



The Gender Action Plan (GAP) in Lao PDR

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Presented at parallel event

Gender equality and Women's economic empowerment

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Two Development Stories from Lao PDR

1. Strong economic growth and rapid integration with regional trading partners:

- Real GDP growth: Above 6% p.a. since 2000
- Poverty incidence
 - 1992/93: 46%
 - 2002/03: 33.5%
- 3-fold increase in exports since 2000

2. Uneven distribution of growth:

- Large urban-rural disparities
- Low school enrolment rate in rural areas
- 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)



Gender Dimensions in Existing Portfolio

Analytic work:

- Gender Profile
- Ethnic Groups, Gender and Poverty Eradication

Lending activities:

- Land Titling Project,
- Education Project
- Health Services Improvement Project
- Poverty Reduction Fund

Policy dialogue:

- Promotion of gender dimensions in the National Socio-Economic Development Plan



Case: Power to the Poor

The electrification rate in Lao PDR:

- 16% of all households in 1995
- Appr. 60 % in 2007

Urban and Rural Difference:

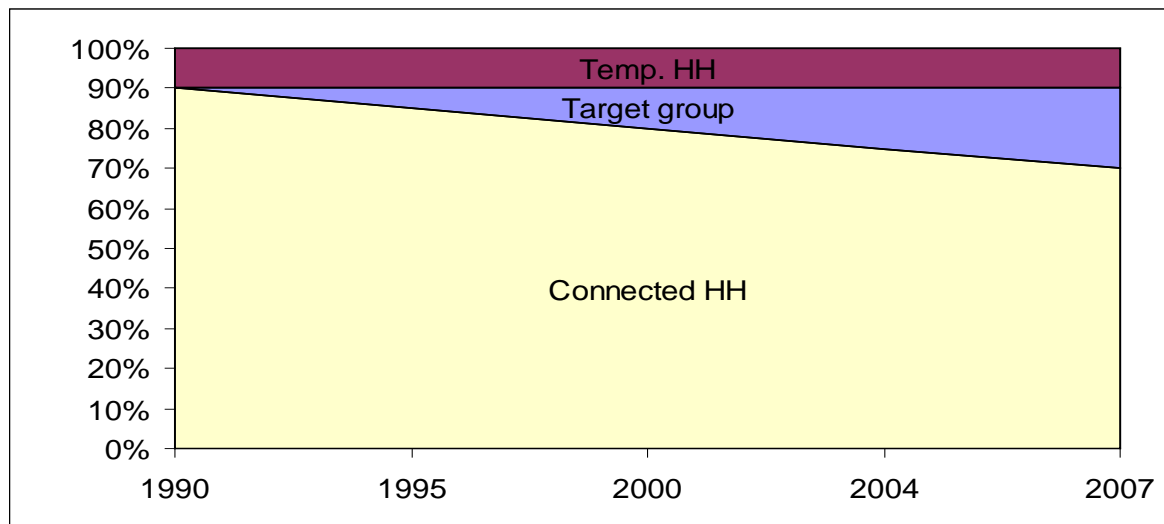
- Urban: close to 100%
- Rural Areas: appr. 35%
- Not all households “choose” to connect



Case: Power to the Poor

- Eye openers:

- Many households cannot afford to connect (US\$80 connection cost)



- Female-headed households: 8% of households but 43% of “poor households”
- Non-electrified households spend US\$ 3-5 per month on alternative fuels
- Average electricity bill for rural household US\$ 1-1.5 per month

Case: Power to the Poor

- Objective:** Bring household connection rates from 70% back to 85-90%
- Instrument:** Customer credit to finance connection costs
- Target:** 20 villages in Champasak Province in southern Laos
- Timeframe:** October '08 – January '09



Case: Power to the Poor

What's the deal?

- => Interest-free credit
- => Monthly repayment over three years
- => **Budget-neutral for the household**

