

# Transcript: Press Conference with World Bank Group President Jim Yong Kim following Development Forum in Yangon, Myanmar

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**World Bank Group President Jim Yong Kim  
Press Conference, Development Forum  
Yangon, Myanmar**

## Transcript

**MR JOHN DONNELLY:** Good afternoon. My name is John Donnelly, I'm the Communications Advisor for President Jim Kim at the World Bank Group. President Kim is sitting to my left. To his left is Axel van Trotsenburg the Vice President of the East Asia region for the World Bank. To Axel's left is Karin Finkelston who is a Vice President of the International Finance Corporation, which is the bank's private sector arm.

So the way this will start up, is that President Kim will start with a statement and after that we'll take questions. Thank you.

**DR KIM:** Thank you very much. I'm very pleased to be here in Myanmar and thank you for the very warm hospitality that I've received on this visit. I've just come from the Development Cooperation Forum and I'm very encouraged by the way the government of Myanmar has taken the lead to drive development forward, bringing the international community together to promote the effectiveness of the [dollars] that are used here. Myanmar's reforms have been dramatic. Moving the country forward towards peace, democracy and an open market based economy that's integrating with the region and beyond, providing jobs and opportunities for Myanmar's poorest. They're delivering results. The gross domestic product growth rose to about 7 percent in 2013, up from 5.9 percent in

2012 and foreign investment has tripled. Reallocations in the government budget have increased investment in public health and education and social programs.

The World Bank Group, and that includes our private sector arm, IFC and MIGA, the Multilateral Investment Guarantee Agency, is committed to supporting these reforms to improve the lives of all the people of Myanmar. As part of this effort I have announced plans for a \$2 billion multi-year investment program to support the government's plans to help everyone in the country gain access to electricity by 2030 and to deliver universal healthcare as well as other development priorities.

Currently, 70 percent of Myanmar's people do not have access to reliable electricity. We know electricity has broad benefits for poverty reduction, enabling students to study at night, clinics to run equipment and refrigerate medicine and for businesses to operate and expand. This is why of the total that we've announced \$1 billion will be used to expand electricity generation, transmission and distribution. \$1 billion will also support the development of the National Electrification Plan; it will enhance institutional capacity and promote regulatory reforms. It will also support private sector investments in power generation and distribution, as well as a scale-up of renewable energy for rural and off grid electrification.

With less than two years to go until the Millennium Development Goals' deadline, health is an urgent priority. An estimated 75 percent of Myanmar's people who live mostly in rural areas lack access to quality healthcare and high costs place most essential services out of reach for many families. Everyone should have access to affordable, quality health services and no one should be forced into poverty trying to pay for the healthcare they need.

The government's ambitious plan for universal coverage by 2030 will help ensure that every Myanmar citizen has the opportunity to live a healthy, productive life. We want to make sure this happens so we're committing \$200 million from the investment program to scale up access to quality essential health services for women and children through results based financing and remove out of pocket payments as a barrier to healthcare for the poorest people.

I know that we share a common goal, to end poverty and build shared prosperity, paying close attention to improving the lives of the poorest 40 percent here in Myanmar. As daunting as the challenge may appear I'm hopeful, especially after seeing the earnest resolve of the people of Myanmar to transform their country for the better.

Now I'd be happy to take your questions.

**QUESTION:** All right, great. Hi, May Wong from Channel NewsAsia, a TV station from Singapore. My first question to you, President Kim, is what kind of conditions are you tagging onto that \$2 billion of funds that you've committed? My reference is what is your take on the Rohingya issue given the fact that the violence is still ongoing today and does it show that - are you condoning that kind of an action when you disperse such funds at this particular period of time?

My second question is what kind of measurement will you be using to monitor the success of how the funds are dispersed? Thank you.

**DR KIM:** So let me be very clear, we do not condone violence and we are hopeful that the government will take all measures to investigate and also to respond in the appropriate way. In terms of conditions we don't use that word in the sense that we determine what the outcomes have to be and unless the government complies we stop doing it. We just simply don't operate in that way. The way that we work is that we come to an agreement with the government, we come to an agreement with the private sector companies that we support and we come to an agreement about the results that we all agree we should get. Then we have a very rigorous system of following up.

You may know that the World Bank group pioneered safeguards in terms of following things like environmental impact, the impact on local citizens, the impact in terms of moving people from one place to another. We also have very, very strict rules around corruption and we audit every single project. So we've done many things in the past to ensure that we're battling corruption effectively. On my very first day on the job in July of 2012 I had to cancel a project because we had reliable evidence that there was corruption - and this was a project in Bangladesh. I would not hesitate to do that again if we were to find that there was any evidence of corruption in any of the projects.

We feel confident that we can monitor our projects, we feel confident that we can achieve the goals that we want to achieve, but most importantly we feel confident that we share the goals of each of the loans with the government in some cases and private sector companies in others.

