



Renewables in the post- COVID-19 recovery package of Myanmar



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THIS ANALYSIS IS PART OF A [COMPILATION OF RECOVERY PACKAGE ANALYSES](#) AND AIMS AT EXPLORING THE ROLE OF RENEWABLES IN POST-COVID19 RECOVERY SCHEMES. AS A SERIES, THIS RESEARCH IS CONDUCTED CONTINUOUSLY AND WILL BE ADDED TO, ONCE INFORMATION IS AVAILABLE.

Introduction

On 27th April 2020, Myanmar's Ministry of Planning, Finance and Industries (MoPFI) launched a comprehensive economic stimulus plan. The COVID-19 Economic Recovery Plan (CERP) consists of 7 goals, 10 strategies, 36 action plans and 76 actions that cover a range of fiscal and monetary measures.¹

The plan was launched with a unifying slogan "Overcoming as One" and included all the considerations to bring back the economy on the right track. It involved 7 goals:

- Improving the macroeconomic environment through monetary stimulus;
- Easing the impact on the private sector through improvements to the investment, trade and banking sector;
- Easing the impact on labourers and workers;
- Easing the impact on households;
- Promoting innovative products and platforms;
- Strengthening the healthcare system;
- Increasing access to COVID-19 response financing.

However, the CERP has been termed as emergency response² and is currently revised to encompass a bigger umbrella of actions and measures over a longer-term titled Myanmar Economic Relief and Reform Plan (MERRP).

Myanmar Economic Relief and Reform Plan (MERRP)

After its recent election victory, the Daw Aung San Suu Kyi government introduced reforms that are pro-liberalization³. U Thaung Tun, Minister of Investment and Economic Relations said during a webinar organized by AusCHAM: "While CERP was an immediate response to the pandemic, it must be followed by long-term measures".⁴ Coined as Myanmar Economic Relief and Reform Plan (MERRP), the plan now aims at recovering the country's economy in the long run. It is planned to be aligned with the Myanmar Sustainable Development Plan. The MERRP when implemented will set

¹ Kang Wan Chern, Myanmar Times, "Government Releases Economic Stimulus Plan To Fight COVID-19", [Govt releases economic stimulus plan to fight COVID-19 | The Myanmar Times \(mmtimes.com\)](#) published on 28 April 2020.

² John Liu, Myanmar Times, "Myanmar Reform Plan fails to reach worst COVID hit sectors" [Myanmar reform plans fail to reach worst COVID-hit sectors | The Myanmar Times \(mmtimes.com\)](#) published on 10 Dec 2020.

³ John Liu, Myanmar Times, "Myanmar Reform Plan fails to reach worst COVID hit sectors" Myanmar reform plans fail to reach worst COVID-hit sectors | The Myanmar Times (mmtimes.com) published on 10 Dec 2020.

⁴ Thiha Ko Ko, Salai Tun Tun, Myanmar Times, "Govt drafts new recovery, reform plan for Myanmar economy" Govt drafts new recovery, reform plan for Myanmar economy | The Myanmar Times (mmtimes.com) published on 18 Oct 2020.

out a pathway for economic recovery which will primarily focus on poverty alleviation and job creation in the next few years as well as on building resilient infrastructure in the long run.

The MERRP structure consists of 6 goals, 16 strategies and more than 130 action plans⁵. Some of these are extension of the earlier CERP plan⁶. While, the plan is still in draft phase and hasn't been shared publicly, the plan will focus on increasing macroeconomic and financial stability and prioritise sustainable, green growth strategies for the economy, such as increasing the use of and access to renewable energy sources. It will include support for agriculture, infrastructure that boosts connectivity, as well as improving human capital and promoting innovation⁷.

Role of Renewables

The government is sticking to its plan to provide universal access to sustainable electricity services by 2030, under its National Electrification Plan.⁸ As a part of this plan, major projects are being rolled out by the Myanmar government.

Myanmar currently generates 3225 MW of power i.e. half of its current demand, from 28 hydropower plants⁹. In order to strengthen its power infrastructure and meet the energy demand, Myanmar plans to install mega hydro and solar power projects within the next years to support economic recovery through green initiatives as well as creating jobs.

The hydropower projects being implemented include the 51MW Upper Keng Tawng Hydropower Project in Mone Township of Southern Shan State in 2021-22, the 280MW Upper Yehwa Hydropower Project on the Dotawady River in Northern Shan in 2022-23, the 152MW middle Hydropower Project in 2024-25, and the 111MW Thu Htay Hydropower Project in 2025-26.¹⁰

In addition, Myanmar has awarded 30 tenders for solar power plants totalling about 1000 MW capacity to be ready by the coming summer.¹¹ Also, it is considering additional 61 solar power plants with a combined capacity of 5746 MW, seven wind power projects totalling 1163MW and six biomass

⁵ Ibid.

