GENERAL FORUM

Hydropower Developers’ Working Group

August 18, 2016
Yangon, Myanmar
09:00-12.00
Aung Zaw Naing
President of HDWG Myanmar

INTRODUCTION & AGENDA

09:00-09:15
Presentation Contents

• Why Start a Working Group?
• Working Group: Purpose
• Working group: Principles
• Interim Committee
Why Start a Working Group?

Background

• Myanmar’s current energy production is insufficient to fuel the development of its economy and living standards

• Hydropower is a clean and renewable source

• Hydropower is one of the key ingredients for secure and sustainable energy mix

• Hydropower is an affordable way of energy production; which is key to enable Myanmar to compete with other regional economies
Why Start a Working Group?
Environmental and Social Sustainability is a Must

- The benefits of hydropower must go hand in hand with an environmentally and socially sustainable approach, as well as transparent and accountable stakeholder engagement.
- The sector is ready to embrace better and proven internationally accepted practices.
- We see a strong involvement from international companies in the last few years.
- International partners are helping establish good practices and standards: IFC’s work on sector wide “environmental and social assessment” is key.
Working Group: Purpose

• Hydropower companies are encouraged to adopt good international industry practices, strong environmental and social management systems and sound governance

• The Myanmar hydropower sector can develop a common approach to address sector-wide concerns, and become better, stronger and more transparent

• We can build on the work the IFC has done in other countries: for example the IFC has helped to start a hydropower developers’ working group in Lao PDR, which is operational and working successfully over the last 3 years
Working Group: Purpose

This working group has 3 main goals:

1) Improve **environmental and social management** practices among hydropower companies among hydropower companies

2) Provide a **platform for hydropower developers** where companies can comment on policies, share knowledge; and improve their management

3) Provide a platform to **raise sector-wide issues** to the Government of Myanmar
Working Group: Principles

The HDWG comprises of hydropower companies and industry professionals operating in Myanmar. It is independently operated with technical / financial support from IFC and the Australian Government.

The working group is committed to:

• High level of independence
• To employ open and transparent processes
• To respect that the views expressed by the HDWG are not necessarily those of the individuals or companies
Work of the Interim Committee

- Roundtable held in December 2015 to discuss establishment of HDWG
- Four follow up meetings held, with the following issues discussed: Purpose and Issues, Terms of Reference, Membership
- An Interim Executive Committee formed of interested individuals to help plan the formation of the HDWG
- Inclusive Annual General Forum planned to introduce HDWG and seek members
Members of Interim Committee

Aung Zaw Naing
Shwe Taung

Ken Tun
Parami Energy

Sunil Seth
Tata Power

David O’Neil
ENGIE

Edwin Vanderbruggen
VDB/Loi

Kate Lazarus
IFC
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<td>09.00-09.15</td>
<td>Introduction &amp; Agenda</td>
<td>Aung Zaw Naing, President of HDWG &amp; CEO, Shwe Taung Group</td>
<td>What is the HDWG? Introduce Interim Executive Committee, review agenda (the TOR) and the Group’s purpose.</td>
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<td>Opening Remarks</td>
<td>Vikram Kumar, Country Manager, Myanmar, IFC</td>
<td>IFC’s Perspective: What we hope to achieve with the HDWG</td>
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<td>Hydropower Plans</td>
<td>U Aung Ko Ko, Director, Department of Electric Power Planning, Government of Myanmar</td>
<td>Hydropower agenda from the government of Myanmar’s perspective</td>
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<td>Role of the Private Sector</td>
<td>Jason Pellmar, Senior Investment Officer, IFC</td>
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<td>Becoming a Member</td>
<td>Edwin Vanderbruggen, Member of Executive Committee, HDWG &amp; Senior Partner, VDB Loi</td>
<td>Benefits of being a member, and the nuts and bolts on how to become a member</td>
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<td>Q&amp;A - Discussion</td>
<td>All Speakers / Executive Committee</td>
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<td>Next Steps</td>
<td>Kate Lazarus, Member of Executive Committee, HDWG &amp; Senior Operations Officer, IFC</td>
<td>Timeline (next meeting, etc)</td>
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Vikram Kumar
Country Manager, IFC Myanmar

OPENING REMARKS
09:15-09:30
U Aung Ko Ko
Director, Department of Electric Power Planning, Government of Myanmar

HYDROPOWER PLANS
09:30-09:45
Jason Pellmar
Senior Investment Officer, IFC
Myanmar

ROLE OF THE PRIVATE SECTOR

09:45-10:00
Private Sector Has a Role to Help Myanmar’s Transition Process

* There is opportunity for the private sector to take a leading role in sustainable hydropower development contributing to Myanmar’s transition process by:

  • **Strengthening leadership** for Myanmar Power Development Planning
  • **Strengthening collaboration** with public & private sectors
  • **Better Engaging All stakeholders** – from the national to local level
Raising Standards in the Hydropower Sector

- Providing technical inputs to meet international standards – from procurement to operations

