



MINISTRY OF INDUSTRY AND TRADE

THE PROGRAMME ON ELECTRICITY SUPPLY FOR RURAL,
MOUNTAINOUS AND ISLAND AREAS IN 2021-2025



Hanoi, 30 March 2021

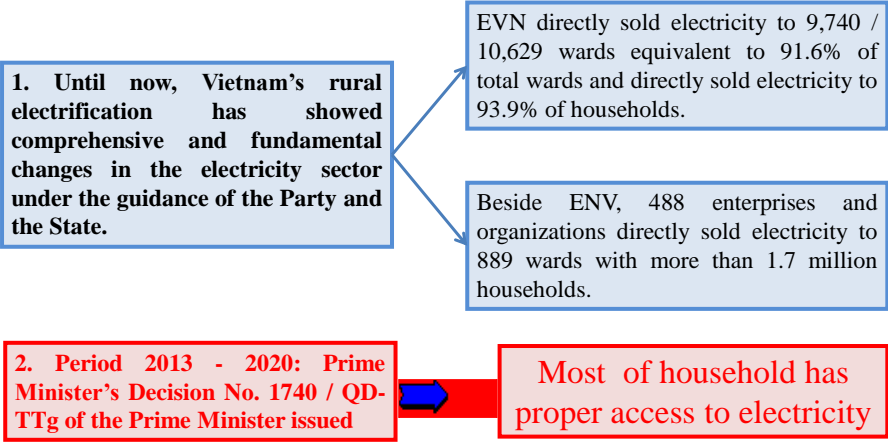
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Section 1
OVERVIEW OF THE PROGRAMME ON ELECTRICITY
SUPPLY FOR RURAL, MOUNTAINOUS AND ISLAND AREAS



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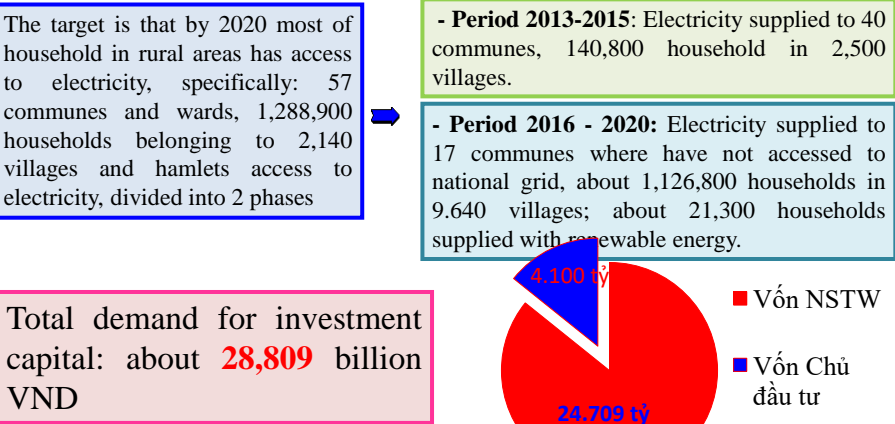
I. Policy and Implementation



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SECTION 2
THE PROGRAMME ON ELECTRICITY SUPPLY FOR RURAL, MOUNTAINOUS AND ISLAND AREAS IN 2016 - 2020

I. Decision 2081/QĐ-TTg



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II. Decision 1740/QĐ-TTg, period 2016 - 2020

1. Target:

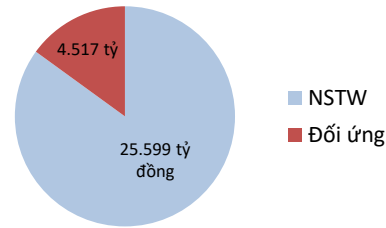
No	Target	Unit	Values	Annotation
1	Number of communes supplied with electricity	Commune	17	
2	Electricity supplied from national grid	Household	1,055,000	
3	Electricity supplied from Renewable Energy sources	Household	21,000	
4	Number of villages supplied with electricity	Villages	9,890	
5	Number of irrigation pump stations supplied with electricity (13 provinces in the Mekong Delta)	Station	2,727	Supplement
6	Enhancing electricity supply for 02 island districts and 03 island communes			Supplement



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2. Investment demand of the Programme: 30,116 billion VND

