

NS-227 - NAMA for Rural Development in Lao PDR

Lao People's Democratic Republic

NAMA Seeking Support for Preparation

A Overview

A.1 Party

Lao People's Democratic Republic

A.2 Title of Mitigation Action

NAMA for Rural Development in Lao PDR

A.3 Description of mitigation action

Access to modern energy services is a prerequisite for sustainable development. Even though the electrification rate in Lao PDR was 72.5 per cent of households in 2010, one third of the population still remain without proper access to electricity. According to updated the Rural Electrification Master Plan (REMP), 2010 the Government has set the national electrification target at a household level to 94 percent by 2020.

The NAMA represents an opportunity for sustainable and low carbon development for Lao PDR. The government can build on the existing policy framework, which targets the implementation of various policies, plans and actions aimed at mitigating GHG emissions while achieving sustainable development, so as to define a comprehensive and coherent NAMA development framework for Lao PDR.

The NAMA differs from traditional funding mechanisms which promote rural electrification and renewable energy projects. Interventions under the NAMA framework are prioritized in line with the socio-economic development objectives of the host country. The NAMA is designed with sustainable development benefits in mind and the design includes a focus on interventions which allow for income- generating activities which can create business opportunities for individuals, households and communities. The NAMA will spur the development of an environment which facilitates transformative change in the energy sector through an attractive regulatory and policy environment that incentivizes the private sector.

The overall target of the NAMA is to support Lao PDR in achieving the goal defined in the Rural Electrification Master Plan, namely to provide access to electricity to 90 per cent of households in Lao PDR by 2020. The NAMA will reduce GHG emissions through the replacement of fossil fuels with renewable energies. The NAMA will also contribute to Sustainable Development (SD) benefits, such as improvement of the situation of groups with specific vulnerabilities, women and the poor.

The NAMA covers one type of technical intervention the establishment of mini grids. Rural communities/tourism, agricultural facilities/health centers/schools and literacy centers

are the focus of these mini grids due to their demand for electricity for lighting, cooling and appliances. The mini grids will predominantly use renewable energy sources (hydro, solar) and will provide electricity for lighting, radio and phone charging for households, and for service and production activities.

In this first phase the NAMA aims to establish 8 mini grids. This will provide electricity to around 1,000 households and around 6000 people. Over the 15-year lifetime of the NAMA, emission reductions will reach around 13,000-14,000 tons of CO₂

Capacity-building will be a key component in the implementation of the NAMA. Special emphasis will be given to identifying and supporting the development of income-generating activities in the Rural Productivity Zones (RPZs), as this is the key to positive rural development. Another important component will be technical support during the identification and implementation of the different mini grids, as the aim is to implement technically sound projects with low operating costs.

The baseline scenario for this NAMA consists of two components, a GHG baseline and a sustainable development (SD) baseline. Setting the baseline scenario in this way allows all effects to be properly assessed and quantified through the monitoring activities described in the Measurement, Reporting and Verification (MRV) system. In the MRV, the UN Framework Convention on Climate Change's (UNFCCC) Small-scale Methodology AMS-III.BL: Integrated methodology for electrification of communities Version 01.0 will be used to monitor GHG emission reductions.

The total cost of the NAMA is estimated at around US\$3.4 million. This includes support to cover the investment costs of the technical intervention as well as extensive capacity-building efforts. In total, the government of Lao is committed to providing around 14 per cent of the required funding. The remaining 86 per cent is expected to come from NAMA donors.

Implementation of the NAMA will be led by the Ministry of Energy and Mines as the NAMA Coordinating Authority (NCA). The Ministry of Natural Resources and Environment will be appointed as NAMA Approver/Focal Point to the UNFCCC. The role of NAMA Implementing Entity (NIE) will be taken by the Rural Electrification Fund.

The NAMA will receive capacity development support over a period of three years. Initial efforts will focus on securing national and international funding as well as establishing the institutional structure. The first eight projects will be prepared and implemented in the years 2016 and 2017. Upon availability of additional funding, further mini grids can be implemented. After the implementation of the projects, the NAMA will operate over a period of 15 years.

