

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Myanmar's major development partners seek to improve performance in the country's energy sector by helping the government improve investment strategy, introduce key sector reforms, and implement priority investment projects. Because the private sector is investing in oil and gas, development partners are focusing on the power subsector. The table below lists major development partners' key activities from 2012 till the present time.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Energy Sector Development and Institutional Reform			
ADB	TA to assess financial management capabilities of the power subsector institutions	2012–2014	0.2
ADB	TA to introduce and build understanding of ADB's environment and social safeguard policy and its application for energy sector projects	2012–present	0.2
ADB	TA to support drafting and upgrading the 1984 Electricity Law and preparing sub-law regulations. Financed by Government of Norway	2013–present	0.9
ADB	TA for preparation of the Myanmar energy master plan. Financed by Japanese Fund for Poverty Reduction	2013–present	1.8
ADB	TA for piloting and scaling up the applications of off-grid technologies for utilization of renewable energies in remote rural areas. Financed by Japanese Fund for Poverty Reduction	2014–present	2.0
ADB	TA for development of a public private partnership framework. Financed by Japanese Fund for Poverty Reduction	2014–present	2.0
ADB	TA for preparing the power transmission and distribution improvement project. Financed by Japan Fund for Poverty Reduction	2013–present	1.5
JICA	TA to support advisory services for power supply improvement in Greater Yangon and capacity development of Power Transmission and Distribution Engineers	2012–present	...
JICA	National Electricity Master Plan	2013–2015	...
WB	TA and advisory services for (i) capacity building for policy making and regulation, including development of a national electrification program; and (ii) capacity building for project implementation focusing on procurement and financial management, and developing a viable financial plan for MEPE	2013–present	10.0
WB	Support for the corporatization of YESB. Executed by IFC	2014–present	...
Conventional Energy Generation			
JICA	Rehabilitation of gas and steam turbines in Thaketa (Yangon)	2013–present	116.0
JICA	Power supply for Thilawa Special Economic Zone		167.0
JICA	13 diesel generators (1 MW each) at Mandalay, Magwe, and Rakhine power stations		13.0
Thailand	Two 120 MW gas turbines in Ywama (Yangon)		...
WB	Replacement of existing gas turbines in Thaton with two 40 MW gas turbines and one steam turbine of 26 MW	2013–present	130.0

Development Partner	Project Name	Duration	Amount (\$ million)
Large Hydropower Generation			
JICA	Rehabilitation of Baluchaung hydroelectric power plant	2013–2016	55.0
Electricity Transmission and Distribution			
ADB	Loan 3084-MYA (SF) Power Distribution Improvement Project.	2013–present	60.0
EDC	190 km Taungoo–Bago 500 kV transmission Line	2013–present	88.0
JICA	Power distribution improvement in Yangon	2014–2020	60.0
JICA	Rural power infrastructure development	2013–2016	50.0
JICA	500 kV Line Bago-Yangon, and 4 substations	(Under negotiation)	200.0
Serbia	270 km 500 kV Meiktila–Toungoo transmission line	2013–present	116.0
Thailand	Rehabilitate distribution networks in three townships in Yangon—North Dagon, Okkalapa, and Shwe Pauk Kan	2013–present	20.0

... = not available, ADB = Asian Development Bank, EDC = Economic Development Cooperation of the Republic of Korea, IFC = International Finance Corporation, JICA = Japan International Cooperation Agency, km = kilometer, MEPE = Myanmar Electric Power Enterprise, MW = megawatt, TA = Technical Assistance, WB = World Bank, YESB = Yangon Electricity Supply Board.

Source: ADB; Ministry of Electric Power; JICA; the World Bank.

2. The Asian Development Bank (ADB) consulted with major development partners on the possible cofinancing of the Power Transmission Improvement Project. Eventually, the Ministry of Electric Power (MOEP) said it preferred that ADB finance the project on its own due to the relatively small size of the loan.

B. Institutional Arrangements and Processes for Development Coordination

3. The government and the development partners endorsed the Nay Pyi Taw Accord for Effective Development Cooperation in January 2013. The accord embodies the principles of ownership, a focus on results, inclusive development partnerships, and transparency and accountability. It commits the government to creating systems for regular dialogue with development partners at the national, subnational, and sector and thematic levels. The government established a coordination framework that incorporates the following elements:

i) **Development partner cooperation forum.** It established a development partner cooperation forum to address coordination between the government and development partners at the highest level. Forum meetings were held in January 2013, January 2014, and February 2015. Development partners have established a development partners group (DPG) to coordinate their activities. Membership of DPG is open to all bilateral and multilateral development partners. The United Nations (UN) and Department for International Development of the United Kingdom (DFID) co-chair the DPG.

ii) **Working level development coordination.** The Foreign Economic Relations Department of the Ministry of National Planning and Economic Development is the principal government focal point for working level development cooperation. The department meets with a development partners working committee (DPWC) every 2

months. The DPWC comprises ADB, Australian Department of Foreign Affairs and Trade, the European Union, the Japanese International Cooperation Agency (JICA), the DFID, the UN, the United States Agency for International Development, and the World Bank. The UN and DFID co-chair the DPWC. The DPWC liaises with the DPG.

iii) **Sector working group coordination.** Sector working groups (SWGs) were established by the Ministry of National Planning and Economic Development to ensure coordination at sector and thematic levels. The government chairs SWG meetings through a lead ministry. Members are line ministries relevant to the sector and development partners that provide technical and/or financial support to the sector. There are 17 SWGs.

4. The energy sector is managed by the National Energy Management Committee and has no SWG. The power subsector is covered by an electric power subsector working group (EPSWG) comprising (i) the MOEP as the lead ministry; (ii) the ministries of energy and industry as the two other government participants; (iii) ADB and JICA as lead development partners; and (iv) the Norwegian Agency for Development Cooperation, the DFID, and the World Bank as development partner participants. The EPSWG is responsible for (i) the preparation of an overall investment strategy, including rehabilitation of existing systems and expansion of the power supply capacity to include off-grid systems to serve remote communities; (ii) the designing of subsector reform measures, including pricing, corporatization and/or privatization of various public enterprises, and establishment of a framework for private sector entry; and (iii) introducing and implementing a regulatory framework that underpins a new subsector structure to allow more independent public and private corporations.

C. Achievement and Issues

5. Coordination between development partners and the government and between the development partners themselves has been successful. Sector planning was coordinated, and responsibilities were distributed. ADB was made responsible for preparing an energy master plan, JICA took on the task of developing a national electricity master plan, and the World Bank developed a national electrification plan. Legal and regulatory support and financial sustainability assessments were shared between ADB and the World Bank. Investment projects were also coordinated. ADB has financed rehabilitation of the distribution network, and JICA has supported distribution network rehabilitation in townships in the city of Yangon not covered by ADB. It is also helping to rehabilitate gas-fired power plants in Yangon. The World Bank is financing rehabilitation of gas-fired power plants outside Yangon and rural development.

6. After an initial diagnostic and technical assistance phase during 2012–2014, development partner lending programs and private sector investments are forecast to grow. Ongoing close coordination between the government, development partners, and the emerging private sector will be required.

D. Summary and Recommendations

7. ADB's programs and projects are well coordinated with development partners and with the government through regular meetings of the EPSWG and frequent dialogue with the MOEP and the national energy management committee. ADB will continue to undertake the role of lead development partner in the power subsector for multilaterals.