SHINING A LIGHT ON WOMEN

Results from the Power to the Poor Rural Electrification Pilot in Lao PDR

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Outline

• Context - Rural Electrification In Laos
• Power to the Poor (P2P) Pilot
• P2P - Gender Sensitive Approach
• P2P - Roll-out & scale-up
Two Development Stories from Lao PDR

1. Strong economic growth and rapid regional integration
   - Population: 6.2 million, about 1.0 million households
   - GDP: $5.2 billion, above 6% p.a. since 2000
   - Poverty incidence: 40% below $1.25/day in 2008
   - Regional integration: power trade, Mekong water resource management, highway connection

2. But uneven distribution of growth
   - Large urban-rural disparities
   - Gender disparities, particularly in remote areas and among ethnic groups:
     - Maternal mortality 405:100,000
     - Female literacy rate: 61% (vs. male: 77%)
     - Gender Development Ranking: 130 (out of 177)
Rural Electrification in Laos

Sector Objectives:

Provide **affordable, reliable, and sustainable** electricity service to support poverty alleviation and economic growth

Sector Priorities:

- Expansion of Access
- Hydropower Development
- Sector Financial Sustainability
Rural Electrification in Laos

Progress:
- 16% in 1995
- 65% in 2009

Bank contribution:
- 15% & capacity building
  1. SPE (1987-1993)
  2. PGI (1993 - 1998)
  4. REP 1 (APL, 2005 - 2012)
  5. REP 2 (APL, 2010 - 2014)
Key issue: in village electrified, 20-40% of HH not connected to the grid because they can’t afford the connection charges ($80-100), 2004 Survey

Who are the they?

Households below the poverty line

Female-headed Households
Rural Electrification in Laos

Focuses on development impact

- Maximize social economic impacts - Village Screening

- Benefits to the poor - Power to the Poor, targeting the 20-40% households not connected to the grid in villages already electrified


- Capacity building – very effective project implementation, for both on- and off-grid rural electrification
Power to the Poor (P2P) Pilot

Targeting the poor
1. interest-free credit
2. households in village already electrified
3. household monthly budget neutral

EdL Operational Account

$2.5/month

EdL P2P Revolving Fund

$80

Monthly bill

$1.5/m + $2.5/m

Electricity payment

Poor Households

P2P Repayment

$80

Service Contractor for in-house wiring

Wiring

EdL, IDA, GEF Grants

$80
Power to the Poor (P2P) Pilot

- Example: Phosaad Village
  - Grid to village in 2002
  - 270 households
  - 63 (23%) not connected by 2008
  - All connected in 02/09 - P2P
Gender Sensitive Approach - Why?

Key Gender Issues

The majority of female headed households are poorer than average and as a result have few (if any) available resources to pay the connection fee. Without support they are unlikely to be able to access electricity when the opportunity comes.

Yet, the benefits of improved access to electricity particularly to women are significant, in terms of:

- Reduction in tedious tasks such as water
- Evening activities made possible
- Flexibility in organizing household activities
- Income-generating potential
- Greater security
Gender Sensitive Approach - Why?

2007 Survey: female-headed households are poorer on average
- 8% of households but 43% of “poor households”

<table>
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<tr>
<th>Description</th>
<th>Province</th>
<th>Average (%)</th>
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<td>(% of Poor household as of total household</td>
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<td>17.52</td>
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<tr>
<td>(% of women headed household as of total household</td>
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<td>(% of poor women headed household as of total poor household</td>
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Source: Lao PDR House Wiring Program: Final Report
Gender Sensitive Approach - How?

- Process of implementation

**Step 1: Outline Village Plan:**
send a runner to the village to explain the project, announce date of P2P survey team, bring outreach materials

**Step 2: Community Meeting and Household eligibility criteria**

**Step 3: Wiring and Connection**
Gender Sensitive Eligibility Criteria & outreach materials

**Eligibility criteria:** Power to the Poor pilot will target villages that are already electrified

- Among non-electrified households, **all female headed**- and single parent households will be **automatically eligible** for support
- For other households poverty criteria applies
- A household is eligible for support if it has housing that is safe to electrify AND meets at least ONE of the poverty criteria OR is female / single parent headed AND safe to electrify

**Information materials:** All information and dissemination materials for the pilot has been done in a gender sensitive fashion, such as:

- Highlighting the benefits of electricity for women
- Making the consultative process gender inclusive, by for example scheduling meetings at times when women are available
Outreach materials
Gender Sensitive Approach - Results

Conclusions of a rapid assessment of P2P Pilot in May 2009

• 537 newly electrified households of which 68 were female-headed

• An overall increase in the connection rate from 78% to 95%

• Among female headed households the connection rate increased even more, from 63% to 90%

• P2P is very cost effective: the marginal cost to provide access to electricity was about $80 per household with the P2P compared to about $900-$1,000 per household with grid extension projects

• GAP funded the P2P design, IDA/GEF funded the implementation under the REP 1
Gender Sensitive Approach - Lessons

- There are several entry points to addressing gender issues in energy projects

- Addressing gender issues requires a slightly different focus and approach - but it is not “rocket science”

- Commitment from the WB team and counterparts to “go the extra mile” is essential

- Additional resources are needed, but a small amount of money can go a long way - GAP funds played a catalytic role

- In the end, addressing gender issues constitutes a smart way of making a project more effective and its impact more inclusive.
P2P: Roll-out & Scale-up

Roll-out

- 03-10/2009: to 3 Provinces: Khammouane, Savannakhet, Champasak
- Progress: the house wiring completed on 2629 households (out of 2806 eligible households) in 132 villages.
- Access rate: 80.91% before and 97.38% after P2P

Scale-up under the APL program

- Replication in all southern provinces
- Replication in all northern provinces
- Targeting all households not connected to the grid in all villages electrified
P2P: Roll-out & scale-up

Donor Response and Resources

- **IDA**: $600,000, under REP 2
- **AusAID**: $600,000, as additional financing to REP 1
- **NORAD**: $100,000, as co-financing to REP 2 for training of EdL’s provincial P2P teams
- **GPOBA**: proposal under preparation
- **ADB**: intends to replicate the P2P under its RE programs

Productive Use of Electricity

- **ESMAP**: US$500,000, as co-financing to REP 2
  - SME for decentralized energy service program (2007-2008) under REP 1
  - combination of gender actions & productive use of electricity under REP 2
Thank you!

P2P implementers and program participants posing for a photo at the end of the day in Kenghuakhong village.