



## CASE STUDY

# PROMOTING RENEWABLE ENERGY IN MFIs IN THE PHILIPPINES

*A project in partnership with MECDD, MCPI and ADA Luxembourg - November 2019*

## JMH goes SOLAR

The **Sustainable Operations of Livelihood Activities and Residences (SOLAR)** program of JMH Microfinance, Inc. addresses one of the four “K” areas of the institution’s 4K philosophy for its clients’ holistic well-being – *Kabuhayan* (livelihood), *Kalikasan* (environment), *Kagalingan* (social concern and well-being), and *Kalusugan* (health). The SOLAR program brought to the fore discussions on *Kalikasan* through renewable energy products.

The program was first introduced in two branches – Tinambac and Calabanga in Camarines Sur. When the pilot implementation ended in December 2018, there was a total of **193 clients served** against the initial target of 100 clients. «The SOLAR products lighted homes, the boats of fisherfolk, study tables, farms in these off-grid communities», relates Raymond Ranada, former Branch Manager of Calabanga.

SOLAR was then expanded to seven more branches: San Fernando, Pamplona, Sagñay, and Ocampo in Camarines Sur; San Jacinto and San Fernando in Masbate; and Pilar in Sorsogon. A total of **789 clients were served** from July 2018 to November 2019.

JMH acknowledges SOLAR’s contribution to the institution in terms of improved reputation and portfolio quality, increased outreach and portfolio, better branding, and client loyalty. On top of these, Operations Director Leodel Bolanos, who bought six renewable energy products, says that like him, SOLAR deepens the staff and the clients’ understanding of renewable energy, and appreciation of the benefits they bring to homes and microenterprises.

Jenimee Grutas, JMH’s Research Analyst, adds that the program also becomes a jump-off point of discussions that extend beyond clients’ well-being: **environmental awareness and protection**.

This is an opportunity for JMH to get the message across by giving examples that clients can relate to - Why is the use of kerosene lamp harmful to the environment? What happens when we continue to illegally tap neighbors’ power supply? What are the advantages of using renewable energy products over kerosene-powered lamps and traditional power supply? Why should we be concerned about these things?

At this point, aside from consistent messaging, it would be more beneficial for JMH’s environmental protection and preservation initiatives if environmental education is formalized in the institution as this will inform and guide all actions from hereon. And thus, JMH can work on and look forward to measurable outcomes in this area.

This way, JMH is not only “**Kaagapay ninyo sa buhay (partner in life)**” but “**Kaagapay ng kalikasan (partner of the environment)**” as well.



*Signing of Memorandum of Agreement between JMH and Power for All, one of the suppliers of the SOLAR program. (L-R) Anna Manahan and Allan Robert Sicat of MCPI; Angelo Valenton of Power; Charm Lascota, Paulo Honrado, and Leodel Bolaños of JMH.*

## The light came for Juditha

Juditha Vargas, 43, and her family's nights were lamplit and moonlit, but they were neither magical nor romantic. They have lived in an off grid Barangay (village) Caglilig in Tinambac for 12 years. Juditha is a homemaker and her husband, Mario, works as a carpenter.

Three or four times a year, the couple's two-hectare farm yields an average of 1,200 kilos of coconut. They spend three to four nights removing coconut meat from the shell so that they could produce copra to sell.

In July 2018, Juditha availed of JMH Microfinance, Inc.'s Sustainable Operations of Livelihood Activities and Residences (SOLAR) green product Sun King Home 40Z.

The set includes two bulbs and a portable lamp. That night, **she used one bulb to replace her kerosene lamp, and the other bulb provided light, for the first time, outside their home and until daybreak the following day.** "Yung bahay namin nagkaroon ng liwanag. Kumbaga bulag ka na, nakakita ka pa (Light illuminated our home, like a person seeing for the first time)," relates Juditha. And on the first coconut harvest after acquiring her multiple output kit, Juditha and her husband retired the homemade torch for the portable solar lamp that lighted their "coco meat-scooping" nights.

Prior to her use of the clean energy products, Juditha's family managed to work their nighttime activities around the 6 – 8 pm "schedule" of their kerosene lamp. The lamp consumed one liter of kerosene in two nights at PhP32.00 (about EUR 0.56) per liter. During coconut harvest season, the homemade torch needed one liter per night.

There is, however, a concern beyond the walls of Juditha's home that is addressed, albeit unintentionally, by her use of the clean energy product – **reducing black smoke that contributes to air pollution.** Each liter of kerosene that was needed to light her lamp and torch produces 2.5 kilograms of carbon dioxide that is released in the atmosphere.

Source of light	Cost per month	CO <sub>2</sub> emission released per month
Kerosene lamp	PhP480.00 (about 8.52 euros)	+37.5Kg
Solar-based multiple output light	PhP621.33 (about 11.03 euros; loan amortization payable in 6 months)	-37.5kg

But for Juditha, the tangibles she has now simply means bright light at night and much less risk for her home being destroyed by fire. She did not mind that for six months her loan amortization was bigger than her expenses on kerosene; because she likes the idea that the items she is holding are covered by warranty for two years. Whether she was aware of what regular exposure to black smoke means to their health or not, Juditha was just pleased that her family does not breathe in the same air that used to fill their home when they were still using kerosene lamp.



**“Light illuminated our home, like a person seeing for the first time”**  
Juditha Vargas, JMH client