



Tha Bar Wa
A sustainable future for industry

Tha Bar Wa

Case Study: Linking Banks, Clients and Suppliers

Catalysing Sustainable Water and Energy Management

in the Food and Beverage Industry

in the Ayeyarwady River Basin

switchasia
GRANTS PROGRAMME



Funded by
the European Union

Implemented By



Finanzgruppe
Sparkassenstiftung für
internationale Kooperation



MFPEA
Myanmar Food Processors &
Exporters Association



Concept: Link Banks, Clients and Suppliers

Obtain client referrals and
receive advice on (green)
technology

=>

Banks: provide
finance



Advice on green
technology and
providers =>

Clients receive
finance and
equipment



Suppliers provide
equipment

<=

Get the chance
to promote their
products



Creating Multiple Win Win for Ecological Improvement

Ecological
improvement

Win for the
Bank

Win for
Clients

Win for
Suppliers

Win for
Economy



Alignment of Interests

Commercial banks seek to maximize profits
.... No genuine “ecological” interest



Benefit of the programme:

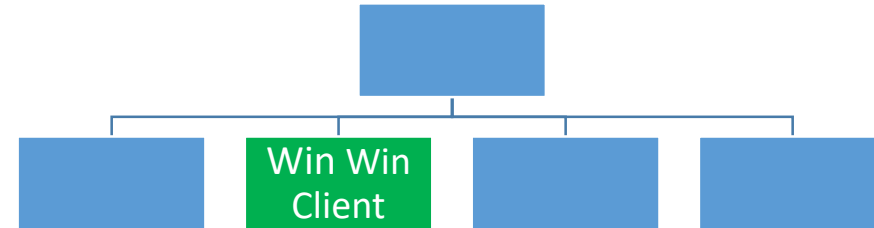
- Program provides Technical Assistance – Green lending is a subset of SME lending – allowing the participating embarking on a large potential (> 80% of all enterprises are SME in Myanmar => increase in profits
- Banks get to know potential clients better (by linking to suppliers) thus reducing risks => increase in profits
- Banks show that they invest into a green future – they do become more interesting for donors providing cheaper refinance => increase in profits

=> Banks go for green finance



Alignment of Interests

- Clients need to invest in green technology (because of regulation)
- Clients want to invest in green technology (because it is profitable)
- However clients do not always know how to do



Benefit of the programme:

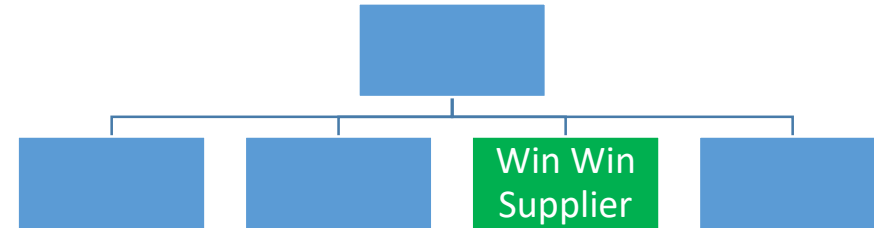
- Clients receive valuable advice while investing
- Clients can draw on long term cheaper sources of funding

=> Clients invest in adequate green technology



Alignment of Interests

- Suppliers want to maximise profits
- Suppliers have difficulties in finding clients & clients need ultimately finance



Benefit of the programme:

- While partnering with banks suppliers can draw on a source of (potential) clients thus making profits enabling them to do their business long term (thus providing access to green technologies)
- Suppliers get a chance to show off their products and may convince potential clients
- Suppliers may have to compromise on the price, but can have more clients thus counterbalancing these costs.



