



Rural energy policy and planning: issues and perspective

November 5, 2002

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Structure of the presentation

- **Rural energy planning scenario**
- **Looking back to think ahead**
- **Issues and perspective**
- **The road ahead**
- **Agenda for research**

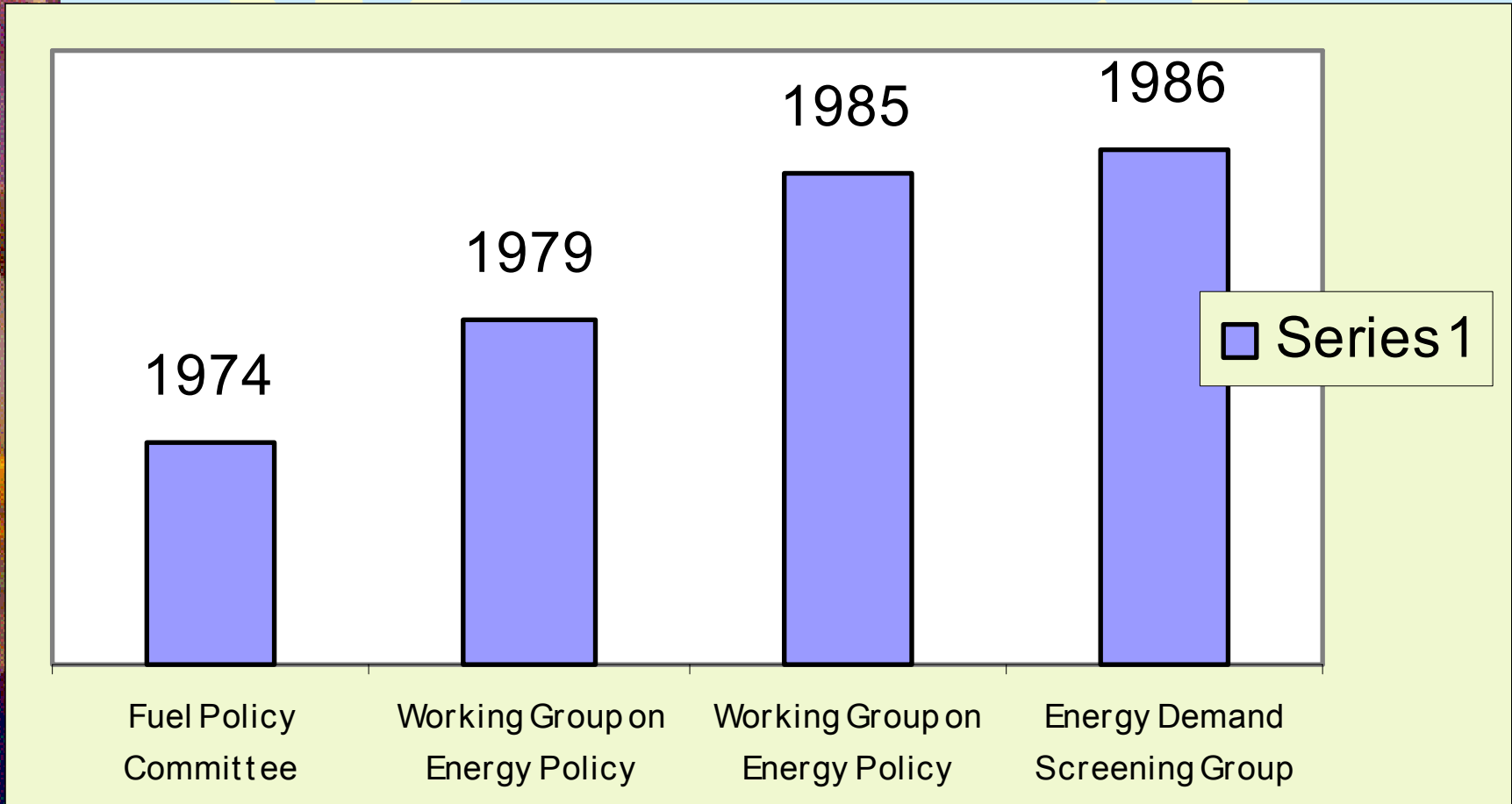
Rural energy planning overview

Characterized by

- ✿ **Lack of policy**
- ✿ **Isolated or segmented approach**
- ✿ **Centralized supply driven process**
- ✿ **Target oriented, subsidy and technology based programmes**