There is a need for strong and committed involvement from:

- Foreign investors
- Multilateral banks to support and advise the government and support/ facilitate investment
- Myanmar private sector
Private Sector Challenges

1 Coordination Among Stakeholders

• Government
• Multilateral
• International Investors
• Civil Society
• Local Private Sector
Private Sector Challenges

Policy Strengthening

- Strengthening Power Development Plan
- Prioritization of key issues
- Improving policy support for private sector
- Improvement of environmental and social impacts assessments
- Strengthening relationships with stakeholders and building capacity on environmental mitigation
- Clarifying MOU processes & overall procurement
Private Sector Challenges

Financial Challenges

• Need to shift from short-term to long-term financing models & the overall financial mechanism opportunities

• Need for mature financing mechanisms on:
  • Macro level (for government): how to finance the PPA?
  • Micro Level (for private sector): how to finance the project?
Private Sector Challenges

4 Stakeholder Support & Capacity Building

• Need for more capacity building opportunities for private and public sector

• Local stakeholders (regional and community/village level): Need to address their needs and involve them in the planning process

• Myanmar private sector: Need to better involve the local private sector
BREAK
10:00-10:15
Edwin Vanderbruggen
Member of Executive Committee, HDWG Myanmar

BECOMING A MEMBER

10:15-10:45
How Can the Private Sector Contribute?

Hold meetings between the private sector and relevant government authorities to exchange knowledge and offer perspective on improving sustainability.

Organize dialogues and share experiences between private sector members and other stakeholders such as civil society.

Provide private sector perspective on laws and regulations to help unlock barriers to private sector development.

Collect and disseminate information relevant to the sector for members.
Why should you join?

Members have access to a wide range of benefits:

- Participate in formulating key issues for the HDWG to focus on
- Be invited to the Annual General Forum, the Quarterly Member Meetings, knowledge-building seminars and all other meetings and activities
- Network with local and international companies and meet hydropower advisors
- Assist in all meetings with Government authorities which are open to members
- Receive information collected and disseminated by the HDWG
- Stay at the forefront of new developments in Myanmar hydropower
- As a good corporate citizen, help strengthen the sustainability of hydropower in Myanmar
Membership

• You can join the HDWG if:
  – You are a Myanmar owned or foreign owned hydropower company currently or soon to be present in Myanmar (“Developers”); or
  – You are an adviser in the technical, environmental and social or legal field with experience in the Myanmar hydropower sector, currently present or soon to be present in Myanmar (“Advisers”).

• In addition, you need to apply and be admitted by the (Interim) Executive Committee, and pay the membership fee of 1,000 US$ annually.
Participation by Non-members

The HDWG is open to input from non-members in a wide range of ways:

• Our Annual General Forum is open to everyone

• Additionally, the HDWG may create subcommittees for working on specific issues. These subcommittees are open to non-member participation, for example by academia, civil society, lenders and financial consultants

• The HDWG may host seminars on a wide range of issues which are open to non-members.
Fill out the Application Form
Share with us your priority areas of focus

**STEP 3**
**Share Your Interests**

We think the following issues should be the top three priority of the HDWG (indicate only three, in order of importance – 1, 2, 3):

- [ ] Procurement of projects (existing MOUs, obtaining new MOUs, etc)
- [ ] Model project documents (PPA, MOA, etc)
- [ ] Environmental impact and water rights
- [ ] Small size hydro
- [ ] Social issues and resettlement
- [ ] Land use rights
- [ ] Tariff structure

If you have other interests you would like the HDWG to address, please list them here:

___________________________________________________________________________

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[Logo of the Hydropower Developers’ Working Group, IFC, and Australian Aid]
THANK YOU

Any membership inquiries?

To submit your registration form, send to

• Kate Lazarus, IFC, member of Interim Executive Committee and Secretariat
• klazarus@ifc.org / +95.979.310.3064

Visit: www.ifc.org/hydroadvisory for further information
DISCUSSION

10:45-11:30
Kate Lazarus, Member of the HDWG Executive Committee

NEXT STEPS
Becoming an Association

• The HDWG is in the process of creating a formal registered Myanmar Hydropower Association (MHA).

• The MHA will be discussed in our first members’ meeting.
1st HDWG Member’s Meeting

• Members will be confirmed before the next HDWG meeting. Submission of applications should be received by September 30, 2016.
• The 1st HDWG Member’s Meeting: Monday, November 7.
• Stay tuned for more information on the next meeting.
Communications

• Members will be kept informed through the quarterly HDWG Newsletter

• Opportunities to feature your company’s work

• Share sector related information and publications

• Non-members will have access to HDWG activities through the IFC website: www.ifc.org/hydroadvisory
General Forum

• Next General Meeting will be in August 2017
• Elections of new Executive Committee
• Discussion/reflection on what the HDWG has accomplished in its first year.
• Substantive discussions on key issues and forward planning
CLOSING REMARKS
11:45-12:00
THANK YOU!
PLEASE JOIN US FOR LUNCH