- The Central Budget mechanism reaches 85% of capital at maximum, reciprocal capital reaches at least 15%

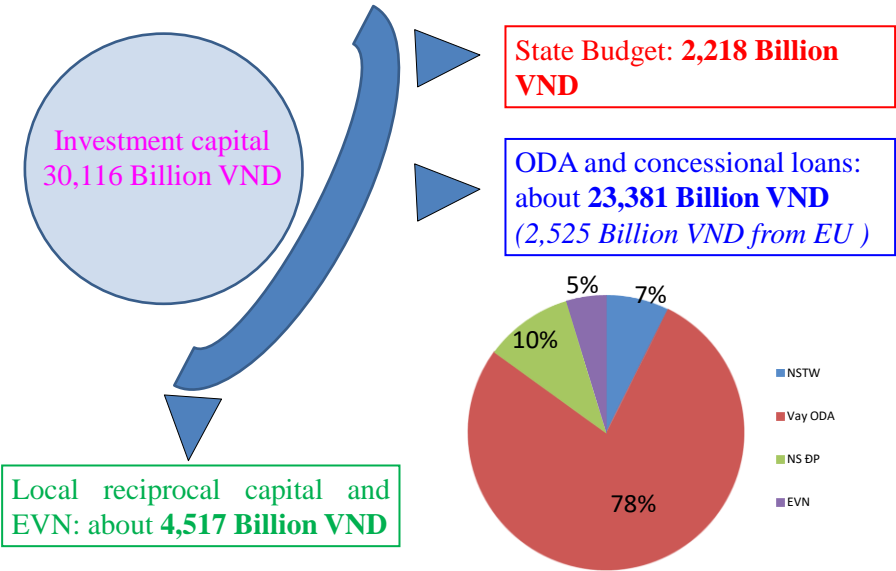


Based on the power supply solution			
Based on power supply areas		Based on the power supply solution	
Rural and mountainous areas	Islands	Electrical grid	RE
28,398	1,718	28,684	1,432

- Mechanism of the investment capital mobilization of the Programme	<div>=> Mid-term public investment of State Budget in the period 2016 - 2020.</div> <div>=> ODA and concessional loans: According to the agreement.</div> <div>=> Reciprocal capital : PPCs / EVN</div> <div>=> Mobilizing people to voluntarily contribute to compensation and ground clearance to implement the policy of the State and people working together.</div> <div>=> Mobilizing more Social capital sources.</div>
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3. Investment capital classification:



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4. Investment Capital Allocation Principles

- Prioritize power supply to communes and islands without electricity;
- Prioritize power supply for urgent investment projects / items in poor provinces that have not yet balanced their budgets, border provinces, and locations with important defense and security positions that have not yet supplied electricity;
- Power supply is not stable and continuous, residential areas with low investment rate to achieve high efficiency in using capital for the Programme



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5. Investors of sub-projects

- Electricity supplied from national grid



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- Electricity supplied from Renewable Energy Sources

Investors: Provincial People's Committees (27 provinces / cities)



➡ **Investor: implemented by EVN**

01 sub-project of electricity supply for Bach Long Vy island, Hai Phong city



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6. Managing Component Projects

❖ For component projects supplying electricity to rural, mountainous, and island areas from the national grid and supplying electricity to Bach Long Vy Island, after the completion of the project: EVN will be assigned to receive capital and assets, manage operation, selling electricity to households and perform responsibilities related to the receipt of capital in accordance to the current regulations.



❖ For investment projects supplying electricity from renewable sources, outside of the national grid, the Provincial People's Committee will be assigned to manage and operate of the project after the investment



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Part 3
RESULTS OF PROGRAMME IMPLEMENTATON



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I. Results for the period 2016 - 2020

1. State management by coordinating agency / governing body

- Advising the Government for approval of the investment policy in Resolution No. 73 / NQ-CP; The Prime Minister issued Decision No. 1740 / QD-TTg;
- Establishment, appraisal, and submission for approval of the Investment Policy of Energy Program - EU grant; propose investment program to use ODA concessional loans from WB and ADB.
- Issued 09 Decisions and instructions on implementing the component project to ensure full and correct current regulations to implement.
- Agree on the list, scale and investment capital for 29 sub-projects invested by the province; The documents guiding the investor's transfer;
- Approve the Program of Investment, FS Decision, and Plan for Investor Selection for projects invested by EVN
- Resource mobilization: EUR 108 million grant from the EU for the grid and EUR 71 million for renewable energy; submitting a proposal to use a concessional loan of ~ 20,856 billion from the World Bank and ADB;
- Socialization: Implementing the pilot of a small hydropower project to supply electricity to the people and sell excess electricity to the national grid.
- Proposing to implement the Program for the period of 2021 - 2025.

