, in particular the Ministry in charge of Energy (MIEM), the Tunisian Electricity and Gas Company (STEG), the National Agency for Energy Conservation (ANME) and the Ministry of Economy, Finance and Investment Support (MEFAI - Ex MDICI).

The key steps regarding the deployment of dispatchable solar dealt with under the aforementioned missions and workshops with the key Tunisian stakeholders are summarized hereafter:

- Phase 1 of the work between July 2017 and February 2018 focused on a least cost modeling plan by 2035
- Phase 2 of the work between October 2018 and August 2019 focused on the potential role of CSP (pre-feasibility, identification of potential sites and preliminary assessment of socio-economic impacts)
- Phase 3 of the work between September 2019 and April 2020 expanded the analysis to PV with battery storage (in addition to CSP with thermal storage), updated the least cost generation plan and analyzed the structuring options to deploy dispatchable solar in Tunisia (contractual schemes and financing modalities)

- Phase 4 of the work is on-going under SRMI and expanded to cover wind in addition to solar and is well articulated with the support sought from the Government of Tunisia from the Green Climate Fund under the Phase 2 of the SRMI Facility. The solar and wind projects to be enabled under this SRMI Facility will be supported under this Phase 4 of technical assistance of the World Bank and will build on and leverage the comprehensive support provided by the World Bank to Tunisia in coordination with other DFIs.

In this context, a steering committee involving all key stakeholders of the Tunisia energy sector, in particular MIEM, STEG, ANME, and MEFAI, has been established by Tunisia to work with the World Bank on this technical assistance to ensure a full alignment with the strategy of the country and to take into account the multi-dimensional approach to deployment of sustainable and bankable RE projects. It is chaired by the Director of Energy at MIEM.

This steering committee met and emphasized in March 2021 the need to benefit from the Green Climate Fund co-financing to support the deployment of solar and wind projects in the country, making the critical public investments needed more affordable and reducing the risks for the private sector to mobilize private investments in optimized conditions in a COVID-19 context.

In addition to the collaboration with the key public parties of Tunisia (mentioned above), the World Bank is also coordinating its work with the other DFIs involved in the country through regular meetings with the DFIs Committee and through bilateral discussions with DFIs whenever needed.

Indeed, the energy sector in Tunisia is currently benefiting from the support of various institutions who have launched several technical and financial assistance actions. These actions, provided in the form of capacity building, studies and projects, have been targeting the following main areas:

- Renewable energy (resource assessment, grid integration, studies of production and storage sites, support for the private sector.)
- Energy efficiency in the various sectors of industry, building, transport and the territory (energy audits, building codes and certification, standard and labelling, pooling of utilities)
- Smart Grid through its different components (forecasting the distribution of RE, Demand-Response, smart meters, digital lab).

The main institutions involved are the following: World Bank, EBRD, EIB, EU, AFD, AfDB, KfW, GIZ, USAID and other bilateral cooperation (Switzerland, Japan, Germany). These donors meet periodically to discuss and communicate about their various activities to create synergies and avoid duplication.

#### 4. STAKEHOLDER IDENTIFICATION

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Stakeholders can include communities or individuals affected by the project and their formal and informal representatives, national or local government authorities, politicians, religious or community organizations and civil society groups with special interest, academic communities, and businesses. The identification of project-affected parties (individuals or groups) will also include those who, because of their circumstances, may be disadvantaged or vulnerable; i.e. those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of the project benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the consultation process and as such may require specific measures and/or assistance to do so. It is necessary to ensure broad and inclusive participation of communities in project areas with a particular focus on women who are often excluded from decision-making processes in target countries. Such participation will be conducted through a culturally sensitive approach and is based on a meaningful engagement and Free, Prior and Informed Consent (FPIC) in the event of adverse impacts on Indigenous Peoples in the circumstances specified in ESS7. Communities will be provided with options to enable them to access project benefits, with a targeted outreach for vulnerable groups.