A.4 Sector	<input checked="" type="checkbox"/> Energy supply <input type="checkbox"/> Residential and Commercial buildings <input type="checkbox"/> Agriculture <input type="checkbox"/> Waste management	<input type="checkbox"/> Transport and its Infrastructure <input type="checkbox"/> Industry <input type="checkbox"/> Forestry
	<input type="checkbox"/> Other <input type="text"/>	
A.5 Technology	<input type="checkbox"/> Bioenergy <input type="checkbox"/> Energy Efficiency <input checked="" type="checkbox"/> Hydropower <input checked="" type="checkbox"/> Wind Energy <input type="checkbox"/> Carbon Capture and Storage <input type="checkbox"/> Land fill gas collection	<input type="checkbox"/> Cleaner fuels <input type="checkbox"/> Geothermal Energy <input checked="" type="checkbox"/> Solar Energy <input type="checkbox"/> Ocean Energy <input type="checkbox"/> Low till / No till
	<input type="checkbox"/> Other <input type="text"/>	
A.6 Type of action	<input checked="" type="checkbox"/> National/ Sectoral goal <input type="checkbox"/> Strategy <input type="checkbox"/> National/Sectoral policy or program	<input type="checkbox"/> Project: Investment in machinery <input type="checkbox"/> Project: Investment in infrastructure <input type="checkbox"/> Project : other
	<input type="checkbox"/> Other <input type="text"/>	
A.7 Greenhouse gases covered by the action	<input checked="" type="checkbox"/> CO2 <input type="checkbox"/> N2O <input type="checkbox"/> PFCs	<input type="checkbox"/> CH4 <input type="checkbox"/> HFCs <input type="checkbox"/> SF6
	<input type="checkbox"/> Other <input type="text"/>	

B National Implementing Entity

B.1.0	Name	Institute of Renewable Energy Promotion
B.1.1	Contact Person 1	Mr. Thongkhanh PHIMVILAY
B.1.2	Address	
B.1.3	Phone	+ (856-21) 413-012
B.1.4	Email	pthongk@yahoo.com
B.1.5	Contact Person 2	Seumkham THOUMMAVONGSA, Ph.D
B.1.6	Address	
B.1.7	Phone	+ (856-21) 453-182
B.1.8	Email	seumkham@gmail.com
B.1.9	Contact Person 3	
B.1.10	Address	
B.1.11	Phone	
B.1.12	Email	
B.1.13	Comments	

C Expected timeframe for the preparation of the mitigation action

C.1	Number of months for completion	12
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D Currency

D.1	Used Currency	AED
		Conversion to USD: 1

E Cost

E.1.1	Estimated full cost of preparation	70000
E.1.2	Comments on full cost of preparation	

F Support required to prepare the mitigation action

F.1.1 Amount of Financial support	70000
F.1.2 Type of required Financial support	<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Loan (sovereign) <input type="checkbox"/> Equity <input type="checkbox"/> Loan (Private) <input type="checkbox"/> Carbon finance <input type="checkbox"/> Concessional loan <input type="checkbox"/> Other <input style="width: 150px;" type="text"/>
F.1.3 Comments on Financial support	Financial Support is required to complete the NAMA Design Document
F.2.1 Amount of Technical support	
F.2.2 Comments on Technical support	<p>The amount on the technical support is included in the estimated full cost of the preparation.</p> <p style="background-color: #e0e0e0;">The Institute for Renewable Energy Promotion will provide national technical support in addition to the required international support and cost is included on the estimated full cost of the preparation.</p>
F.3.1 Amount of capacity building support	
F.3.2 Type of required capacity building support	<input checked="" type="checkbox"/> Individual level <input checked="" type="checkbox"/> Institutional level <input type="checkbox"/> Systemic level <input type="checkbox"/> Other <input style="width: 150px;" type="text"/>
F.3.3 Comments on Capacity Building support	<p>Capacity building support is partly included in the costs for preparation of the NAMA Design Document (stakeholder consultation meetings) but in depth capacity building will be required for the implementation of the NAMA.</p> <p>Capacity Building Support will be necessary for full engagement of the NAMA Implementing Entity during the NAMA preparation and will entail stakeholder consultation meetings to ensure the establishment of a strong institutional dialogue.</p> <p>Capacity Building will further be a key component in the implementation of the NAMA. Special emphasis will be given to identifying and supporting the development of income-generating activities in the Rural Productivity Zones (RPZs), as this is the key to positive rural development. Another important component will be technical support during the identification and implementation of the different projects under the two interventions, as the aim is to implement technically sound projects with low operating costs.</p>
F.4 Financial support required	<input type="checkbox"/>
F.5 Technological support required	<input type="checkbox"/>
F.6 Capacity support required	<input type="checkbox"/>

G Relevant National Policies strategies, plans and programmes and/or other mitigation action

G.1 Relevant National Policies	<ul style="list-style-type: none"> - Electricity Law (1997 amended 2013) -Power Sector Policy Statement (2001) -National Growth and Poverty Eradication Strategy (2004) -The Prime Minister’s Decree of Local and Rural Electrification Development Fund (2005) -Renewable Energy Development Strategy (2011) -Decree of MEM for Establishment of Institute for Renewable Energy Promotion (2012) -National Environmental and Social Sustainability of Hydropower Sector in Lao PDR (2006)
G.2 Link to other NAMAs	.

H Attachments

H	Attachments	Title Description
H.1	Attachment description	
H.2	File	<input type="text"/> <input type="button" value="Browse..."/>

I Support received

I.1 Outside the Registry				
I.2 Within the Registry				

Support provided	SupportType	Amount	Comment	Date
UNDP	Financial,Capacity			12/21/2015
MDG	building,Technological	70,000		3:23:13
Carbon				PM