



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



Green Microfinance Training: Exposure Visit January 11-12, 2018 | People's Bank of Caraga, San Francisco, Agusan del Sur

Activity Report

The Microfinance Council of the Philippines, Inc. (MCPI) conducted an exposure visit on January 11-12, 2018 at the People's Bank of Caraga (PBC), San Francisco, Agusan del Sur as the second phase of the Green Microfinance Training. A total of eight MFIs – *Cordillera Community Microfinance, Inc.*, *Rural Bank of Guinobatan, Inc.*, *SEDP - Simbag sa Pag-Asenso, Inc.*, *JMH Microfinance, Inc.*, *KFI Center for Community Development Foundation, Inc.*, *Bangko Kabayan, Community Economic Ventures, Inc.*, *Pagasa ng Masang Pinoy Foundation Inc.*, and *ASA Philippines* – have participated in the said event.

The two-day visit started with the introduction of the Clean Energy Loan for Livelihood (CELL) Program. Long before the Energy Inclusive Initiative (EII) and DevSEA, PBC already had an experience with renewable energy through the Philippine Rural Power Project in collaboration with the Department of Energy (DOE). However, despite their best efforts to make the program sustainable, the project still ultimately failed because of issues like after-sales services and delinquencies.

In 2013, EII through MEI, ADA, and MCPI has chosen PBC for a pilot project aimed at disbursing clean energy products. Even with their bad experience in green energy financing, they still decided to push through with the project believing that energy inclusion and environmental preservation are part of their institutional mandate. This later on became the DevSEA Program with MCPI and ADA at the helm, providing the support they needed for the implementation of the project. PBC underwent several phases in preparation of CELL's pilot roll-out. The program reached its disbursement target within the first four months. As an incentive loan, a client should have an enterprise loan and on its 2nd loan cycle to be able to avail of the clean energy products. Some of the lessons and challenges cited are motivation of the development officers in improving the promotion of CELL, reaching the un-electrified communities in hard-to-reach areas, availability of buffer stocks and selling of solar products at a lower price among other things.

Participants then visited some of the clients who are beneficiaries of CELL. Most of them are happy and satisfied, sharing how their solar lighting systems fulfilled their energy needs. One client uses it to light their house at night keeping her electricity bill low, another clients uses it to light her hog pen, and one resells solar lamps to her neighbors. After the client visit, we headed for the Prosperidad Branch where a round-table discussion took place. The branch officers shared their experiences in rolling-out the CELL Program. Participants then asked questions regarding portfolio sustainability, challenges in providing after-sales services, terms and collection of payment, and future plans for the program.

We visited the San Francisco Branch the next day and had another round-table discussion. The participants noticed a dip in the amount of disbursed solar products. The branch officers explained that this is due to the fact that there were not much power interruptions in 2017 and there are few to none off-grid clients to serve anymore. Nonetheless, they have a much better disposition for 2018 as they look forward to increasing their portfolio targets and the pilot of a new solar irrigation technology.



We then made three more client visits and went straight ahead to their MBA building which utilizes a decentralized solar-powered system. They save up more than 20,000 PHP on their electricity bill and they plan to add more solar panels to keep the building solar-powered 24/7.

The exchange visit was wrapped up with some recap of the lessons they learned before leaving a couple of reminders to the participants, specifically on the submission of their respective proposals for the technical assistance.

Next Steps

A Call for Interest for the Technical Assistance has already been circulated among the participating MFIs. The deadline of proposal submission is on January 19, 2018. So far, there are three MFIs who have expressed their interest in the TA.

Some Photos of the PBC Exchange Visit