A full stakeholder analysis and stakeholder identification exercise will be conducted for each project. The level of analysis for stakeholder identification will be informed by the level of potential risks and impacts affecting them. The analysis of stakeholders will be carried out for all project components. The findings of this exercise will be documented in the Project SEP. The potential stakeholders are expected to be, but not limited to, the following:

- a. People, social groups, and organizations that will gain direct and/or indirect benefit from the project. These target beneficiaries include: (i) potential new customers for grid connection and electrification projects, including indigenous people communities, (ii) potential project workers.
- b. Potentially adversely impacted communities include: (i) affected land-owners/communities, (ii) indigenous people communities. When the stakeholder engagement with local individuals and communities depends substantially on community representatives (village heads, clan heads, community and religious leaders, local government representatives, civil society representatives), efforts will be taken to verify that such persons do, in fact, represent the views of such individuals and communities, and they are facilitating the communication process in an appropriate manner.
- c. Interested groups include: (i) local government agencies, (ii) non-governmental organizations/NGOs, Civil Society Organizations/CSOs and other development institutions working on VRE, (iii) indigenous people representative organizations, and (iv) private companies.
- d. Implementing agencies and agencies with authorities for the management of environmental and social risks include institutions and agencies that influence and make decisions on the sub-project implementation. These groups include: (i) central government agency, and (ii) sub-national government. The level of engagement will be contingent upon their respective roles and authorities in the management of environmental and social risks.

Based on the project stakeholder identification findings, each project will carry out a stakeholder analysis. This will look into potential project impacts upon the adversely affected stakeholders, as well as the influence potential stakeholders could have on the project itself. This analysis will assess and try to understand their stand and position regarding the project. The analysis will try to bring out their concerns, expectations, requests and recommendations for the project. This analysis will feed into the design of the Project SEP.

## 5. ENGAGEMENT APPROACH

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The engagement process will use any approach that removes obstacles to participation, including differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources will be sought for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them, including how their view will be captured. Project stakeholders will be provided with options on a range of consultation modalities and/or approaches and retain the rights to refuse participation despite such options.

Different methods of communication are used to: (i) ensure easy, transparent, direct, open and interactive communication with all stakeholders, and (ii) get feedback in the implementation process. The Projects will be further informed by the borrower stakeholder engagement approach through: (a) consultations and stakeholder participation during Project implementation; and (b) transparent feedback and grievance redress mechanisms. The Borrower's stakeholder engagement plan will be developed and implemented as early as possible to allow for stakeholder participation and their early feedback to be fully integrated as part of the overall Project design and implementation. Project communication and stakeholder engagement will follow inclusive, participatory, and transparent principles.

The methods vary according to the target groups such as but not limited to:

- a. Regular coordination meetings with relevant government agencies – central, provincial and district;
- b. Public information dissemination and disclosure;
- c. Interview with representatives of local communities, facility administrators, relevant government agencies and organizations;
- d. Public consultations (at provincial, district, sub-district), workshop, and/or focus group discussion (FGDs);
- e. Survey and questionnaire.

Each Borrower will develop its own engagement program, following the outlined approach, based on their stakeholder analysis, and include it in the Project SEP. The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported.

## 6. FEEDBACK AND GRIEVANCE REDRESS MECHANISM

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As part of each Project SEP, a Grievance Redress Mechanism (GRM) is to be prepared and implemented by each implementing agency to receive and facilitate resolution of concerns and grievances of project-affected communities as well as broader stakeholders who may be affected or have interest in the project, related to the projects' activities. The aim of GRM is generally (a) to strengthening accountability to the beneficiaries, and (b) to provide a way for project stakeholders to provide feedback and/or express complaints related to project activities. GRM is meant to serve as an accessible and reliable mechanism that allows issues to be identified and addressed in a coordinated and timely fashion and it will utilize existing formal or informal grievance mechanisms. The mechanism is not only to receive and record complaints but also to solve and communicate the status of resolution back to the complainants to ensure transparency and accountability.

The GRM may include the following:

- a. Different ways in which users can submit their grievances, which may include submission in person, by phone, text message, mail, e-mail or via a web site, etc.;
- b. A log where grievances are registered in writing and maintained as a database;
- c. Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgment, response and resolution of their grievances;
- d. Transparency about the grievance procedure, governing structure and decision makers;
- e. An appeal process to which unsatisfied grievances may be referred when resolution of the grievance has not been achieved.
- f. A mediation will be provided as an option where users are not satisfied with the proposed resolution.

Communities and individuals who believe that they are adversely affected by a World Bank supported project (including any prospective project under the SRMI Facility) may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).



## 7. MONITORING & EVALUATION

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The monitoring and reporting will focus on the overall implementation quality of the stakeholder engagement. Each Borrower will define clear roles, responsibilities and authority as well as designate specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with ESS 10. The institutional arrangements will also be defined at local level (provincial/district level).