

World Bank provides power to the poor

KHONESAVANH LATSAPHAO

The World Bank's "Power to the Poor" pilot project has started supplying electricity to 25 of the country's poorest villages, located in seven provinces.

The project was explained at a final workshop about the scheme held in Vientiane yesterday, and is being implemented by the Entreprise d'Electricite du Laos (EDL), Sunlabob Rural Energy Ltd, and the State Company for Electrical Construction and Installation.

The project will provide poor families with loans for

either a connection to the electricity grid or the supply of solar power by Sunlabob.

Many poor rural households cannot afford the initial cost of connection to EDL's electricity grid, Sunlabob's Director, Mr Saleumphon Vongsakhamphui, said at the workshop.

"The inability of poor people to afford a connection is a problem which must be overcome if the Lao government is to achieve its goal to provide electricity to 90 percent of households by the year 2020," he said.

Mr Saleumphon said



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the objective of the project was to show the benefits of providing financial support to households that otherwise would be unable to pay the initial costs of a grid connection. The project runs

from November 3, 2008, until January 31, 2009.

According to EDL staff, the project will provide free electricity meters to households in target villages, and EDL will provide a loan of about 700,000 kip for the cost of electricity installation. The loan is to be repaid in 20,000 kip monthly installments, in addition to a household's electricity bill.

"We've estimated an average household will spend about 5,000 kip a month on electricity, so we've explained to villagers that if they are able to save 1,000 kip a day, they will easily

be able to repay the loan and the monthly bill," Mr Saleumphon said.

He said the government was expanding the electricity grid to remote rural areas, but it was unlikely they could connect all villages because it was not cost effective to extend lines to small communities.

Off-grid renewable energy technologies, such as solar power, were seen as viable alternatives in these areas.

Mr Saleumphon said 80 percent of the Lao population lived in rural areas and only 43 percent had access to electricity.