INTRODUCTION

1. PURPOSE

Energy subsidy reform is not a goal in itself, but rather a means of achieving lasting economic and social progress. Communicating with the public and other key stakeholders about the benefits of reform and the drawbacks of existing subsidies helps build support and acceptance. It can also increase trust and understanding of the political decisions that underpin the reform. International experience shows that communicating before, during, and after subsidy reform is essential to ensuring the smooth rollout of a well-planned and executed energy subsidy reform program (GSI and IIID 2013).

Some governments undertaking energy subsidy reform programs either ignore communication with stakeholders or take a top-down approach that fails to recognize stakeholder views and concerns. This happens for many reasons, including lack of understanding about the powerful role communication plays in a successful energy subsidy reform program and the absence of capacity within a government to undertake communication activities.

Other governments begin communicating with the public only after a decision to reform subsidies has been taken. Communication about the benefits of and need for reform should begin early in the reform process, ideally in parallel with a public awareness campaign to build trust and improve the image of the energy sector.

This note is intended for use by governments and aims to (a) advocate for the importance of communicating with citizens proactively about energy subsidy reform and (b) guide practitioners through some of the important elements of an evidence-based and effective communication campaign, including timing, stakeholder consultation, opinion research, messages, messengers, media, and evaluation. This note should be used in combination with other tools, including capacity building workshops and tailored advice from experienced communication professionals.

As described in Guidance Note 1, many forms of subsidies have little effect on energy prices. For example, tax expenditures may increase...
the profits retained by energy producers and result in large fiscal losses but may have no impact on end-user prices in a deregulated oil market. Because tax expenditures are seldom reported or subject to scrutiny by legislators, they frequently attract little or no attention from the public and policy makers. By contrast, those subsidies that lower prices paid by consumers—and the reform of which is likely to raise prices—are much more politicized, making political economy analysis as well as effective communication on the rationale for reform essential. Subsidies that keep energy prices artificially low also create distortions with ripple effects throughout the economy and arguably represent the most serious form of energy subsidies. As such, while this note is applicable to all forms of subsidies, it focuses primarily on energy price subsidies for consumers.

2. THE CRUCIAL IMPORTANCE OF COMMUNICATION IN A SUCCESSFUL ENERGY SUBSIDY REFORM PROGRAM

Phasing out energy price subsidies (see note 1, Identifying and Quantifying Energy Subsidies, for definition) can be politically difficult, although a number of countries have done so without major disruptions thanks in part to building support and acceptance for reform among a variety of stakeholders (see note 9, Assessing the Political Economy of Energy Subsidies to Support Policy Reform Operations). How did they do it?

A 2013 IMF study indicated that among 22 countries pursuing energy subsidy reforms, putting in place a well-planned and executed communication campaign was an important factor in the successful implementation of reforms (Clements and others 2013). This is because energy subsidy reform requires consensus, support, and changes in behavior. All of these can be achieved through a communication campaign that consults a range of stakeholders about their concerns and perceptions and proactively addresses these concerns with targeted messages.

Communication campaigns are one of the essential tools that governments can use to explain the need for and benefits of reform and to demonstrate the intent to protect the public against negative impacts.

In order to be effective at communicating, a government needs to be seen by the public as credible and trustworthy. When mistrust is an issue, it can be very difficult to inform and persuade citizens. Similarly, when messages are delivered in one direction—from a government to the people without an opportunity for interaction—it is also difficult to lead an effective communication campaign. Failure to consult stakeholders and gain their support has stalled and sometimes reversed much-needed reforms in many countries. In several countries, increases in electricity tariffs or fuel prices have led to public protests and ultimately resignations of governments.

Box 1 shares examples of how communication campaigns contribute to public acceptance of energy subsidy reforms.
3. IMPORTANT ELEMENTS OF A SUCCESSFUL COMMUNICATION CAMPAIGN

Communication campaigns implemented in support of energy subsidy reform can take many forms. However, certain common elements and proven practices transcend country borders and political contexts. Broadly speaking, practitioners interested in designing and implementing communication campaigns should:

1. Determine the objectives, timeline, budget, and governance for the communication campaign;
2. Map key stakeholders and consider their level of interest and influence (see also note 9 on political economy);
3. Conduct opinion research to understand stakeholder views and perceptions (see also note 4 on qualitative analysis tools);
4. Create and pretest compelling messages that address stakeholders’ commonly held views and build awareness of the scope of the consumer price subsidies and their influence on the economy;
5. Assign credible messengers and spokespeople;
6. Identify the best channels for communicating messages to different stakeholders and encouraging two-way dialogue; and
7. Set measurable goals to track the communication campaign’s effectiveness.