2. Monitoring and evaluation :

Monitoring 22/32 project that received investment



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I. Results for the period 2016 - 2020

3. Management of operation

⇒ Project on electricity supply from the national grid:

Handing over to EVN for receipt and management of operation in accordance to the Prime Minister's Decision No. 41/2017 / QD-TTg



=> Independent RE projects :
Designing management software for management, safety and utilization of electricity for electricity bill payment, etc. to serve as a basis for implementing other independent power projects.

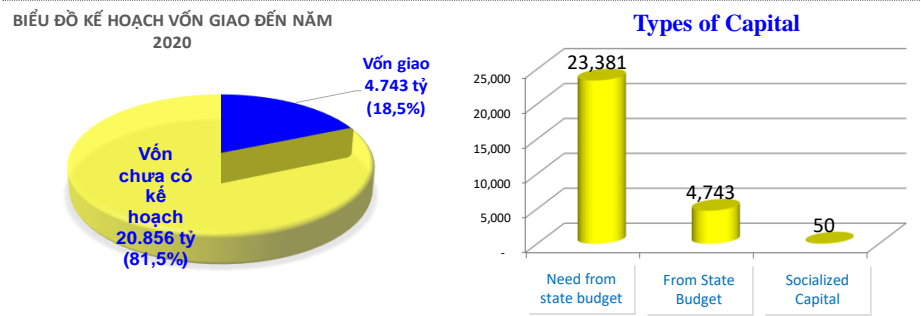


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I. Results for the period 2016 - 2020

4. Vốn NSNN giao: 4.743 Billion VND, reaching 18,5% of need, including:
-State budget capital (mid-term domestic capital allocation): 2,218 billion VND;
-Foreign capital (EU's non-refundable ODA): 2,525 tỷ đồng.

5. Socialized capital: About 50 billion VND mobilization.



6. Allocation: 19 Provinces have not been allocated fund, 08 provinces with less than 20%, 16 Provinces with 20-50 % and 05 provinces over 50%

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I. Results for the period 2016 - 2020

7. Results of implementing goals

- Number of communes supplied with electricity: 17/17 (commune)
- Number of households supplied with electricity from the grid electricity: 204,120 / 1,055,000 (households) in 3,079 / 9,890 villages / hamlets in 1,107 / 3,304 communes;
- Number of households supplied with electricity from renewable energy sources: 617 / 21,000 (households).

Areas with high investment rates:
independent renewable energy power supply suitable for small residential clusters to keep villages and border areas

- Mobilize of Socialized Source

Biểu đồ số hộ dân được cấp điện từ nguồn điện lưới

Comparison table of net investment and RE Cao Bang project

Category	Value (trđ/hộ)
Đầu tư lưới điện (trđ/hộ)	450
NLTT (trđ/hộ)	80

The Man Thang 3 hydropower project provides electricity for 167 households, reducing investment in state budget capital by about 12 billion dong.

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I. Results for the period 2016 - 2020

8. Evaluation of socio-economic efficiency

Electricity is a key driving force in poverty reduction, improving the educational level of the people - culture - health care - education, reducing the gap between the lives of rural and urban areas at the fastest rate and especially strengthen security - defense of borders and islands.



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PART 4

IMPLEMENTATION PLAN, SOLUTIONSPHASE 2021 - 2025



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I. Policy and objectives for the period of 2021 - 2025

- NQ No. 973 / UBTVQH14 of the National Assembly's Standing Committee dated July 8, 2020
- Resolution No. 120/2020 / QH14 of the National Assembly dated June 19, 2020

➡

Develop a plan by 2025 that most rural households with electricity will meet criterion number 4 in terms of electricity

- Specific tasks of transition investment in 46 provinces / cities

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- Supply electricity to about 871,263 households of 6,811 villages in 2,197 communes;
- Provide power to 2,638 small and medium sized pumping stations in 13 provinces of the Mekong Delta;
- Provide power to the remaining islands: Con Co Island, Quang Tri province; Tho Chu, An Son and Nam Du Kien Giang province; The island villages: Ninh Tan, Ninh Dao, Diep Son, Bich Dam, Khanh Hoa province; submitted to the Prime Minister for consideration of the power supply plan in Con Dao.

