

**Opening Speech delivered by H.E U Ohn Myint, Union Minister for
Livestock, Fisheries and Rural Development at Workshop on the Future
Direction of Rural Electrification in Myanmar**

Distinguished Guests

Ladies and gentlemen

Good Afternoon!

It is my great pleasure to preside over this workshop on the future direction of rural electrification in Myanmar. Taking this opportunity, I would like to extend my heartfelt greetings and cordial welcome to Professor Hisashi Yoshikawa from the University of Tokyo and all the senior officials from ministries concerned, and please accept my sincere best wishes for your healthy living and physical and mental well-being.

Ladies and Gentlemen,

We are greeting the dawn of a new life that is becoming increasingly dependent on electricity. Indeed electricity is a basic need in our modern society. It brings light for the school-child to study by; information to communities through radio and TV. Rural households can operate income generation works at night time and new opportunities are created for small business. However, energy poverty is one of the pressing issues both Myanmar and around the world today.

In Myanmar, only 30 percent of villages have access to electricity while millions of people from over 43 thousands villages are kept in the dark. Thus Myanmar Government puts high priority on providing their citizens with access to electricity and has made constant efforts to increase their respective electrification rates by targeting to achieve universal access to electricity by 2030 in an affordable, reliable and sustainable manner.

Ladies and Gentlemen

In the rural development program embarked by our ministry, rural electrification is central to improving the lives of those neglected by apartheid. Having newly secured mandate to oversee and provision of rural electrification, short- and long-term energy access programs are geared towards addressing the needs of people to the greatest extent. However, there is much more to be done and we still have a long way to go.

If we would like to provide power to the poor or sustainable energy for all, there is crucial to formulate a new strategy and develop a comprehensive action plan to fulfill the energy needs in sustainable manner. That is why we, our ministry, Ministry of Electric Power and the World Bank have jointly developed National Electrification Plan. It is our firm believe that NEP will help to alleviate the severe energy poverty faced by the rural families, and help the government to improve energy access nationally.

Ladies and Gentlemen

According to the NEP, about 98 % will be grid-extension, 0.16 % will be permanent mini-grid, 0.06 % will be solar system and other will be pre-electrification arrangement. However, there is no standard format or process for developing mini-grids. This means that every project effectively has to “re-invent the wheel”: come up with its own institutional design, technical plans, legal documentation and financial proposal. Since mini-grids are by definition relatively small projects, this means that the transactions costs is a very high proportion of the total cost. Such transactions costs will reduce the number of projects that can proceed.

Our Ministry is currently implementing a household-level solar electrification program. Under this program, we contract with private service providers to install village-level solar home systems (SHS) and to provide training to local people for the exploitation of the system. But the standard of electricity service delivered by the program needs to be carefully reviewed against the national electrification objective.

Ladies and Gentlemen

I would like to make some deliberation for future direction of rural electrification. Some form of concessional financing and or funding is essential for scale-up solar home system. It may include initial capital subsidies and various types of concessional loans. The incidence of the financial incentives could be on the suppliers, project companies, end-users, and the community.

Moreover, we do only have electricity law and there is no rural electrification law in Myanmar. Adoption of clear guidelines and rules for the entities that will benefit from the financial incentives is also necessary.

In addition, provision of training support and incentives to ensure sufficient and well trained technicians is another requirement. This is simply because well-trained technicians are needed to install, maintain, and repair solar home system. While some users can perform simple maintenance procedures, trained technicians are still required after installation.

Finally, development of monitoring mechanism on the program's progress is crucial in ensuring that the activities are progressing according to plan. This can be achieved by collecting information and then being

proactive about making improvements program delivery as lessons are being learned.

Ladies and Gentlemen

I wish you very fruitful and stimulating discussions over the next hours and look forward to hear your active participation, discussion, suggestions, and recommendations for rural electrification in Myanmar.

In closing, I would like to say that I am confident that through our efforts and commitment, we will be able to achieve more. I would like to take this opportunity to assure you that the Ministry of Livestock, Fisheries and Rural Development will do whatever it can in order to provide a successful implementation of the rural electrification program.

Thank you!