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Rural Electrification Programme - Myanmar

Overview

Myanmar is still one of the poorest countries in Asia with an estimated GDP per capita of USD 1,190 USD (data from 2015). This goes in line with comparably low energy consumption. With only approximately 33% of its population having a power connection, Myanmar has one of the lowest electrification rates in the world. The average consumption per capita is 160 kWh per annum – twenty times less than the world average.

As energy is one of the key factors for economic growth and poverty reduction in Myanmar, the Government is giving high priority to the electrification of the country. In 2014, the Government of Myanmar develop a comprehensive and ambitious National Electrification Plan (NEP) with support of the World Bank. The plan’s goal is to bring electricity to everyone by the year 2030. KfW Development Bank is also supporting the power sector of Myanmar in order to achieve this ambitious goal.

Context

Access to energy is one of the main factors reducing poverty and creating acceptable living conditions. Myanmar is estimated to have over 7 million households without electricity. Therefore, the Government of Myanmar is giving high priority to the electrification especially in rural areas, committed to achieve 100% electrification by 2030.

Most of the electricity (74.7%) is produced by hydro-power. The rest is from fossil fuels, with gas as the main fuel (20.5%) followed by coal and oil. In 2014, Myanmar had an installed electricity generation capaci-

ty of about 4,422 MW, with an electrification rate of around 33%.

The electrification rate is especially low in rural areas, where the majority of households are not connected to the power grid. In rural areas, only approximately 16% of the population have access to electricity.

Myanmar had a total primary energy supply about 18 million tons of oil equivalent (MTOE) in 2012-2013. More than half (54%) of the primary energy supply consists of biomass energy, used almost exclusively (97%) in rural areas while Myanmar’s energy consumption per capita is still one of the lowest in Southeast Asia. Final energy consumption increased during 2000-2013 by an average of 1.9% annually.

Project name	Rural Electrification Programme (REP)
Commissioned by	Federal Ministry for Economic Co-operation and Development (BMZ)
Country/Region	Myanmar/ Shan State
Lead executing agency	Ministry of Agriculture, Livestock and Irrigation (MoALI) and Ministry of Electricity and Energy (MoEE)





Distribution line in rural areas Source: KfW / Bernhard Schurian

Therefore, KfW on behalf of the German Government supports both grid extension and off-grid energy solutions focusing on solar home systems (SHS) to rural areas under the Rural Electrification Programme.

The Rural Electrification Programme aims to adapt and leverage efforts of both ministries within the National Electrification Plan, with a regional focus on the Shan State.

Off-grid component

The off-grid component is implemented in close cooperation with the Department of Rural Development (DRD) at the Ministry of Agriculture, Livestock and Irrigation (MoALI). The DRD is also KfW's partner for the Rural Development Programme (RDP) in Myanmar.

Rural areas which will not be connected to the grid in the near future shall be electrified by SHS. Apart from giving direct access to electricity, the programme intends to develop and broaden the necessary market structures for an environment friendly electrification through off-grid solutions. The programme will support the development and/or expansion of market structures providing the target group with these rural services (financial services, competent retail and installation, after-sales services, recycling of batteries). Further, special training measures for DRD staff, local enterprises and technicians as well as micro-finance providers are envisaged.

On-grid component

The grid extension component is implemented with the Electricity Supply Enterprise (ESE) under Ministry of Electricity and Energy (MoEE).

The Rural Electrification Programme enhances sustain-

able and affordable access to basic energy services through the extension of the distribution grid network and the connection of new households and enterprises to the national grid.

Impact

At least 200,000 people in rural areas in Shan State will benefit from the Rural Electrification Programme. Together with the RDP, this programme will have positive impacts on the living conditions of the rural population.

This relates to the reduction of the negative health effects of conventional lighting (fire-wood, kerosene lamps) such as accidental burns and respiratory diseases. Furthermore it will give the target group access to information and technology (e.g. through charging of mobile phones, radios etc.). Brighter light enables children to learn longer hours, and family members to undertake further tasks in evening hours. Since electricity and/ or SHS will replace wood as the main energy provider for cooking in rural areas, saving in wood consumption and reduction of CO₂ pollution will be foreseen.



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