

The seven categories of stakeholders concerned by energy policy



The **Energy, Ecodevelopment and Resilience in Africa (EERA) project**, initiated by HELIO International with financial support from the Climate and Development Knowledge Network (CDKN), aims to identify the necessary conditions for a Smart Energy Path (SEP) for Togo, Mali and Benin, with the goal of providing energy services that will allow the countries' populations to develop their desired future in a manner that is environmentally sustainable, resilient and in line with the principles of participatory governance.

This Brief presents the main categories of actors involved in energy policy and implementation of energy programmes aiming to meet a population's energy service needs.

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SEP Guide: <http://www.helio-international.org/toolkit/sep/>
EERA project: www.helio-international.org/project/eera/

A function-based typology of actors

Who plans access to modern energy services? Who has the technical skills? Who has the legitimacy to implement the proposed plan? Undertaking a planning exercise to respond to energy service needs requires putting aside certain supply-side planning reflexes, such as giving prime importance to extension of the electricity grid, installation of a gas or fuel distribution network or creating a rural wood market.

Effectual evaluation of the entire energy delivery chain, including all equipment delivering the energy service, requires that the panel of actors be widened to include institutions that might, at first look, be detached from the energy system, but who can be seen to be stakeholders when the cross-cutting approach to energy system evaluation is considered. This view is essential for an energy policy that seeks to respond directly and efficiently to the energy service needs of an entire population.

The definition of the actors is based on their functions in designing, constructing and operating energy systems. Why draw up such a panorama of actors? The answer is contained in one sentence: "no one must be overlooked". The aim for the energy system of the future is to slowly but surely provide the entire population with access to modern energy services. If this goal is to be reached, contributions from a large number of stakeholders who have reached a true consensus are essential.

There are seven categories of actors, defined in accordance with the functions each will have in implementing the energy system.

From contracting authority to energy service operators

From amongst the seven categories of stakeholders, those who have the highest leverage effect on energy services are highlighted here.

1. **Contracting authorities** plan the strategy based on energy service needs in a given geographical area and define the infrastructures they want to see provided. They also set timelines and establish priorities. Different categories of infrastructure are selected according to the degree of urgency, and therefore of priority, and receive direct financial support that the contracting authorities allocate to each category.
2. **Goods and service providers** are selected to meet the demands determined by the controlling contracting authority. This contracting authority will delegate responsibility for development of the energy services, and for infrastructure and equipment selection necessary for final energy supply.

3. A company or companies, termed **energy service operators**, are invited to develop an energy services market on the basis of the priority goals set by the contracting authorities. Priority goals give the companies support to extend energy services access throughout their focus area. These companies are supported by financial service providers and can either produce energy themselves or purchase requirements from other energy operators to fulfil final energy supply requirements. Alternatively, they may also produce the final energy supply directly to manage energy service requirements to their customers.

An extensive and complex legal and regulatory framework governs the energy sector and related participants. Limitations may be introduced, for example forbidding delegation of energy services in an area that is electrified or that is the process of becoming so. New practices, new approaches, and new roles must be developed. The issue is a sensitive one, requiring analysis of the legal and regulatory framework or even revision proposals if barriers prevent some initiatives being realised.

The seven categories of stakeholders involved in energy policy and implementation of energy programmes

CONTRACTING AUTHORITIES

Public institutions develop and implement energy policies and sectoral policies, regulations and monitoring; they also instigate policy. There are several levels of organisation:

- *Supranational*: economic communities, energy pools;
- *Centralised national*: all ministries, government agencies, centralised and devolved departments, regulatory commissions, etc. including sectoral departments (health, education, agriculture, industry, spatial planning, etc.);
- *Decentralised national*: all local authorities, appointed or elected (regional, municipal).

PROVIDERS OF GOODS AND SERVICES

Involved in energy delivery.

Firms and NGOs providing services such as design, management, legal advice, economic studies, energy service operation, transport, etc., procurement of energy producing equipment when this is not provided by the energy operator.

For example, design engineering firm, system installer, private individual generating electricity sold to an energy operator, energy service operator

ENERGY OPERATORS

Public or private companies supplying final energy: electricity companies, oil companies, energy distributors, cooperatives of charcoal producers or carriers, etc.

FACILITATORS

Any actor concerned indirectly by the service to be provided, notably members of civil society playing a catalysing role: research and standards organisations, universities, NGOs, consumer groups, journalists, trade unions, etc.

USERS AND BENEFICIARIES (INDUSTRIES, HOUSEHOLDS, FARMS)

People and legal entities using energy services. These are customers of energy operators and energy services. They may also be energy producers.

INTERNATIONAL FINANCING INSTITUTIONS

The IFIs are involved directly in setting up energy programmes aimed specifically at poverty alleviation. They are multi-lateral and bilateral funding agencies..

FINANCIAL SERVICES

Banks and loan and micro-credit establishments providing local financial support to contracting authorities, operators, firms and households.