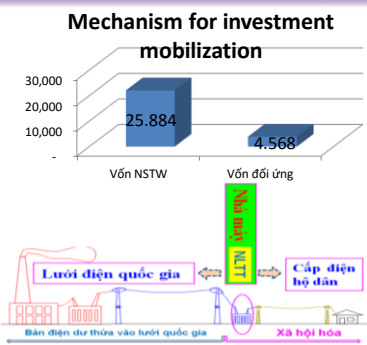
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II. Investment capital in the period of 2021 - 2025

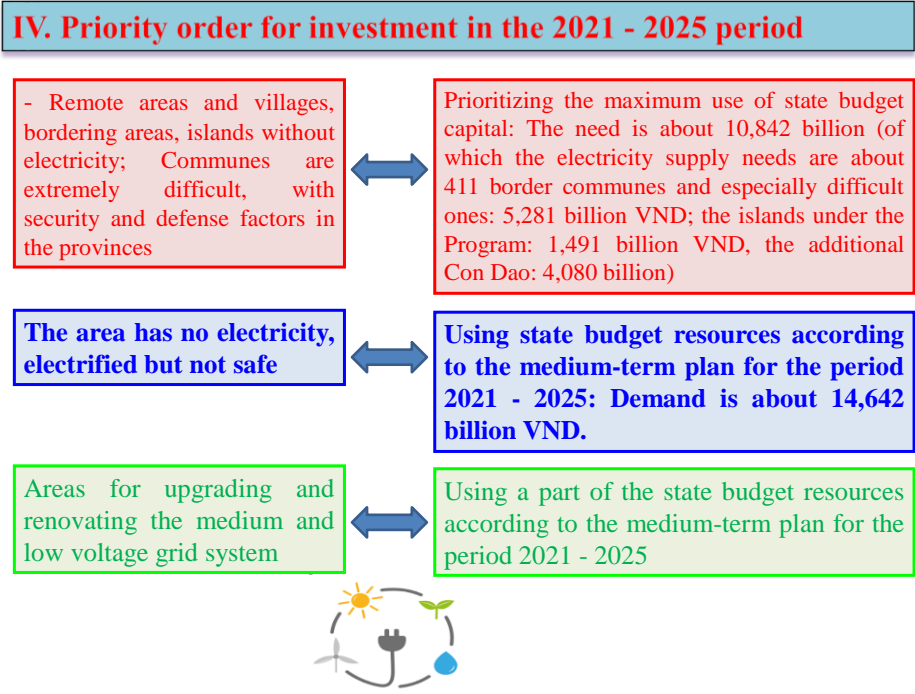
Capital need: Transitional capital deficit to the period 2021 - 2025 is 20,856 billion VND; Being submitted to the Prime Minister for additional power supply for An Son Island - Nam Du (Central capital of 948 billion VND), Quang Ninh province will arrange capital to supply electricity for Cai Chien island and villages (about 248 billion VND), respectively, the outstanding capital is 22,052 billion dong; Con Dao (state budget capital is 4,080 billion dong), corresponding to a deficit of 26,132 billion dong in state budget. Capital need in the period of 2021 - 2025 (in which the type of capital invested by Quang Ninh province itself) is: 25,884 billion VND.

