



### LAO PDR RURAL ELECTRIFICATION FOR ALL – A Gender Lens

**Project Overview:** The “Power to the Poor” (P2P) Program in Lao PDR is a subsidized financing mechanism being implemented by Electricité du Laos (EdL) to provide affordable connection and indoor wiring to poor households. Designed with a gender focus, the P2P program enables the poorest rural households who cannot pay the entirety of these costs upfront to access the main electricity grid for basic services. The program’s objective is to raise household (HH) connection rates to 85 percent–90 percent in village communities who already are connected to the grid. To minimize upfront payments, the program design utilizes participatory methods and gender-sensitive eligibility criteria. It particularly targets female-headed poor households. It provides eligible households with a no-cost “basic” 3/9 Ampere meter (low voltage) sufficient to enable an average household to use 2 light bulbs and a small electrical appliance such as a radio. Eligible households initially pay an average of at least 200,000 Kips (approximately \$20) and can receive an interest-free credit of up to 700,000 Kips (US\$80) to cover the costs of installation and indoor wiring. A household repays the interest-free credit in equal installments of 20,000 Kips (US\$2.50) to EdL over 3 years as part of the household’s monthly electricity consumption bill. Once connected, a typical beneficiary household’s monthly repayment is US\$1–\$2, on top of electricity consumption charges of US\$1–\$3 per month. Without the subsidies and the connection, these HH typically would spend approximately US\$3–\$5 per month for vastly inferior traditional energy sources such as batteries, diesel lamps, and candles. The monthly savings on their energy expenditures are projected to be sufficient to enable households to fully repay their connection costs in three years. Implementation of the P2P pilot phase resulted in 537 newly electrified households, 68 of whom were female headed. This was an overall connection rate increase from 78 percent to 95 percent between 2008 and 2009. Based on the promising results of the pilot phase, since March 2009, EdL has scaled up the P2P program to cover approximately 8,000 additional households nationwide within 3 years.

#### Gender Issues Raised:

- ⌘ Results from a socioeconomic survey in June 2007 further revealed that poor households that remain unconnected tend to be disproportionately headed by women (often widows and divorcees).
- ⌘ While female-headed households comprise 8 percent of all households, they account for 43 percent of poor households, mainly because they lack of the earning power of a male in their predominantly rural areas.

#### Actions to Address:

- ⌘ The connection cost barrier for the poor needed to be effectively addressed by a well targeted subsidy mechanism through the Power to the Poor (P2P) program

*If you want to know more:* Lao PDR: Power to the People: Twenty Years of National Electrification. ASTAE 2012, click [here](#).