



A solar farm powering a rubber factory; with SPM's support, the farm was able to expand by 50%.

Staying the course in Myanmar

GEAPP's work is a great example of the role of philanthropy to be tenacious, flexible and patient when the country context is difficult.

In response to the political climate in Myanmar, virtually all international institutions working in the energy sector withdrew. More than 30 million people still need affordable, reliable energy access for their livelihoods, development and economic growth. Since the coup in February 2021, no sector of the economy has reliable access to power for more than 4-5 hours per day. While most international organisations and many companies have left Myanmar, GEAPP has continued its support with an operating model set up in-country with local staff, partnering entirely with the private sector, with no involvement from government. We continue to innovate, add electricity connections and deliver progress for the people of Myanmar.

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2030 targets of the Myanmar Country Programme¹:

Off grid



Jobs enabled through GEAPP investments



New commercial and industrial solar systems

Funding mobilised



Direct GEAPP investment (provisional)



Finance to be unlocked with GEAPP's catalytic funding

There is urgent need in Myanmar, which has the lowest electrification rate in South East Asia², a population of more than 60 million, and the lowest Human Development Index (HDI) in ASEAN. Although the country had been making inroads into developing the national grid with World Bank support prior to 2021, mismanagement and a national economic and political crisis has resulted in reduced generation capacity, and an increasingly unreliable electricity grid, driving high demand for commercial and industrial diesel backup generators. Virtually every home and business in Myanmar is forced to use a generator for several hours a day. Diesel prices have risen by more than 300% since 2021 and blackouts can last up to 18 hours a day, even in Yangon, the commercial capital. This has moved solar energy from a sustainable alternative to a necessity.

GEAPP's goal in Myanmar is to help establish a vibrant market for off-grid electricity, with a focus on solar solutions that help power businesses vital to the rural economy, including jobs and communities. One of the biggest barriers is the lack of adequate financing options, including access to simple guarantees to help unlock local lending.

The Myanmar programme has been running since 2018, and has demonstrated how GEAPP and its partners, including Smart Power Myanmar (SPM), diagnose and operate systemically end-to-end across the whole distributed renewable sector. SPM was an early adopter of the partnership approach, and established from day one an active Founding Member board, comprising The Rockefeller Foundation, USAID, The World Bank and Yoma Strategic Holdings, a major local private company. This coalition and partnering approach with DFIs and the private sector has been the most effective, perhaps only, means to achieve trust from the industry, along with sector viability and scale through innovation. Our simultaneous interventions include:

- **On the supply side, GEAPP is providing funding and venture support to energy developers** supplying distributed solar mini grid and rooftop solar solutions to SMEs, agriculture and small businesses. This creates a rapid virtuous cycle of commercial demand for private sector energy developers as enterprises start to use the electricity, output expands, quality improves, jobs are created and the reliance on polluting diesel generators falls. SPM aims to deploy ~450 solar power systems to power SMEs in Myanmar's vital value chains by 2030, with a generation capacity of over 450MW of electricity. This will help generate and/or sustain more than 70,000 jobs.
- **GEAPP is addressing the inevitable financing problem by funding skills and credit training** for local banks in Myanmar to build the sector as an understood, bankable segment, make lending to the energy sector profitable, and grow DRE as an attractive asset class. Until now Myanmar's banks had no experience with energy as an asset class. SPM has devoted considerable resources to provide staff, credit committees, C-suite executives and board members with the knowledge, tools and support to be able to take advantage of SPM's innovative and flexible guarantee structures, enabling them to lend in local currency to businesses, which desperately need financing.

- **Working with Smart Power Myanmar and Alliance partners, including USAID, GEAPP has designed and deployed a partial credit guarantee facility in local currency that de-risks lending.** This incentivises commercial banks and microfinance institutions to lend to SMEs in all-important agricultural value chains. The Alliance and other partners are funding the \$15m partial credit guarantee, which SPM will leverage with commercial banks and development partners to mobilise at least \$60 million in local financial and development capital by 2026 and \$300 million by 2030. This all helps to nurture a vibrant and commercially viable renewable energy market.

The positive results so far have made the case for scaling up. The first proof of concept models have been completed, and we're building a pipeline of more developers, SMEs, banks and financing options, and introducing an offshore vehicle to hold guarantees in Singapore, increasing the number of financiers prepared to be involved. This innovative, complete solution in Myanmar will now be rolled out across other countries in the GEAPP portfolio. Put simply, it's a highlight case study of an end to end DRE system at work.



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¹ GEAPP 2030 targets are informed by country-specific impact dashboards; these are refined and adjusted to reflect accurate monitoring and evaluation of project activities.

² www.worldbank.org