III. Mechanism of mobilizing investment capital

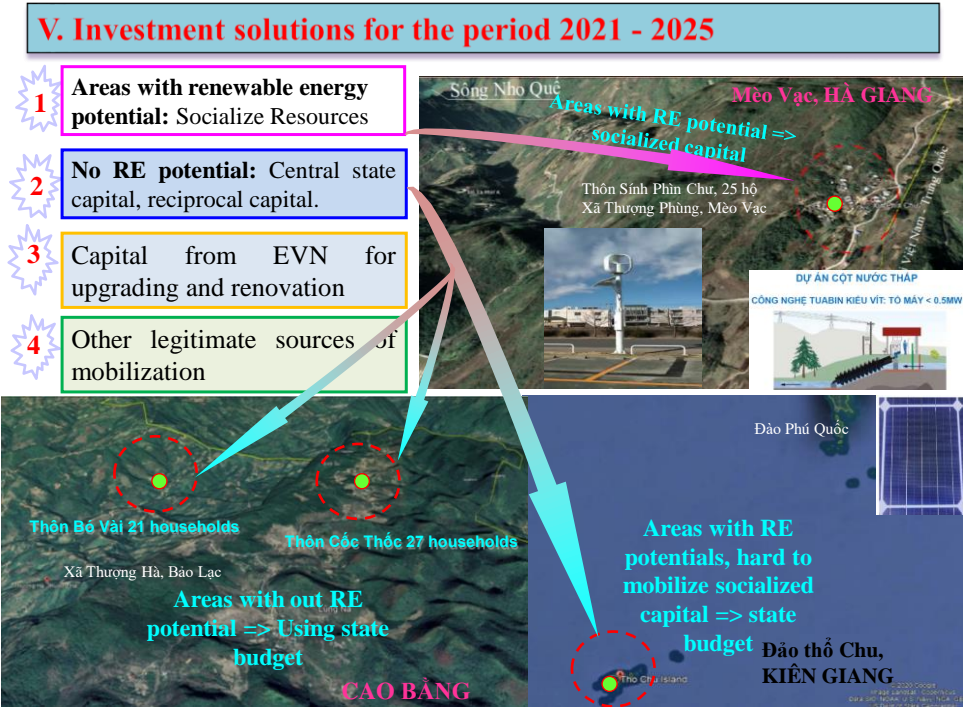
- State budget:
 - + Central Budget grants up to 85% Total investment: 25,884 billion VND;
 - + Investors at minimum 15% Total investment: 4,568 billion VND.
- Mobilize capital sources to be socialized with policies to invest in on-site renewable energy sources, simultaneously supplying electricity to the people and selling excess electricity to the national grid.



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PART 5
SUCCESS, CHALLENGES OF CHALLENGESAND LESSONS
LEARNED

1. Cause of success	<ul style="list-style-type: none">- Having the right policy of the Party and State: With the motto "The State and the people, the Central and Local work together";- The determination of all levels, branches and party members and the unanimous support of the people;- The active help of international credit organizations and development partners
2. Advantages, disadvantages, challenges	<ul style="list-style-type: none">- The special attention of the Party and State, at all levels and from the central level;- Viet Nam becomes a country with developed economic conditions, no longer has access to preferential ODA sources and the region with the highest investment rate ever.
3. Lessons learned	<ul style="list-style-type: none">- The success of completing electricity supply 100% of communes have electricity, increasing the rate to 99.26% of households, equivalent to 17.01 million households to use electricity, most of the island / island / island districts are invested. power supply. The program has affirmed the Party and State's strong commitment in rural electricity investment;- Efforts of officials, Party members, officials and experts in International Credit Institutions.

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PART 6

SOME TASKS AND RECOMMENDATIONS

1. To propose to the Government to report to the National Assembly to balance public debts, giving priority to the Government to mobilize sources of ODA loans and foreign concessional capital to supplement the central budget in order to implement joint allocation to investors on re-lending for Program implementation
2. The MOIT has completed the Report on the intention to receive the targeted budget support of the Vietnam - EU Sustainable Energy Transition Program (SETP) with ODA from the EU of 121 million EUR, Ministry of Planning and Investment (MPI) completed appraisal in February 2021, submitted to the Government in March 2021 to prepare for approval and proceed to negotiate and sign the agreement.
3. The MOIT has submitted to the MPI for appraisal the project proposal for the rural, mountainous and island power supply program using the World Bank's concessional loans about USD 360 million (in Document No. 10145 / BCT-DL dated December 31, 2019); ADB's capital is about 400 million USD (in Document No. 10144 / BCT-DL dated December 31, 2019). Proposing the Government to consider and approve this concessional loan to complete the Program's objectives to realize the goal of strengthening international cooperation to support socio-economic development in ethnic minority areas.



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**THANK YOU FOR YOUR
ATTENTION**