Looking back to think ahead

- ✱ **Energy - itself segmented across five ministries?**
- ✱ **Committees instead of policy (substitute to a comprehensive policy and planning process)?**
- ✱ **Is rural energy adequately represented in surveys and other planning tools?**
- ✱ **Are programmes the answer?**



Looking back to think ahead

- **How helpful have the subsidies been?**
- **Has there been adequate emphasis on R&D and capacity building?**
- **Have we addressed rural energy linkages wrt other development sectors?**

Issues and perspective

Inadequate representation in surveys

- **invisibility**
- **dangers in extrapolation**
- **parameters not clearly defined**
- **data sets are not comparable**
- **lack of qualitative information**

Issues and perspective

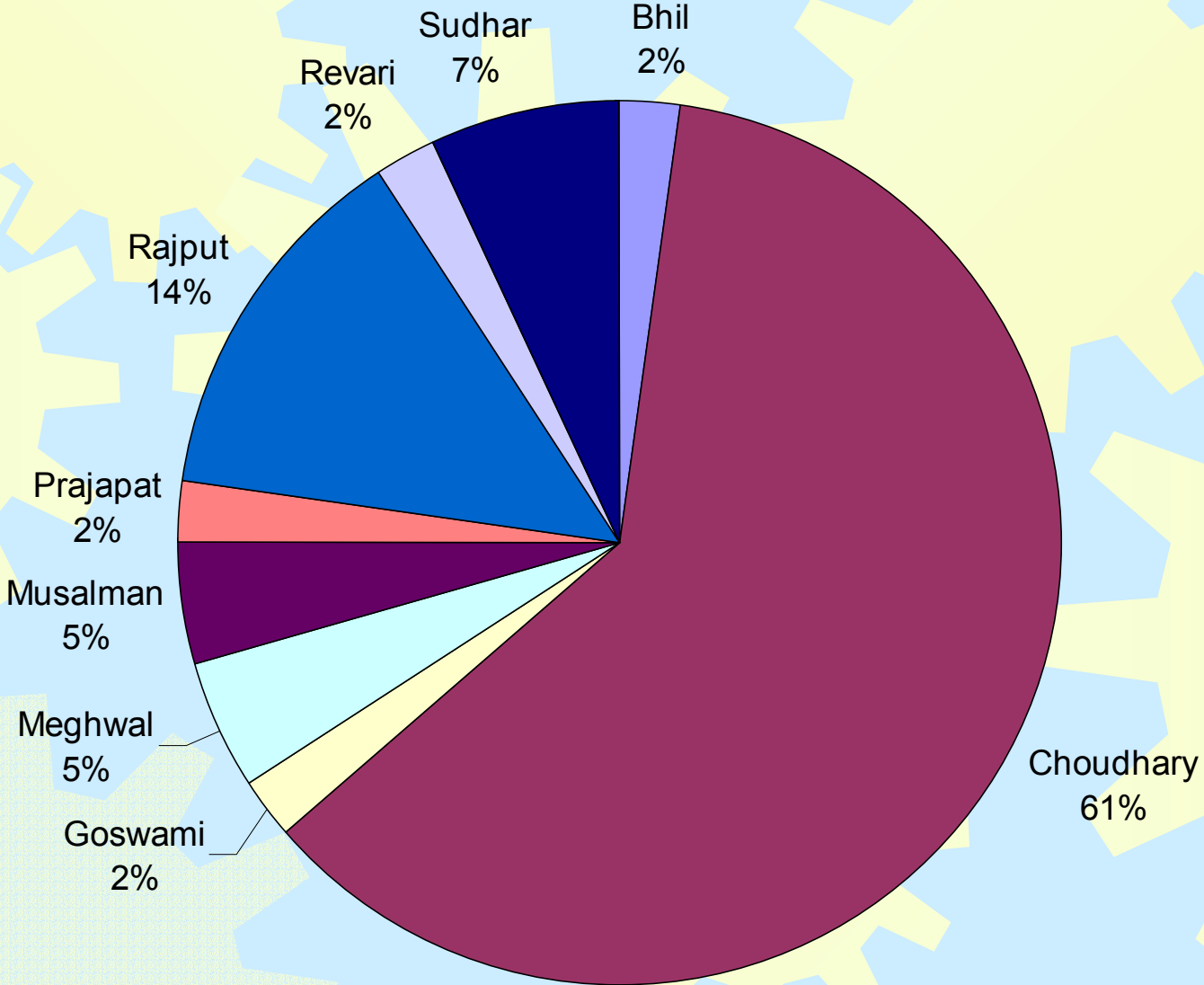
Inequitable distribution

- ✱ Equity in terms of adequacy and quality
- ✱ Rich/poor, dominant/weak disparity
- ✱ Programs bypass the needs of the poor

