



The Republic of the Union of Myanmar
Ministry of Agriculture, Livestock and Irrigation
Department of Rural Development

No. 2619/IR4(UNDP)/Rural(03)

Date: 23rd November, 2018

Dear Mr. Batchelor,

Subject: Co-financing for the Project, Myanmar Rural Renewable Energy Development Programme (UNDP-GEF)

The Department of Rural Development (DRD) would like to present its compliments to UNDP Myanmar and express our sincere appreciation for your technical contribution in Myanmar Rural Renewable Energy Development Programme.

DRD has been undertaking off-grid electrification under National Electrification Project (NEP) since 2016-2017 fiscal year with the aim of providing universal access to electricity to all by 2030. The off-grid electrification is integrated with two components- Solar Home System and Mini-grid solutions. According to the design of NEP, mini-grid electrification activities are carried out with the financial contribution of (60) percent from the project, (20) percent from the communities and (20) percent from developers. As the progress of mini-grid electrification, we have implemented a total of (34) activities in (45) villages, starting from 2016-2017 to 2018 6-month mini budget year. From 2018-2019 to 2020-2021 fiscal year, only mini-grid electrification activities are planned to cover (300) villages. In the implementation of those activities, the financial contribution of DRD is estimated at a total of USD (30) million for three years, providing USD (10) million each year.

As the needs of technical assistance in developing the mini-grid systems, we are pleased to cooperate with UNDP Myanmar for the implementation of Myanmar Rural Renewable Energy Development Programme. Therefore, we confirm the USD 30 million as part of our financial contribution to the project. In addition, we will cooperate with the project by making qualified staff

available to participate in the project's technical assistance and outreach activities, which we estimate as an in-kind contribution of USD 250,000 per year (or USD 1.25 million in total).

We believe that this project will assist in the expansion of rural renewable energy services and their productive application in Myanmar.

Yours sincerely,



Khant Zaw
Director General

Mr. Peter Batchelor
Country Director
UNDP Myanmar
Yangon