

Sustainable Energy Services and Development



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**IN THE EIGHTIES THE
EMPHASIS WAS ON
ENERGY AS A TOOL FOR
RURAL DEVELOPMENT**

POLICY PRIORITIES



- Technology Development of RE
- Village Forest Plantations
- Rural Electrification

TYPE OF ACTIVITIES



- Training Courses
- Pilot Projects at Field Level and in Demonstration Centres
- Subsidized Hardware Supply
- Import Support



**THE EMPHASIS OF
PRESENT POLICY FOR
THE NINETIES IS ON
SUSTAINABLE ENERGY
SERVICES AS A BASIC
NEED FOR DEVELOPMENT**

POLICY PRIORITIES



- Energy Policy Adjustment
- Capacity Building
- Market Development
- Financial Instruments

TYPE OF ACTIVITIES



- Formulating Policy Programs (Countries and Concepts)
- Training Programs on RE and EE
- Project Development for Investment
- Investment Funds
- Technological Innovation
- Sectoral Support

LESSONS LEARNED



- Rural energy supply based on conventional energy sources is expensive (politics versus willingness to pay). Cross subsidizing might still be needed.
- Privatization of the (rural) power sector might not be the right answer.
- Good entrepreneurship and local capacity at rural level are crucial.

LESSONS LEARNED

Cont.



- Availability of credit at favorable terms and able to take risks.
- Need for large programs to overcome high transaction costs and interesting to commercial partners.
- A limited capacity of project developers and not familiar with financial engineering.

FUTURE PLANS OF NETHERLANDS DEVELOPMENT ASSISTANCE (NEDA)

- Look for new partnership between public and private sector (suppliers and investors).
- Promote marginal cost for energy services.
- The instrument of subsidizing technology should be differently used: To overcome initial costs and forward pricing.