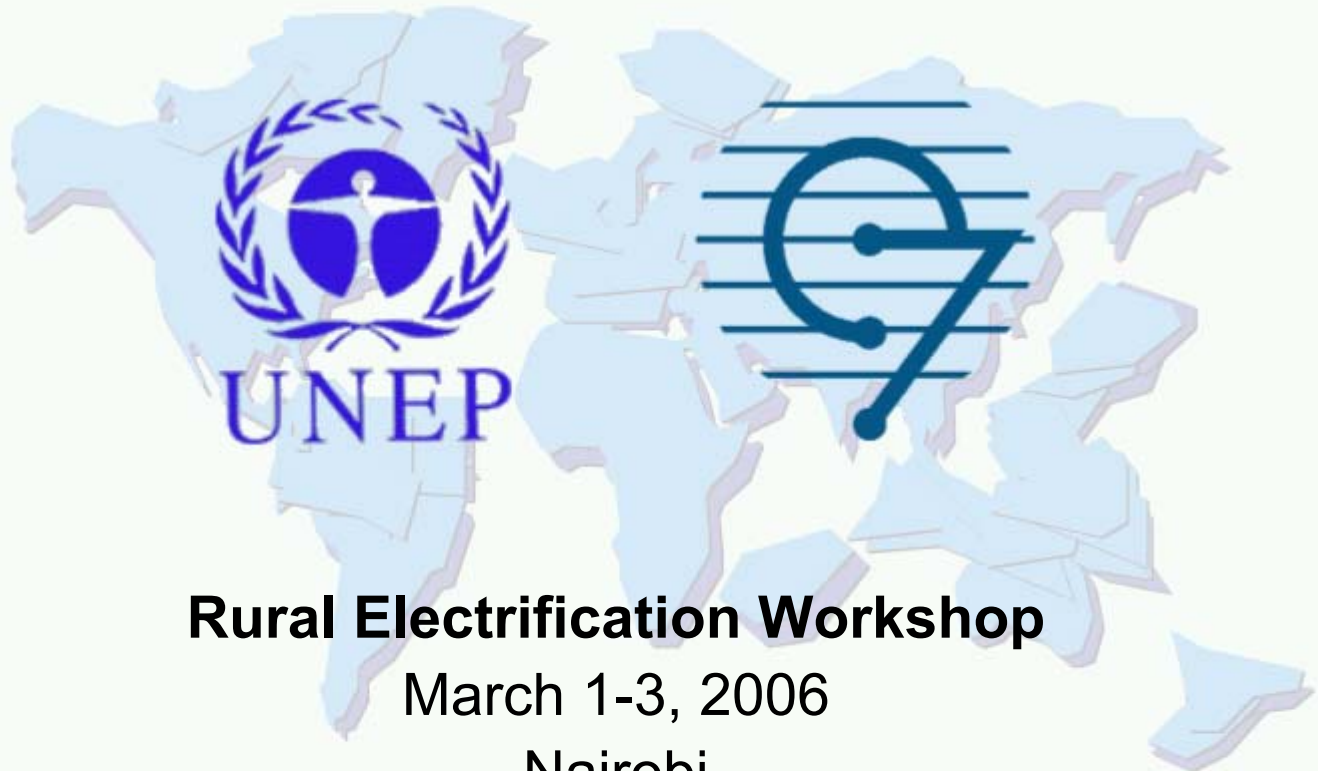


## Session 3 Discussion Group 3



**Rural Electrification Workshop**

March 1-3, 2006

Nairobi

- Sustainability – Time and equity
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- Social
- Technical
- Institutional
- Environmental
- Financial
- 1. Social -
  - - Quality of life
  - - level of income
  - - affordability, ability to pay and willingness to pay
  - - acceptance of service offering
  - - Cooperate social responsibility
- 2. Technical
  - - allowance of growth demand
  - - choice of technology
  - - skills, capacity and resources

- **elaborate maintenance plan**
- **- resource assessment**
- **- secure fuel and material supply**
- **- adaption to local circumstances**
- **- appropriate norms and standards**
- **- adequate quality of supply and service**
- **- safety**
- **3. Institutional**
- **- commercially enabling political environment**
- **- predicable and transparent regulatory framework**
- **- ownership model**
- **- PPP**
- **- community**
- **- defined responsibilities/ roles of key players**
- **- incentives (tax/ subsidies)**
- **- acceptance by various (local and national) government structures**
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- **4. Environmental**
- **- appropriate legislative frameworks**
- **- compliance with legislative frameworks**
- **- emphasis on encouraging clean technology**

- holistic view of relationship with surroundings – look at external effects of project – knock on effects (positive and negative)
- - mitigation of negative aspects
- - monitoring and feedback mechanisms
- 5. Financial
- affordable tariffs and connection costs
- sufficient rate of return to meet ongoing expenses – ie sensible way of setting tariffs
- income
  - sales
  - subsidies
  - supporting projects
  - revenue generation
- availability of local finance for developers and consumers
- tariff setting
- efficiency for operation and maintenance
- loss and credit control
- political acceptance of financial realities

- policies to regulate financial aspects and avoid mismanagement and abuse