

# **Thematic Policy Workshop**

**“ Information for Commercialization of Renewables in ASEAN”**  
**7-9 April 2005, Vientiane, Lao PDR**

## **INSTITUTIONAL & REGULATORY FRAMEWORK OF CAMBODIAN RURAL ELECTRIFICATION FUND**

**Department of Energy Technique**  
**Ministry of Industry, Mines and Energy**

## **Rural Electrification Fund (REF)**

- REF: The Royal Decree Promulgated by the King on 4<sup>th</sup> December 2004;
- REF is a public institution with administrative, managerial, technical autonomy;
- REF is managed by a board of 11 members.

## **REF Board's Members:**

1. Ministry of Industry, Mines and Energy - Chairman
2. Ministry of Economy and Finance - Vice chairman
3. Ministry of Rural Development - Vice chairman
4. Ministry of Interior – Member
5. Council of Ministers – Member
6. Electricity Authority of Cambodia – Member
7. Donors Representative – Member
8. Representative of Financial Sector – Member
9. Representative of Rural Electricity Enterprise – Member
10. Representative of NGOs/IO involved in RE – Member
11. Representative from rural electricity consumers - Member

## **Rural Electrification Fund (REF)**

### **GOALS:**

- By 2020, all villages will have access to electricity from all sources;
- By 2030, 70% of all rural households will connect to grid-quality electricity.

## **Rural Electrification Fund (REF)**

### **OBJECTIVES:**

- To promote equitable rural electrification coverage;
- To promote and encourage private sector's participation, in particular for the exploitation of the economic application of well proven technology and commercially of new and RET.

## **Rural Electrification Fund (REF)**

### **SOURCES OF FUNDING:**

- Donations and Grants with sources and terms acceptable to ministry of industry, mines and energy and the ministry of economy and finance;
- Royal Government of Cambodia's sources.

## **Institutional Arrangement of REF**

1. MIME: Monitor compliance of REF funding policies and strategies with national objectives of rural electrification;
2. MEF: Mobilization of national and international sources of funding for REF;
3. REF Board;
4. REF-Payment Agent: The administration of payments to beneficiaries of REF grants;
5. REF Secretariat;
6. Annual Meeting of Stakeholders: Key consultative organ.

## **Institutional Arrangement of REF**

### **REF BOARD:**

- Advisory board on policies issues related to RE and commercialization of well proven, technically and commercially of RET;
- Oversee and monitor performance of REFS and REF payment agent;
- Approve appointment of external audits for REFS and REF payment agent;
- Approve:
  - organizational structure, personnel policies and internal work procedures of the REF
  - annual work program of REF
  - Annual operational budget of REF
  - Annual REF account

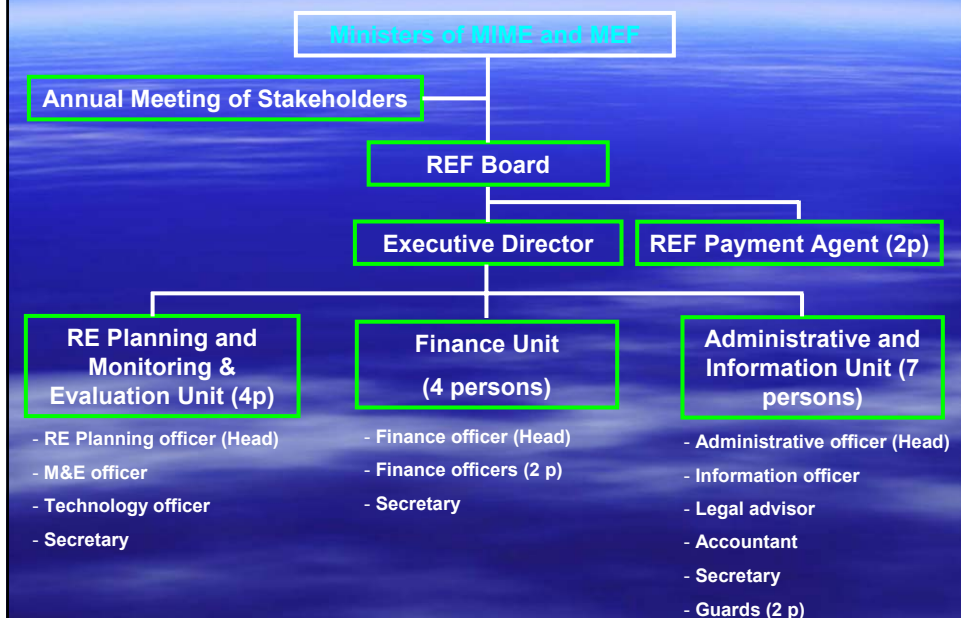


# Institutional Arrangement of REF

## REF SECRETARIAT:

- To generate and provide information to communities, investor, consultations and financial institutions:
  - cost and benefits of RE and RET projects
  - potential investment opportunities
  - term and procedures of technical and financial support programs
- To evaluate and approve applications for the REF grant funds;
- To undertake planning and project preparation activities needed to keep up the momentum of national RE;
- To monitor and evaluate performance of supported programs and projects;
- To carry out other functions as required by the REFB.

## REF Organization Structure



### Financing Grant During Starting Phase of Pilot Project

| Type                                | Grant proposed, US\$ per household connected | Estimated total cost/unit in US\$ |
|-------------------------------------|--|-----------------------------------|
| New household connected (diesel)    | 45 \$  | 150 \$                            |
| Mini hydro from 0.5 MW up to 5 MW   | 400\$/kW installed                           | 1744\$/kW installed               |
| Micro hydro From 50 kW up to 500 kW | 400\$/kW installed                           | 2700\$/kW installed               |
| Solar Home System                   | 100\$/set                                    | 400\$/set of 40 Wp                |

Note: Wind and Biomass/Biogas will be introduced shortly.

### The 5 Year Action Plan:

- 5% of all new installed capacity, or about 6MW of mini hydro and 850 kW of village hydro, will be supplied by renewable electricity technologies and delivered to rural households or businesses;
- 50 000 new households connected by Rural Electricity Enterprises (REE) off-grid extension;
- 12,000 households will be served by solar photovoltaic.

### **OTHER DOCUMENTATIONS TO BE APPROVED:**

- National and strategy on Renewable based RE
- Five year action plan on Renewable based RE
- Incentive to encourage and to promote RE for the use of RET:
  - Duty and tax exemption for the imported equipment;
  - Other incentives related to RE activities and businesses.

**Thanks**

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