

Energy Access to Poorest Communes in Remote and Mountainous Areas of Viet Nam

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The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font on a dark blue square background.

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INTRODUCTION

- **Background**
- **Key Features of the Project**
- **Beneficiaries**
- **Challenges**
- **Lessons**

Background

- Power sector has a unique opportunity to reach out and improve the lives of marginalized population living in rural and remote areas through **education, skills building** and in particular **creating income generating opportunities** together with **developing sustainable energy sources** inherited in these areas

Viet Nam - Electrification Level and Opportunities



PROOF ONLY

LOAN COMPONENTS

PROJECT COMPONENTS

1. Development of 5 mini hydropower plants with a total installed capacity of about 30 MW
2. Expansion of the Grid.

Outcome: Provision of reliable and affordable electricity supply to 1000 poor communities, and livelihood enhancement

GRANT COMPONENTS

➤ GRANT - \$3,000,000

To support poor households getting service connections

- ✓ Connecting more than 50,000 poor households to the expanded grid
- ✓ More than 60,000 tCO₂ emission reductions annually

➤ TECHNICAL ASSISTANCE - \$250,000

- ✓ Livelihood enhancement program / income generating opportunities

GRANT MECHANISM

- **Output-based aid mechanism.** Utility to provide the service connections and based on the verification of the service connections (outputs), grant reimburses the pre-financed amounts
- **Eligible criteria for the grant:**
 - **poor below poverty line**
 - **in danger of falling into poverty**
 - **female headed**
 - **disabled or chronic illness**
 - **ethnic minority**

Project Beneficiaries

Loan (Access to Electricity)		Grant (Service Connections to Poor)	
Completed	In progress - complete by Dec 2016	Completed	In progress - complete by Dec 2016
150,000	40,000	15,000	25,000

Technical Assistance : A NGO is conducting 200 training courses on: (i) enhance productive use of electricity for livelihood activities, especially for ethnic minorities beneficiaries; (ii) guiding on procedures for access to credit and effective use of loan; (iii) 10 courses for training of trainers on above

Challenges

- The low literacy level and other unique cultural and social characteristics of the population living in these areas constraint maximizing the benefits.
 - The project consulted Women and Farmer's unions active in these communes and the technical assistance is providing specific training programs and income generating activities suitable for this unique local context.
- Implementing livelihood enhancement programs is a new challenge for the utilities

LESSONS

- **While the project was utility driven and executed combined with extension of the distribution grid, this provides a good case study to learn how such an intervention could be turned into a successful business case for a mini-grid project for greater benefit for the community with livelihood development using indigenous renewable energy.**
- **1.5 million still do not have access to energy. We are preparing to provide another loan using similar approach and using mini-girds. IPP's working in partnership with local communities will be able to operate the mini-grids.**

THANK YOU

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