



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of Sustainable Development
and Infrastructure



Training on Accessing Green Energy Solutions through Microfinance *October 9-13, 2017 | Discovery Suites Hotel, Ortigas, Pasig City, Philippines*

Event Report

Background

The Microfinance Council of the Philippines, Inc. is a national network of MFIs committed in building the capacity of its member institutions in delivering better microfinance services and products to their clients. After the three-year collaboration of ADA and MCPI in providing technical assistance to MFIs within the framework of the DevSEA project, they have agreed to extend their partnership and employ a more integrated approach in MISP (MCPI Institutional Strengthening Program).

One of its components is the Green Inclusive Finance (GIF) which primary objective is to bring the green energy initiative into a broader context. This project pillar undertakes the development of a Green Microfinance Training Module founded on the experiences of DevSEA. The first phase of the new program called PREMI (Promoting Renewable Energy in Microfinance Institutions) involves the conduct of a Green Microfinance Workshop. Hence, MCPI, in collaboration with ADA, MDDI and the Asian Development Bank conducted the ***Training on Accessing Green Energy Solutions through Microfinance on October 9-13, 2017 at Discovery Suites Hotel, Ortigas, Pasig City, Philippines.***

Training Proper

The training was attended by 19 participants representing 11 MCPI-member MFIs (two Banks and nine MF-NGOs). Only two MFIs have experience in providing green loans to their members. Sizes of the MFIs in terms of outreach vary between 12,000 to 1.5million clients; operations also vary from provincial, to regional, to national levels. Hence, the various segments within the microfinance sector were well represented.

The workshop started off with a brief overview of DevSEA and its experiences in providing TA to its MFI partners. The program proceeded with the discussion of the first module (Clean Energy and RE 101) introducing the fundamental concepts of Renewable Energy and Climate Change. This session also tackled the relevance of green microfinance to the participants, both on an institutional and personal level. Ms. Sarah Alexander from SELCO India then shared their Decentralized Renewable Energy (DRE) Model and emphasized that access to energy serves an essential role in other areas of development such as education, livelihood, health etc. She closed out her discussion by reminding everyone that it's crucial to modify the perception of people on energy – that it isn't just a product but an asset.

Module 2 navigated the process of Energy Needs Assessment (ENA). This process identifies client energy needs and gaps (for both household and livelihood application) and the appropriate RE technologies needed that are locally available. For the workshop proper, the participants were asked to use their own



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client and branch database in simulating the ENA process. After each MFI presented their ENA results, the facilitators shared their insights to further improve the trainees' outputs. One issue raised during the session was the need for an Energy Poverty Map to:

- Efficiently identify which areas and regions are energy poor. At present, available data are limited to the geographic locations and capacities of power producers.
- This will also help identify the potential market size of green products which could generate a stronger buy-in not only from MFIs but from local technology service providers (TSPs) as well.

The third module extensively discussed the Business Planning and Pilot Preparations for green energy financing. The key concepts of the modules are as follows:

- Technical Working Group (TWG)
- The Logical Framework
- Technology Selection
- The Business Model Canvass
- Pilot Plan

The facilitator discussed the importance of establishing a TWG and assigning a Technology Energy Officer (TEO) who will supervise the entire program. He presented some sample TWG units which they can follow for the exercise. For the Logical Framework, he suggested a bottom-to-top approach in identifying the activities and expected outcomes for the roll-out. He proceeded by explaining the need to match the RE technologies with the existing Income Generating Activities (IGAs) of their clients. He cited some case studies and showed which technologies are suitable with particular IGAs like Farming, Fishing, Trading, and others. He explained the fundamentals of the Business Model Canvass and asked the participants to create their own. For the Pilot Planning, he showed some cases of existing loan product designs of MFIs who are currently offering green energy loans.

Module 4 dealt with Monitoring and Evaluation. Its purpose is to systematically monitor, measure, and assess the performance/progress of the program to effectively manage its outputs and outcomes. It also identifies problems via an early warning system to allow corrective action to be taken. The session emphasized on the need for indicators to be specific and measurable, hence, designing M&E should be in line with the SMART principles and should be simultaneously done with the logical framework and business planning. The facilitator showed some sample cases from ASKI and PBC who were former DevSEA partners.

For the learning exchange session, resource persons from SELCO, ADB, and ADA were invited to share their respective experiences on their engagement with green energy solutions. SELCO discussed its Solar Access Program in India, while ADB had boasted its recent accomplishments and how it has already provided energy access to more than 125 million people across the globe. ADA on the other hand shared its experiences on Energy Inclusive Initiative in Central America.

The last day of the workshop was devoted to local Technology Service Providers. Seven TSPs were invited – Hybrid Social Solutions, One Renewable Energy Enterprise, Philippine Center for Postharvest



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Development and Mechanization, PR Gaz, Tagsibol Development Enterprise, and Bataan Peninsula State University-Abucay campus. It was divided into two sessions:

- (1.) AM Session: TSP Showcase where they featured their own clean energy systems and;
- (2.) PM Session: A dialogue between TSPs and MFIs.

For the AM session, TSPs showcased Solar Products and Clean Energy Cooking Systems. One Renewable, a TSP which offers Solar Lighting Solutions pointed out that solar lamps have already become a donation market and emphasized that mini-grids are the way to the future. The dialogue raised even more interesting points and issues like the risk-sharing between TSPs and MFIs and how this can be achieved through negotiations and agreements. In the case of SELCO, it shares risks with financial institutions through mechanisms like buy-back guarantee, extension of product warranty to match loan terms of clients, assumption of stock and inventory among others.

Where to go from here: Next Steps

An exposure visit to PBC (Peoples Bank of Caraga) in Mindanao was arranged. Dates were consulted with the participants at the end of the workshop. It will be on January 11-12, 2018. A Call for Interest for the direct TA will also be circulated by the end of the year.

Evaluation

Majority of the participants expressed overall satisfaction on the conduct of the training-workshop, which includes process/flow, content, and expertise of resource persons.

	GOOD	SATISFACTORY	VERY SATISFACTORY	EXCELLENT	TOTAL	WEIGHTED AVERAGE
The workshop was well planned and organized	5.56% 1	5.56% 1	38.89% 7	50.00% 9	18	3.33
Workshop methodology was appropriate	5.56% 1	5.56% 1	44.44% 8	44.44% 8	18	3.28
Training objectives were clearly stated	0.00% 0	11.11% 2	22.22% 4	66.67% 12	18	3.56
Curriculum was useful and offered useful tools and perspectives for my work	0.00% 0	11.11% 2	33.33% 6	55.56% 10	18	3.44
Presentation of materials were easy to understand	0.00% 0	11.11% 2	55.56% 10	33.33% 6	18	3.22
Training media reinforced learnings	0.00% 0	11.11% 2	50.00% 9	38.89% 7	18	3.28
Allowed enough time to achieve each objective	0.00% 0	11.11% 2	55.56% 10	33.33% 6	18	3.22
Allowed enough time for participants to share experience/insights	0.00% 0	11.11% 2	38.89% 7	50.00% 9	18	3.39



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Some Photos of the Event