**MR JOHN DONNELLY:** Another question? Okay, yes.

**QUESTION:** Hello, this is [Jotu] from Bloomberg. Can you please a little bit elaborate about the \$1 billion investment in power sector, is it any hydropower or [unclear] or other kinds of energy?

**MR AXEL VAN TROTSENBURG:** Of the energy - first of all we are in a dialogue on the National Electrification Plan and we are working with the government to identify the different projects. We have already - as of today we have already approved one project for \$140 million that is replacing gas turbines, existing gas turbines for more efficient ones. In that project we're also providing technical assistance that will help the government also to lay out the program.

What is of concern to us is thirdly the access to electricity. As you know, unfortunately only 30 percent of the population has access, so therefore a special challenge is in our support project, whether that is coming from the public sector arm, the World Bank or from our colleagues of the IFC we are going to look at access. It is not only in the urban area but most importantly also to the rural areas. So it will be on this elaboration of the government. We have already, as I said, made the down payment on an existing project but we are looking forward to develop this first. As you know, the government certainly would like to make sure that the entire population has access in the next 15 or 17 years and with more ambitious goals for the medium term and we would like to be part of this.

Of the \$1 billion this is not only coming from the public sector arm, namely the IDA credit, but also from our private sector colleagues, the IFC and MIGA. So there will be a combination but as we have said, this is an overall commitment on which we then will work out with the government the appropriate project.

**MS FINKELSTON:** Maybe I can just add from the private sector perspective. Our projects are driven by the market and at this point I think one of the key areas that we're focusing on the generation side is really on coming up with standard agreements in terms of what a power purchase agreement should look like, that will allow the government to transparently bid out the concessions for power generation.

So we've been mandated in the [Mingun] project to help them come up with the criteria, help the government come up with the criteria by which they will determine which of the, I think, about 19 or 20 bidders would be the best to take that project forward. We hope that this would also allow the government to get a market price for power so that - and we've

seen in most international bidding situations that the price for power would be lower than from a negotiated bid. So this should be better for the overall system.

The other area we're focused on the power side is on the distribution side, because as most of you know there are losses in the distribution side that are quite high here in Myanmar, so in order to - as Axel said, gain efficiency from the existing system we want to work with the distribution arms of cities such as Yangon to look at how can we get a distribution entity that is able to stop the losses and actually begin to raise financing more commercially.

**MR DONNELLY:** Okay, another question?

**QUESTION:** Hello, thank you I am [Nam Dim Tu] from Myanmar Times. My question is the government trying to start - every time is trying to start the hydropower project or the locals, the residents, they were forced to move or many of them they were forced to lose their land or their homes and many of them they had a problem with their compensation. Currently we have a problem with [unclear], so with your new announcement for the electricity power, so how do you make sure or did you discuss any program with the government? Thank you.

**DR KIM:** Thank you. So let me just give you a few overarching principles and points and I'll ask Axel to address the issue directly.

So there's no immediate plans for a hydropower project with the government but we believe that in context of climate change and also given the fact that there is such an abundant potential for hydroelectric power here in Myanmar, that hydroelectric power has to be a viable and potentially important option for Myanmar going forward.

Now, the World Bank Group has a lot of experience with hydroelectric power and over the years we have developed a very sophisticated, and we think very strong, safeguard system to ensure that hydroelectric power plants have the minimal environmental impact and that also the people who are displaced are cared for and compensated in a fair and equitable way.

So generally speaking we believe that hydroelectric power will have to be part of the future. We also believe that there's just no chance for us to get and keep global warming at two degrees Celsius or lower without really looking seriously at hydroelectric power.

In terms of the details here in Myanmar I'll ask Axel to make some comments.

**MR VAN TROTSENBURG:** Well, we haven't had a new project in hydro or elsewhere but when we do an electricity project, but also for that matter a transport [or others], we are looking as President Kim said also at what are not only the direct effects but what are the social and environmental implications. So they are governed by fairly clear safeguard rules. In addition, if there are resettlement issues involved as you were alluding to, that people would need to move or so, there is a very strict resettlement policy on this. These kinds of policies are not implemented just that the World Bank works with the government on this. No, it will require extensive consultations so that actually the issue is being addressed also to the satisfaction by the people affected. A concrete example of that type of thing when we did, for example, a hydroelectric project in Lao, Nam Theun 2, that involved an extensive work with the communities.

Yes, these projects sometimes take a lot longer to prepare because you want to do it right and it needs also to make sure that the people who are affected ultimately are satisfied that a fair and reasonable solution was found. We are not at this stage but I just want to assure you that the policies that govern this type of project are strict and are also transparent. So these projects will not be implemented behind closed doors. There are - those are involving also with clear publications involvement and, as I said, consultations.

So as I mentioned, our commitment is to work in the power sector with the government. But whatever policy - but this is not specifically for Myanmar, this is worldwide - those policies are being respected and adhered to.

**MR DONNELLY:** Thank you very much for coming today.