Over-emphasis on grid

- ✱ Incomplete coverage
- ✱ Faulty definition
- ✱ unviable
- ✱ rate of electrification declining

Caste profile of 5L/month kerosene users in Jalore



Issues and perspective

Lack of co-ordinated R&D

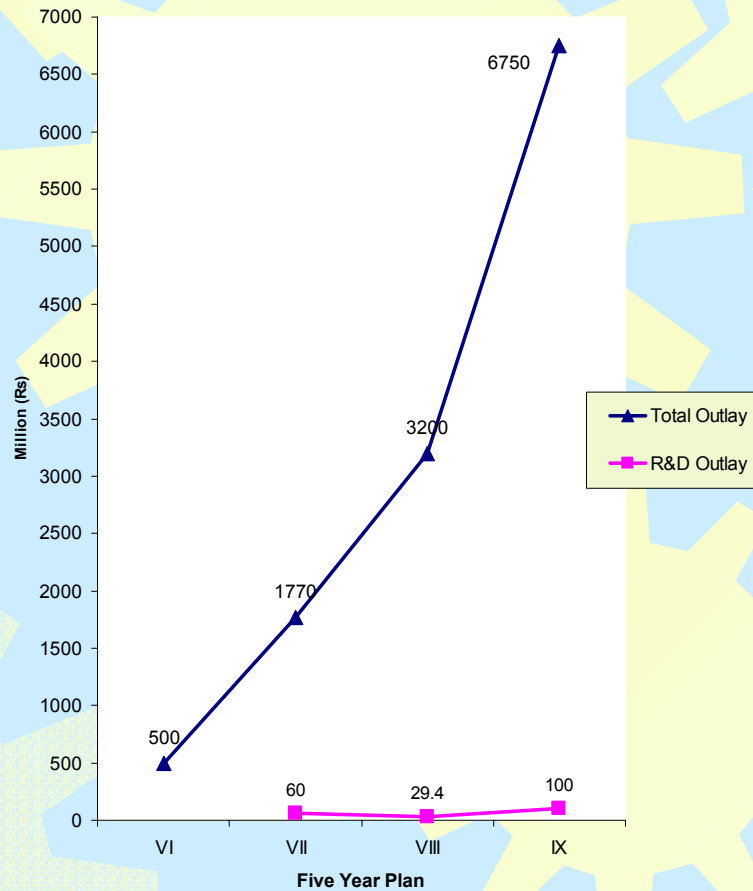
- ✱ paucity of resources
- ✱ poor efficiency
- ✱ lack of customization as per needs
- ✱ lack of efforts for cost effectiveness

Financially draining subsidy regime

- ✱ Consequences

R&D fund allocation vs. total fund allocated for biogas programme

R&D fund allocation vs. total fund allocated for biogas programme in India over the successive five year plans



Consequences

- ✱ **Adverse impact on economic efficiency**
- ✱ **Adverse impact on environment**
- ✱ **Undermine global trade regime**
- ✱ **Threat to the viability of the energy sector
(consumer subsidies)**
- ✱ **Unintended beneficiaries**
- ✱ **Lobbies and vested interests**
- ✱ **Promote irrational consumer behaviour**
- ✱ **Difficult to phase out**
- ✱ **Misuse.....**

Issues and perspective

Lack of financial mechanisms

- ✿ Limited buying power
- ✿ Lack of credit for rural energy, cumbersome procedures
- ✿ No linkage to productive financing-debt increase

Issues and perspective

Lack of inter and intra agency co-ordination

- ✿ No synergy across different programmes
- ✿ Ministry of RD, Agri., Power wrt rural energy work mostly independent of each other

Lack of measures for capacity enhancement

- ✿ Lack of skilled person-power
- ✿ Limited tools for training

The road ahead what is required?