Benefits

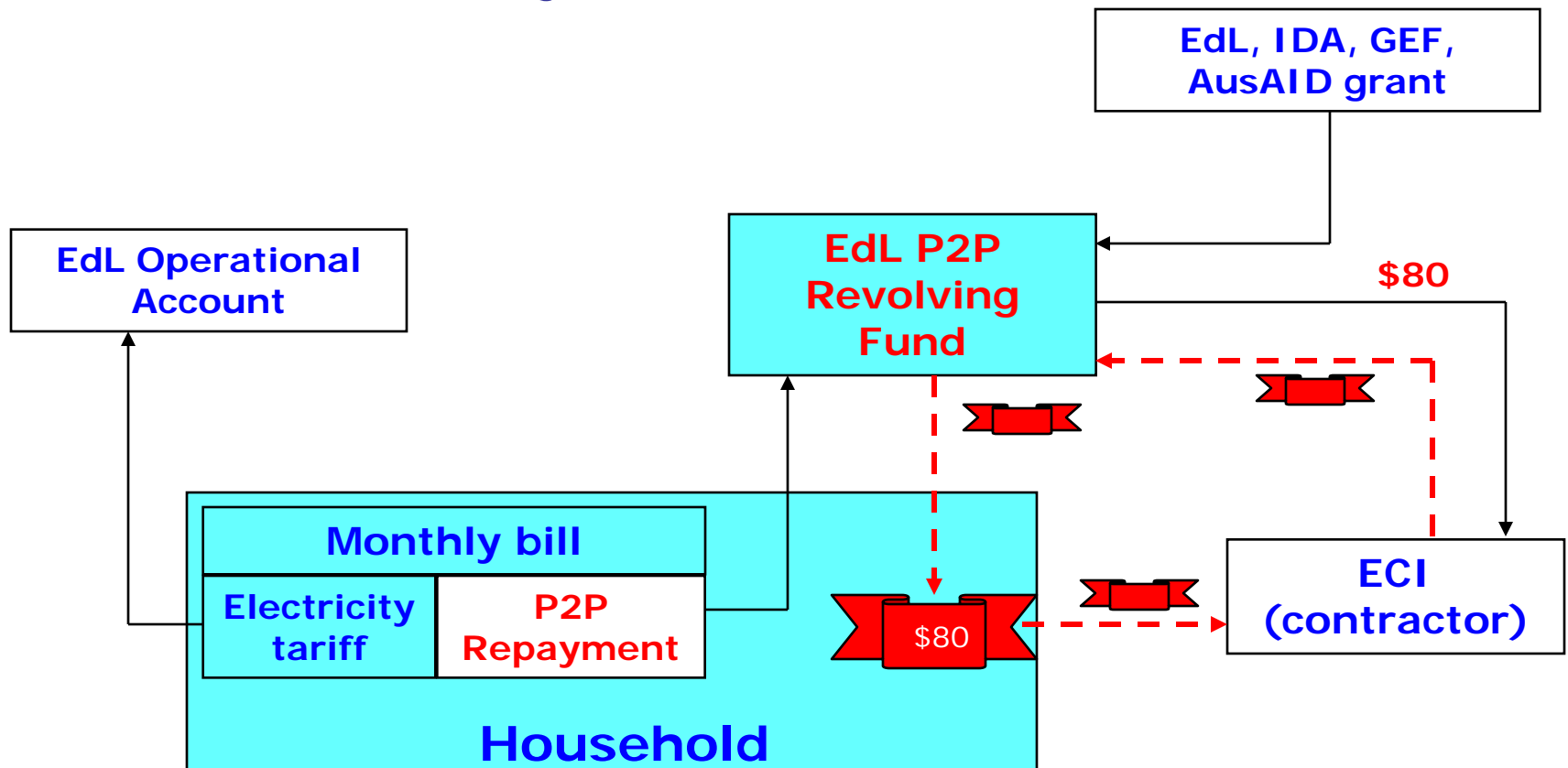
- ♥ Improved power supply
- ♥ 60% cost reduction after Year 3



Monthly cost before P2P		Monthly cost after P2P	
Traditional fuel sources (diesel lamps, car batteries, etc.):	US\$ 3 - 5	Repayment	US\$ 2.25
		Power tariff	US\$ 1 - 3

Case: Power to the Poor

How it works: A revolving fund



Case: Power to the Poor

Information campaign and village mobilization:

Case: Power to the Poor

Early results:

- 20 pilot villages initially connected to network in 2002-05
- ... but 22% of households still had no connection
- 537 households in the 20 villages have now received connection through P2P credit
- Connection rate in January 2009: 95% (5% without connection)
- Connection rate among female-headed HH: 63% => 90%



Case: Power to the Poor

Lessons learnt and strategy considerations:

- It's good economics! (average installation cost: 500-700 US\$/household)
- It didn't take 6-8 months – but 24 months
- Socio-economic baseline was important to determine ability-to-pay
- Keep it simple (design as well as message)
- Marketing and information/mobilization campaign has contributed to the strong interest
- There is still 5-10% who can't afford electricity

Case: Power to the Poor

Next steps:

- The power company has already started roll-out to three more provinces and targets **1,800** connections before end of 2009
- Monitoring and evaluation of the pilot initiative
- AusAID has committed funding to the Revolving Fund to provide credits to up to **8,000** households (50,000 people) over the next three years
- ... Countrywide roll-out



Case: Power to the Poor



“Before, I used to share electricity with my neighbors, but now I have my own. I am very happy and it will support me to work at night. [...] my children will be able do their homework in the evening. I also plan to buy a water pump so that I can bring water from the river which will reduce time and energy from having to carry bucket of water home....”

Case: Power to the Poor

Read more at:

- Lao country news and P2P update: worldbank.org/la
- GAP Newsletter, Fall 2008 – Gender equality as smart economics: www.worldbank.org/gender
- Rural Electrification Program, Lao PDR: www.worldbank.org



Thank You!