Alignment of Interests

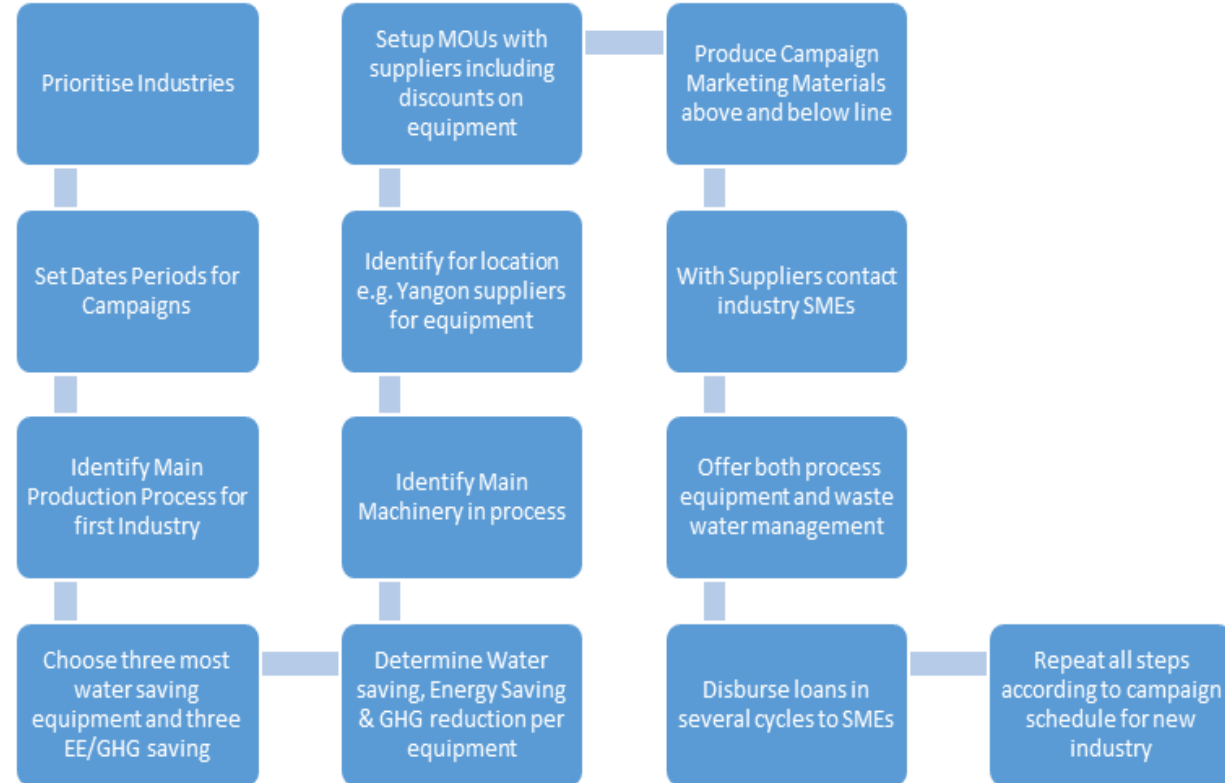
MoU between banks and suppliers as a starting point for cooperation





Subsector campaigns

Subsector campaigns are a part of the MoU between suppliers and banks allowing to streamline the process of identifying potential clients and funding.





Alignment of Interests

- Myanmar's economy is growing fast and needs (much) more energy
- Current strong economic growth is destroying the environment (in particular water)



Benefit of the programme:

- The programme supports green lending to SME's— SME's form the backbone of any economy
- The programme supports the provision of green energy to SME's – thus contributing to the greening of the energy mix and increasing of energy supply
- The programme promotes wastewater management installations and decreases emissions
- The programme helps both suppliers of green technology and their clients to grow thus promoting the overall economy



Results – all for ecological improvement

Win for the Banks

More than 100 staff of the partner banks are trained on SME lending/ green lending and cash flow-based lending.

Revenues from loans approved.

Usage of international funding sources (JICA, KfW etc.)

Win for the Client

MMK 400 million approved to green supplies for lending by two banks (CB and A Bank).

Solar leasing (Hire and Purchase) green product out and available in the market for SMEs.

7 reliable suppliers of green solutions identified.



Win for the Supplier

Continued match making between demand and supply – more than 200 SMEs attended different events.

Solar leasing (Hire and Purchase) green product out and available in the market for SMEs.

Win for the Economy

All 4 partner banks have committed a total of USD 12 million for green lending.

41 green investments identified with approximate value of MMK 467 million (approx. USD 315.000).

Linkage to grant sources provide finance for three waste water treatments facilities.



Thank you!

Case study prepared by Green Finance Team Tha Bar Wa

