IMPACT INVESTING & PUBLIC PRIVATE PARTNERSHIPS IN POST SANCTION MYANMAR
Main Investment Sectors

- Oil & Gas – 34%
- Electric Power – 30%
- Manufacturing – 12%
- Telecommunication – 8%
- Real Estate – 5%
Role of Myanmar Investment Commission

Myanmar Investment Commission (MIC)

MIC Mandate and Functions include:

- Acting as investment facilitation; advise on investment policies; reviewing on investment grievance mechanism.
- Report periodically to the President on the progress and issues of investment in the Union.
- Annual Review and proposal to eliminate sectors from restricted list
- Delegation of certain functions to Chairman and Members except powers to make Rules
- Encourage Responsible Investment.

Directorate of Investment and Company Administration (DICA)
Investors’ Rights and Protections

- National Treatment and Most Favored Nation Treatment
- Fair & Equitable Treatment
- Rights to Use Land
- Rights to Employ Expatriate
- Investment Guarantee
- Transfer of Funds
Impact Investing and PPP in Myanmar

- Impact Investing is new in Myanmar and PPP regulations and policies are presently being formulated and Government Guarantees for PPP Projects are currently being discussed.

- For decades Myanmar has been a closed economy and has been under numerous sanctions for 2 decades from the United States which was officially lifted in September 2016.

- Myanmar with a rapidly growing population of 55 million has focused on much need infrastructure projects such as energy, transportation, telecommunication, manufacturing and real estate.

- Myanmar is rich in natural gas and have decided to utilize clean energy such as natural gas and renewable energy instead of coal for their much needed electrification projects. In the democratic transition process local communities have protested against coal power projects.

- It is important to note that a holistic view should be taken as Impact Investing is dependent on the rapid realization of energy and infrastructure projects such as transportation and telecommunications.

- Impact Investments and PPP with People First orientation are much needed and will have direct benefits and improve the quality of life to the predominantly low income citizens. There is a glaring income gap at the moment.

- People First PPP Projects and Impact Investing will bring direct benefits for ethnic conflict resolution and improve communal welfare through health, education, renewables and community development projects.
Government Guarantees for PPP Projects in Myanmar

Currently under discussions and formulation:

(a) Which projects should receive a Government guarantee in Myanmar and which ones should not?
(b) What are the expectations of investors and lenders?
(c) Should we focus on guarantees under the Public Debt Management Law or repeat “BOT Contract” – type solutions?
(d) How to create an efficient approval process and legal framework for Government guarantees in Myanmar?
(e) Is a “PPP Law” needed or better for Myanmar infrastructure investment?
(f) Who should approve the request for a guarantee?
(g) What should be the financial conditions for projects to qualify for a Government guarantee?
(h) How to reflect Government guarantees in the State budget and annual report?
(i) Review of a draft regulation under the Public Debt Management Law
Impact Investing & Public Private Partnerships Projects

- Clinics, Hospitals and Healthcare.
  - Schools (Pre-school, Primary and Secondary).
  - Water Treatment and Management.
- Low and medium costs Housing.
  - Renewable Energy, Hydro, Solar, Biomass across ethnic States in Myanmar.
  - Communal Projects such as sea-weed farming, agriculture, agro culture projects, transportation and rural development.

Establish Social Enterprises to promote Impact Investing, and Innovation across various States in Myanmar for fit-in purpose that generates income.

Social Enterprise can be for specific purposes such as promoting community developments, ethnic resolutions.

Financial Innovation Social Impact Bond or Development Impact Bond
This is a Financing program delivery to cover project preparedness, due diligence, project closure and “pay for success” to assist local governments to fund critical social programs.

Under PPP structure government “availability payments” can be securitized for project financing provided Sovereign and counter-party risks are acceptable to the funders.

We need a benchmark to understand what we can do to increase impact.
AED IMPACT INVESTING & PPP PROJECTS

Integrated Waste Water Treatment & Biogas Energy Solution

Plants in China currently using the Company’s single basin waste water treatment technology

Tianjin City: Sewage & Industrial WWTP

Siyang City: Domestic WWTP

Bengbu City: Domestic WWTP

Shijiazhuan City: Industrial WWTP
Solar Projects
CONCLUSION

◆ Myanmar a post sanction economy is experiencing rapid economic growth less than a year when sanction is lifted. Government is developing investment regulations and policies to attract foreign investments in priority sectors and for infrastructure projects.

◆ Government of Myanmar is currently formulating Government Guarantees for PPP Projects. There will soon be an upsurge in Projects development through PPP and foreign investments.

◆ The potential of PPP Projects and Impact Investments will soon be realized as the regulations and investment policies will soon be in place. Much has been actualized in the last 8 months.

◆ Impact Investing, Innovation, Competitiveness and People First Pubic Private Partnership shall have widespread social benefits and have direct impact in resolving conflict resolution between the Government and ethnic communities.

◆ There is no turning back, provided ethnic conflicts especially Rohingya issue is peacefully addressed, Myanmar will be one of fastest growing country in Asia in the next decade.
THANK YOU

ALAN YOGI LAU, CEO
UNECE INNOVATION, COMPETITIVENESS, AND PPP PRESENTATION
20-22 MARCH 2017
GENEVA