In addition, it is important to ask the following questions when planning a communication effort:

- Is information about the price subsidies accessible to the public, including the magnitude of price gaps, how prices are set, who benefits, and the scale of diversion to unintended beneficiaries, if any?
- Are all forms of communication being exploited?

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**BOX 1: COMPONENTS OF A COMMUNICATION CAMPAIGN**

In this note, a communication campaign (also known as a communication strategy or plan) is a strategic effort to:

- Use outreach and two-way dialogue with citizens to demonstrate that energy subsidy reforms are necessary and beneficial, and that social protection mechanisms will help alleviate the impacts of reform on poor and vulnerable households;
- Consult with citizens and stakeholders to understand concerns and perceptions about the energy sector and planned reforms;
- Coordinate within the government on outreach to citizens to ensure buy-in and a consistent approach to communication across ministries, agencies and government-owned energy industries; and
- Communicate consistently and with evidence-based messages to build understanding and support for reforms, and to minimize negative perceptions and potential social impacts.
FIGURE 1: How to Sequence a Successful Communication Campaign

Establish a strong internal coordinating body to pursue the parameters and objectives of reform, as set by political decision makers.

**LITTLE TIME OR RESOURCES**

1. Identify key stakeholder groups and audiences.
   - Literature reviews, interview experts

   - Literature reviews

3. Use CONSULTATIONS and other activities to collect data and gauge views from internal stakeholders.
   - For INTERNAL STAKEHOLDERS: Interdepartmental committee
   - For COMMUNICATIONS: Announcements, speeches, print advertising, media releases
   - For EXTERNAL STAKEHOLDERS: Interviews, literature reviews, focus groups

4. Political decision makers decide plan for next subsidy reduction and related mitigation measures.
   - Announcements, speeches, media releases, print advertising

5. Use COMMUNICATIONS to prepare stakeholders for reform. This requires selection of key messages and appropriate channels for communication.
   - For COMMUNICATIONS: Television and radio advertising, websites

6. Reduce or remove subsidies

7. Monitor and adjust COMMUNICATIONS about the effects of reform.

**ADEQUATE TIME AND RESOURCES**

- Analysis to project impacts, invite expressions of interest
- Groups of experts, use of targeting strategies
- Task forces, expert groups, cabinet and parliamentary committees
- Television and radio advertising, websites
- Surveys, interviews, written submissions, public inquiries, road shows, polls, workshops

Source: GSI and IIID 2013.
3. IMPORTANT ELEMENTS OF A SUCCESSFUL COMMUNICATION CAMPAIGN

- Is consideration being given to a Web-based national conversation, giving many people an opportunity to be heard?
- Are all segments of society being reached, including those who are illiterate or who do not have access to the Internet or TV?
- Is electronic communication being complemented by face-to-face stakeholder meetings?

I. DETERMINE THE OBJECTIVE, TIMELINE, BUDGET, AND GOVERNANCE FOR THE COMMUNICATION CAMPAIGN

Objective

The objective of a communication campaign is simply to inform citizens about the necessity and benefits of a reform. In addition to building public support for and understanding, a communication campaign’s objective is also to inform citizens about the process of reform, the available social protection resources, and where they can go for more information. In order to determine specific objectives, it is important to understand the target audience based on their level of interest and influence in the potential reform. A credible, transparent, and fact-based campaign can also serve other purposes, including increasing trust in the government and policies, improving the level of coordination across agencies, and demonstrating the progress a country is making with improving the energy sector and the benefits this will bring to the population.

Timeline

A communication campaign should be integrated throughout the planning, development, and implementation stages of energy subsidy reform. The focus should initially be on internal consultation in order to create a coalition for reform among politicians and administrative services (GSI and IIID 2013) (see also note 9 on political economy). External communication (that is, communication with stakeholders outside

**FIGURE 2: Timeline for Internal and External Communication**

<table>
<thead>
<tr>
<th>INTERNAL</th>
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<tbody>
<tr>
<td>Inception of policy proposal (lead ministry and minister)</td>
<td>Decide approach (all relevant ministries and central agencies)</td>
<td>Clearance by decision makers</td>
<td>Development of detailed plan (relevant ministries)</td>
<td>Decide and release final policy &amp; comms. strategy (meeting with cabinet)</td>
<td>Monitoring &amp; adjustment (lead ministry)</td>
</tr>
<tr>
<td>Research the likely impacts of reform</td>
<td>Choose and design new pricing mechanism &amp; mitigation measures</td>
<td>Implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inception of policy proposal (lead ministry and minister)</td>
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<td>Monitoring &amp; adjustment (lead ministry)</td>
</tr>
<tr>
<td>Awareness-raising communications about subsidies and the need for reform</td>
<td>Consultations with stakeholder groups on likely impacts</td>
<td>Consultations with stakeholder groups on reform plan</td>
<td>Communications on final policy, raising awareness of plan and mitigation measures</td>
<td>Communications on actual impacts, adjustments and successes</td>
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</tr>
</tbody>
</table>

