

# UNLOCKING TRANSFORMATIVE FINANCE

## Smart Power Myanmar's Mini-Grid Equipment Financing Facility Launched in 2020

This initiative provides crucial access to finance for mini-grid developers starting new projects, through collaboration between government and MFIs.



A SOLAR MINI-GRID IN SE  
PIN KYUN VILLAGE,  
SAGAING REGION, MYANMAR.  
PHOTO COURTESY SMART  
POWER MYANMAR

## THE SITUATION

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- Less than 50% of Myanmar's communities, many living in rural areas, have access to a safe and reliable supply of electricity
- Minigrids are a viable source of reliable energy for many remote communities as part of an integrated approach to electrification but high up-front costs hinder project development
- The limited availability of credit increases the cost of capital for minigrid developers, increasing project costs and stifling the ability of developers to grow their businesses and build new minigrids

## THE SOLUTION

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Developed by Smart Power Myanmar, the Minigrid Equipment Financing Facility loans developers the capital they need to accelerate the development of new projects, achieve economies of scale, and develop deeper ties with local commercial banks

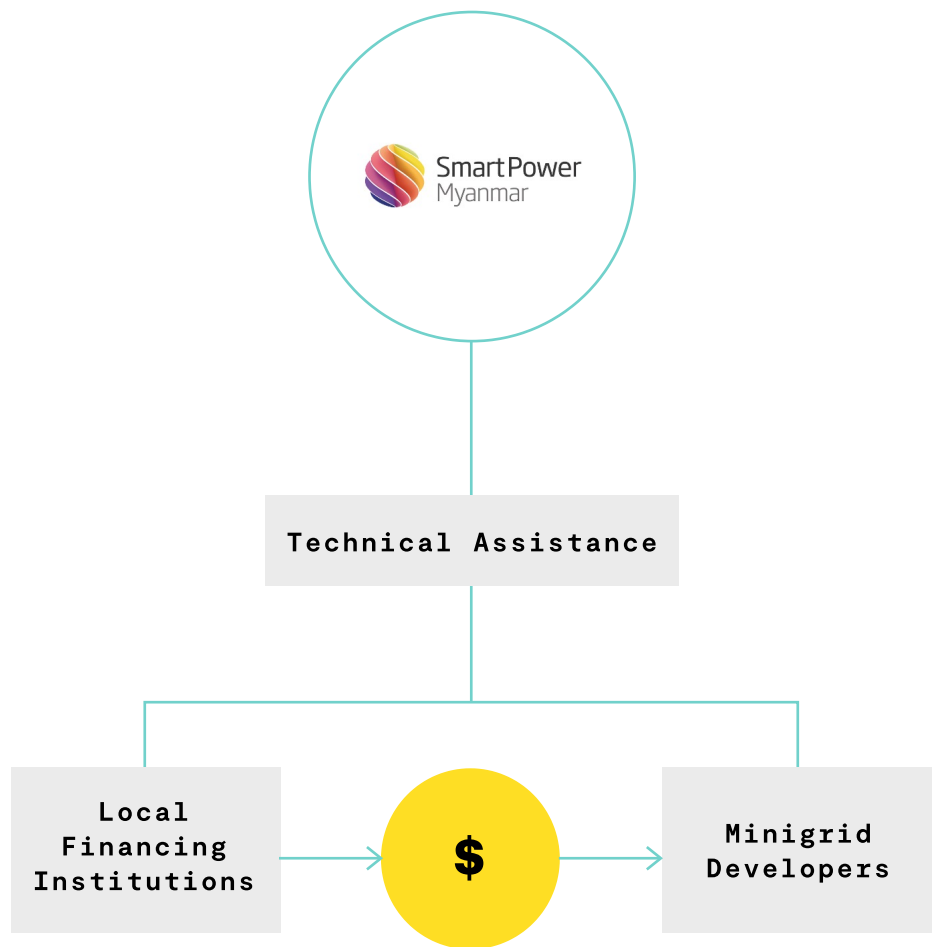
MYANMAR CITIZENS BANK (MCB) CHAIRMAN U TOE AUNG MYINT AND SMART POWER MYANMAR CEO RICHARD HARRISON IN JANUARY 2020 AT THE LAUNCH OF MCB'S EQUIPMENT BRIDGE FINANCING FACILITY, AN ADOPTION OF SMART POWER MYANMAR'S MINI-GRID FINANCING FACILITY. PHOTO COURTESY SMART POWER MYANMAR



# THE IMPACTS

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- US\$18.5 million committed so far to new equipment financing facilities by local banks
- To date, mini-grid developers have accessed enough capital from equipment financing facilities to develop 10 additional minigrid sites and impact over 25,000 lives
- By familiarizing banks with minigrids as an asset class, and by strengthening relationships between banks and developers, the Myanmar Mini-Grid Financing Facility is already paving the way for additional project debt in the future





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**It is very important for us to have advance investment for a project.**

**Project financing, or bridging loans like equipment financing, allows us to implement our work much more quickly and we can manage parallel projects at the same time.**

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**Barani Aung**  
Managing Director,  
Techno-Hill Engineering

## **LEARN MORE**

[www.smartpowermyanmar.org](http://www.smartpowermyanmar.org)

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### **FURTHER READING ON PROJECT FINANCE IN MYANMAR**

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- **MYANMAR MINI-GRID ACCELERATOR**  
Smart Power Myanmar, 2020
- **CLOSING THE FINANCING GAP: ASSESSING OPTIONS FOR DECENTRALISED RENEWABLE ENERGY MINI-GRIDS IN MYANMAR**  
Smart Power Myanmar, 2019

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## **ELECTRIFYING ECONOMIES**

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### **The Electrifying Economies project**

demonstrates the role distributed energy will play in ending energy poverty and catalyzing a green and equitable recovery from the Covid-19 crisis. It draws on the latest data and research from around the world to show how distributed renewables can provide sustainable, affordable, and reliable power for all. The project provides information to support policy makers and investors in taking action today, to realize this potential.



**#ElectrifyingEconomies**  
**ElectrifyingEconomies.org**