



Harnessing the Ring of Fire: Political economy of clean energy development finance on geothermal development in Indonesia and the Philippines

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Abstract Located along the Ring of Fire in the Asia Pacific, both Indonesia and the Philippines have tremendous natural resource endowments in geothermal energy. Yet, the two countries have dramatic differences in the share of installed capacity they have developed with international development assistance for geothermal development over the last decades. This paper investigates the major interests, institutions and barriers to geothermal development in Indonesia and the Philippines and then examines how closely clean energy development finance has addressed these barriers. Using qualitative analysis and data from field research in both countries, this paper investigates the effectiveness of the clean energy development finance for renewable energy development. The main findings of this research show that clean energy development finance targeted major barriers to geothermal energy development, but the finance was limited in its impacts on removing the barriers or addressing major domestic political interests, particularly in the case of Indonesia. This research also illuminated limitations of the project-based development approach to solving macro-level problems in clean energy development.

Keywords clean energy development, development finance, energy policy, geothermal energy

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