- ✱ **A rural energy policy and framework**
- ✱ **Shift from fuel based to end use based approach**
- ✱ **Shift from a technology based to “service” provision approach**
- ✱ **Shift from a programme based to entrepreneurship based dissemination process**
- ✱ **More emphasis on R&D especially wrt achieving cost effectiveness and efficiency**

The road ahead what is required?

- ✿ Shift from upfront subsidy to meeting cost of transactions and provision of innovative credit mechanisms
- ✿ Introduction of measures for demand management

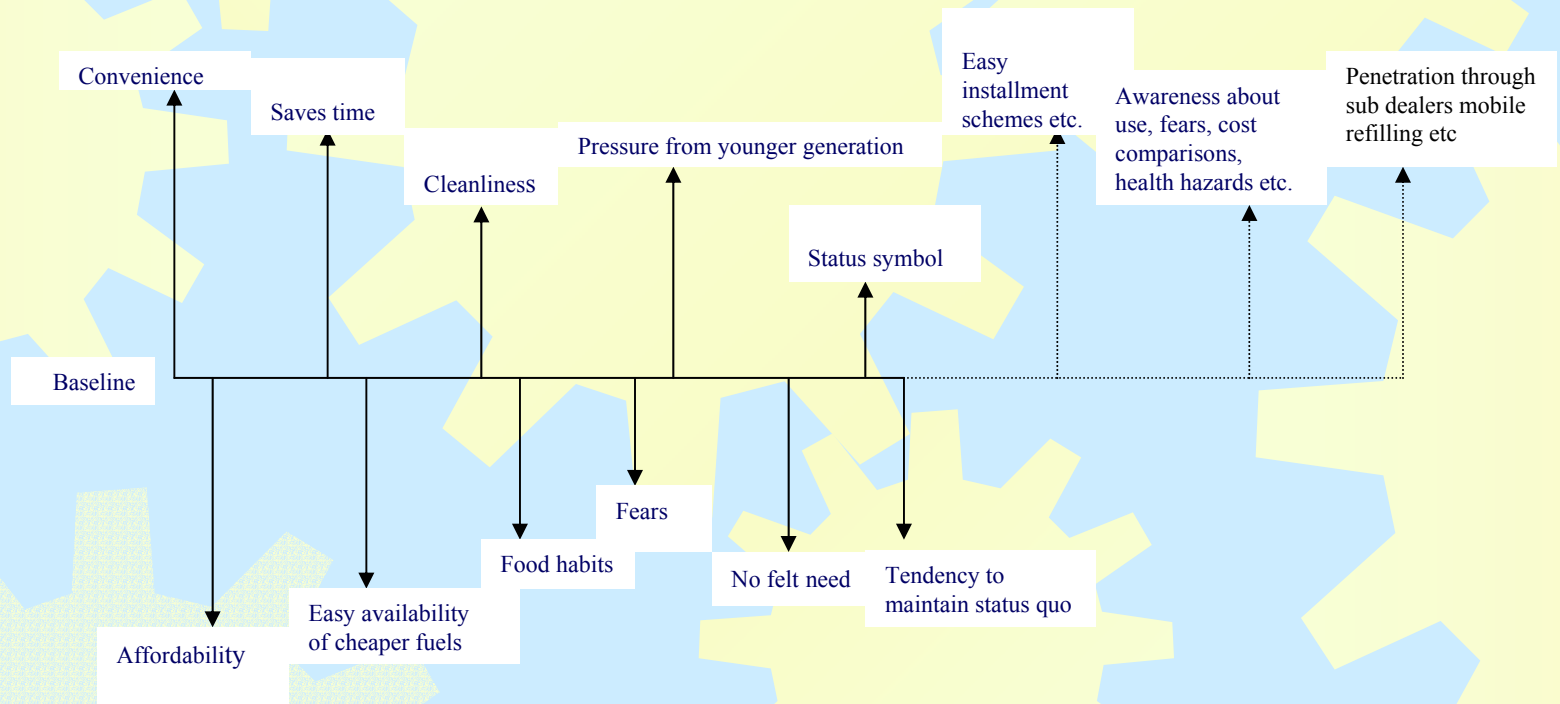
Agenda for research

- ✱ **Development of a framework for rural energy planning**
- ✱ **Modalities for mainstreaming - in the planning process as critical to development**
- ✱ **Assessing constraints to transition**
- ✱ **Devising a framework for transition**
- ✱ **Assessing modalities for an “Integrated solutions approach”**