Source: GSI and IIID 2013.
the government) can also begin at the early stages of subsidy reform planning, raising awareness about the negative impacts of consumer price subsidies and the need for change and communicating guiding principles of the reform process, such as the need to design reforms so that they maximize public benefit and, if appropriate in the specific country, minimize impacts on the poor. Later, external communication will shift to gathering opinion research and soliciting input into draft reform strategies. In parallel, internal (within-government) communication should seek to ensure consistent messages and approaches from across the government. Communication to external and internal parties should continue as prices increase and even after reforms are in place. Communication campaigns are a dynamic process that should continually take in feedback from citizens and that can span periods of months to years. It is important to develop a realistic timeline for a campaign’s specific objectives and resources.

Governance

The entity in charge of communication campaigns varies by country and context. In some countries, it can be the prime minister’s office, and in others, the ministry of energy, the regulator, or a state-owned energy enterprise. It is generally more effective to have one government organization responsible for implementing a communication campaign, not several sharing accountability, although some countries decide to involve multiple stakeholders in order to show joint ownership and commitment to the reform. In each of these cases, a dedicated campaign manager is essential for maintaining the focus on results, staying abreast of public and political shifts that require dynamic messaging, and monitoring progress.

Whoever is leading the communication campaign should be well integrated into the subsidy reform process and ideally be a champion and seasoned practitioner of proactive, evidence-based communication.

II. MAP KEY STAKEHOLDERS AND CONSIDER THEIR LEVEL OF INTEREST AND INFLUENCE

An important goal of communication campaigns is to build support and reduce opposition. Communication campaigns must determine which stakeholders (a) are impacted by and interested in the reform and (b) have influence over whether the reform will succeed (see also the note 9 on political economy).

Stakeholders can be internal, for example, within government ministries and agencies, or external within the broader public and civil society. Outreach to both internal and external stakeholders must be part of a communication campaign.

**Internal stakeholders:** Communication campaigns should establish strong coordination among government actors to ensure consistency and credibility. Competing messages to the public from various parts of the government will be self-defeating. An internal dialogue that starts at the beginning of the process to raise awareness of the need for change and continues afterward to ensure a consistent approach to external stakeholders and to finalize policies is more likely to build and retain broad support (GSI and IIID 2013).

International experience demonstrates that one of the major weaknesses in government communication is a lack of coordination. Mixed messages create unnecessary confusion and erode the public’s confidence in the
government’s ability to manage reforms effectively. Consistency across the government is as critical in the implementation of a communication campaign as the messaging.

A variety of mechanisms can be used to consult internal stakeholders, and each country context is unique. A number of mechanisms were presented by GSI and IISS (2013) and are reproduced in Table 1.

**TABLE 1: Mechanisms for Internal Consultation on Subsidy Reform**

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Key features</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabinet subcommittee</td>
<td>Involves all key ministers</td>
<td>Ensures political-level participation</td>
<td>Needs to be supported by consultation and advisory support at the bureaucratic level</td>
</tr>
<tr>
<td></td>
<td>May be led by head of government</td>
<td>Decisions unlikely to need higher level of approval</td>
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</tr>
<tr>
<td>Parliamentary committee</td>
<td>Key ministers mobilize coalitions or champions within parliament</td>
<td>Identify and address concerns of parliament members that could block passage of necessary legislation</td>
<td>Usually only relevant once reform proposal is near-final</td>
</tr>
<tr>
<td>Task force</td>
<td>Seconds officers from relevant departments and agencies Limited lifespan to develop and implement reform May be hosted by a central agency</td>
<td>Dedicated resources from all relevant agencies Provides central point for relations with internal and external stakeholders</td>
<td>Conflict can arise between task force and home departments</td>
</tr>
<tr>
<td>Interdepartmental committee</td>
<td>All relevant agencies represented Meets regularly or on ad hoc basis</td>
<td>Involves all relevant agencies</td>
<td>May achieve little beyond awareness-raising among officials Must feed into process for decision-making</td>
</tr>
<tr>
<td>Expert group</td>
<td>Experts could be within or outside government, but must have backing of lead ministers</td>
<td>Creates some distance between political leaders and reform plans</td>
<td>Leaders may not take advice if it comes from nongovernment experts</td>
</tr>
</tbody>
</table>

**External stakeholders:** Communication campaigns should also speak to the stakeholders who stand to gain or lose from subsidy reform, and the parties who represent and align with these stakeholders.

Once stakeholders are identified, it is important to map to what degree stakeholders are impacted by, interested in, or able to influence subsidy reform (figure 3).