⁶ Thiha Ko Ko, Salai Tun Tun, Myanmar Times, "Govt drafts new recovery, reform plan for Myanmar economy" [Govt drafts new recovery, reform plan for Myanmar economy | The Myanmar Times \(mmmtimes.com\)](https://www.mmmtimes.com/news/2020/10/18/govt-drafts-new-recovery-reform-plan-for-myanmar-economy/) published on 18 Oct 2020.

⁷ Thiha, Consult-Myanmar, "Myanmar maps out recovery and reforms" <https://consult-myanmar.com/2020/12/07/myanmar-maps-out-recovery-and-reform/> published on 07 Dec 2020 .

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⁹ Ibid.

¹⁰ Thiha, Consult-Myanmar, "Myanmar to generate more energy from hydro, solar sources" [Myanmar to generate more energy from hydro, solar sources \(consult-myanmar.com\)](https://consult-myanmar.com/news/2020/12/01/myanmar-to-generate-more-energy-from-hydro-solar-sources/) published on 1 Dec 2020.

¹¹ Chan Mya Htwe, Myanmar Times, Myanmar Times, "Myanmar aims for 14 % power generation from renewables" [Myanmar aims for 14% power generation from renewable sources | The Myanmar Times \(mmmtimes.com\)](https://www.mmmtimes.com/news/2020/10/28/myanmar-aims-for-14-power-generation-from-renewable-sources/) published on 28 Oct 2020.

projects generating 200MW across Myanmar.¹² With this capacity, Myanmar aims to raise the share of renewables in its energy mix to 14%¹³.

It is worth noting that the government has received crucial support from international organizations like the Asian Development Bank (ADB) and the European Union. ADB has provided a USD 171 million¹⁴ loan in December 2020 to help expand electricity infrastructure. This will enable the electrification of 400,300 households in 2,815 villages. It is envisaged that the project will help the government provide stable and reliable electricity in rural areas, supporting inclusive economic growth and creating jobs. In addition, the European Union's 7.9 billion Kyat¹⁵ fund for economic recovery, as well as the ASEAN Plan Of Action For Energy Cooperation (APAEC) 2016-2025, can be instrumental in accelerating Myanmar's economic recovery from the COVID induced economic crisis. Evaluation of RE Policies

Conclusion

Myanmar, an agriculture-based economy¹⁶ is one of the least developed countries in South East Asia with a share of 24.8%¹⁷ of the population living below the poverty line. The agricultural sector is employing 70% of the countries workforce. Myanmar's government's immediate priority had been easing the impact on workers and households as well as building a robust healthcare system through its CERP. The potential role of renewables in agriculture-related recovery measures has not been disclosed.

Reliable, affordable electricity supply plays a critical role in creating jobs, promoting investment, and improving human capital to accelerate the country's economic recovery.¹⁸ Hence, a reliable power supply and robust infrastructure are crucial to the long-term recovery of the region.

¹² Thiha, Thiha, Consult-Myanmar, "Myanmar to generate more energy from hydro, solar sources" [Myanmar to generate more energy from hydro, solar sources \(consult-myanmar.com\)](https://consult-myanmar.com) published on 1 Dec 2020.

¹³ Press Release, Ministry of Information, "Union Minister U Win Khaing joins Singapore International Energy Week 2020 event online" [Union Minister U Win Khaing joins Singapore International Energy Week 2020 event online | Ministry Of Information \(moi.gov.mm\)](https://moi.gov.mm) published on 27 Oct 2020.

¹⁴ Orissa Diary, "\$171 Million ADB Loan to Help Expand Electricity Access in Myanmar" <https://orissadiary.com/171-million-adb-loan-to-help-expand-electricity-access-in-myanmar/> published on 5 Dec 2020.

¹⁵ Anand Gupta, EQ International, "EU envoy pledges support for Myanmar economy amid COVID-19" <https://www.eqmagpro.com/eu-envoy-pledges-support-for-myanmar-economy-amid-covid-19/> published on 16 July 2020.

¹⁶ FAO in Myanmar.

¹⁷ Asian Development Bank, "Poverty Data-Myanmar", 2017.

¹⁸ Orissa Diary, "\$171 Million ADB Loan to Help Expand Electricity Access in Myanmar" [\\$171 Million ADB Loan to Help Expand Electricity Access in Myanmar | Odisha Breaking News | Odisha News | Latest Odisha News | Odisha Diary \(orissadiary.com\)](https://orissadiary.com/171-million-adb-loan-to-help-expand-electricity-access-in-myanmar/) published on 5 Dec 2020.

While the policy measures for developing large-scale projects are right on spot, the need of the hour is to develop a skilled technical workforce that can support these projects and build the necessary skills within communities to manufacture, install and maintain projects.

Rural Myanmar, with its isolated pockets, has diesel-powered generators that operate in the night time. These villages can be provided with reliable power through standalone solar systems. In the urban environment, some of the most convenient systems like solar rooftop systems can inject power into the urban grid infrastructure. Any boost in this direction could help reduce grid power dependency. The relief plan could have been more vocal on these measures.