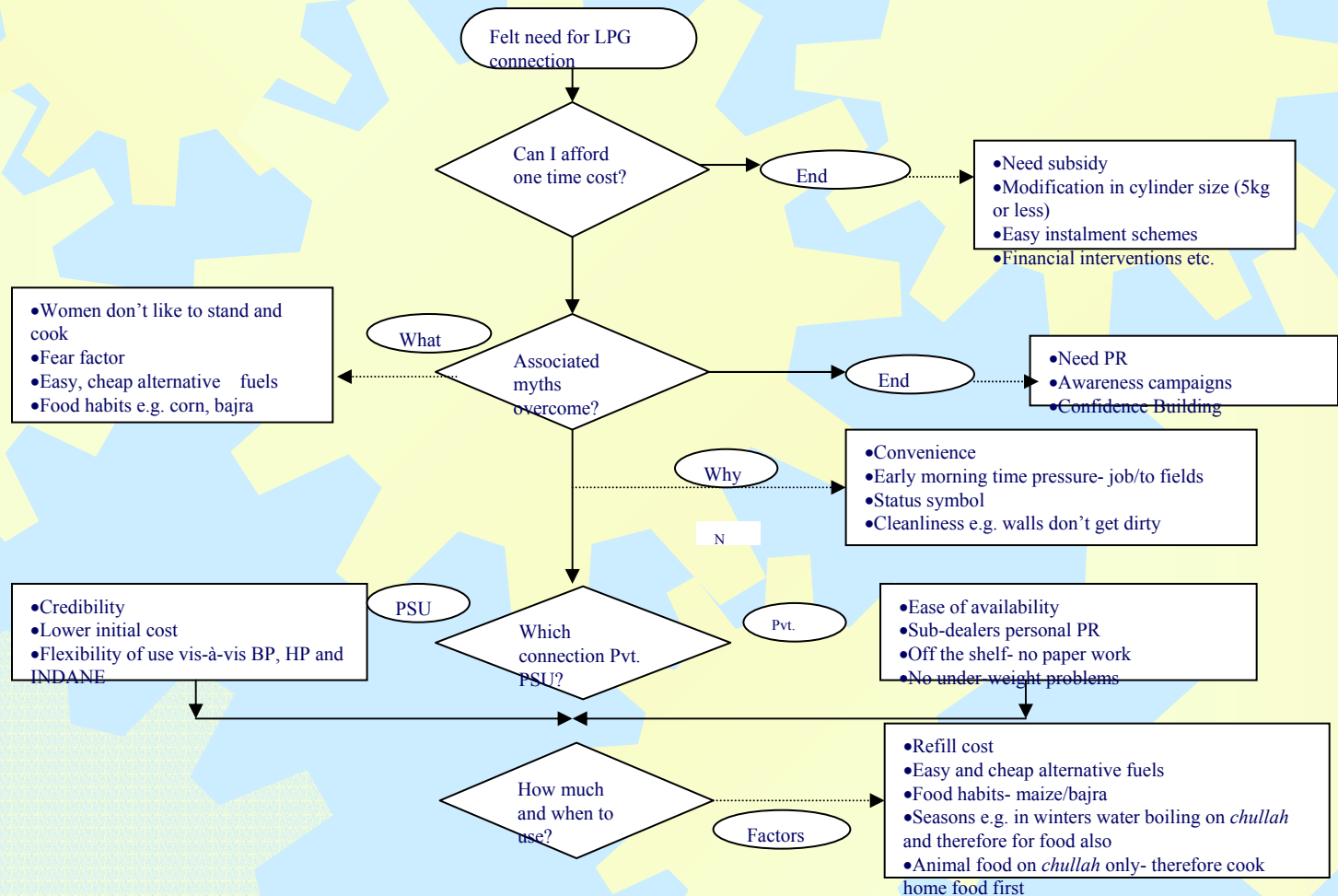
Agenda for research

- ★ **Devising innovative credit mechanisms**
- ★ **Identification of technologies, interventions for enhancing incomes through energy interventions**
- ★ **Case studies - entrepreneurial based dissemination**
- ★ **Assessment of modalities- integrating rural energy with ICT revolution**

Transition to LPG



Facilitating transition





**Thank you for your kind
attention**