How subsidy reform impacts each stakeholder group depends on many factors, including the following:

- How much stakeholders benefit from current policies;
- How stakeholders will be impacted after reform; and
- How stakeholders will be affected after mitigation measures are implemented (see note 9 on political economy).

By analyzing stakeholders’ interest and influence in a stakeholder mapping process, the communication practitioner can understand better where support for or resistance to reform is likely to be strongest.
• Level of Interest is assessed by how likely a stakeholder is to welcome the prospect of energy price subsidy reform, owing to both material and ideological factors. Experience has shown in several countries that some stakeholders may react based less on the issue itself than on the potential it offers to mobilize in pursuit of other goals.

• Level of Influence is a concept that includes political influence, access to means of mass communication, financial resources, perceived credibility, propensity to engage in political protest, and numbers.

Communication campaigns should consider carefully which stakeholders to target, given limited resources and the reality that some groups will be deeply opposed to reforms and no amount of communication will persuade them and some groups will be fully supportive so resources should not be spent on communicating to them. Communication campaigns often aim to build coalitions to facilitate reforms and to convince neutral or undecided stakeholders about the benefits of reform (figure 3).

When mapping stakeholders, it is important to consider gender sensitivity and make plans for reaching women audiences, especially where household energy is affected by the subsidy reform. In most circumstances, women are the main users and procurers of energy (that is, collecting fuels or ensuring continuous access to liquefied petroleum) and primarily responsible for performing household chores, but they are not often considered in a map of interest and influence. Women are often disproportionately impacted by lack of access to energy sources, unreliable and low-quality energy services, and increasing energy costs. They may not have voice in their community and could be overlooked in an opinion research.

**FIGURE 3: Mapping Stakeholders by Level of Interest and Influence in Tariff Subsidy Reform in the Power Sector**

High Influence, Low Interest
- Presidency
- Security forces
- Average income

High Influence, High Interest
- Prime Minister
- Well-off
- Ministry
- Large firms
- Deputy PM
- Civil servants
- Planning Ministry
- Power producers
- Electricity Ministry
- Finance Ministry

Low Influence, Low Interest
- Generator owners
- Poor
- Manufacturers
- Smaller parties
- Parliament
- Farmers

Low Influence, High Interest
- Parliament
- Central Bank

Source: Excerpt from an internal World Bank report (2017).
exercise to inform the campaign. Women’s views on energy issues, however, are critical.

Mechanisms to cope with increasing energy costs (for example, by reducing energy use and cutting spending on food, health, and other necessary household expenses) have greater impact on women, since they are more likely to sacrifice their needs first. Although women rely heavily on energy to fulfill household chores, they might not participate equally in decision-making on the procurement of energy sources or appliances (World Bank 2015). Therefore, women are receptive to messages about the positive impacts of subsidy reforms, such as improving energy service quality and reliability, and about the accompanying social protection measures to mitigate the negative impacts on vulnerable households. Women can also be activated as agents of change to alter informal and inefficient energy use habits and to encourage behavior change toward energy efficiency, which in many country contexts is a complementary and empowering message to accompany information about subsidy reforms.

III. CONDUCT OPINION RESEARCH TO UNDERSTAND STAKEHOLDER VIEWS AND PERCEPTIONS

There are different ways to consult and communicate with internal and external stakeholders. For external stakeholders, understanding the public’s knowledge, attitudes, and perceptions of the energy sector, subsidies, and existing social safety mechanisms is crucial to designing effective communication campaigns.

Communication research (also known as opinion research) can use qualitative and quantitative methods to explore stakeholder opinions and attitudes (see table 2). It can also help to monitor public opinion and identify potential risks that might affect the successful implementation of the reforms. While policy makers often feel they understand the prevailing public opinion or perceptions, evidence gained from research can validate these assessments or uncover previously unrecognized nuances (see note 3 on quantitative impacts on households, note 4 on qualitative research tools, and note 9 on political economy). Qualitative and quantitative research can gather information to help

- Identify the target audience’s perceptions, underlying motives, and beliefs that shape citizen attitudes toward subsidy delivery, reform activities, and service delivery;
- Identify the coping mechanisms currently being used to deal with unintended consequences of price subsidies, such as fuel shortages and high prices on the black markets, and opinions about potential improvements in energy service delivery as a result of subsidy reform;
- Understand what consumers might perceive as acceptable in a reform program, including whether an expansion or improvement of social safety net programs is necessary;
- Find gaps in knowledge and popular misconceptions about reforms;
- Expose barriers to behavior and attitude change that need to be addressed;
- Identify channels through which consumers get information, sources they trust, and the different ways consumers receive or process information to determine effective ways of reaching them; and
- Determine which messages will best motivate change.