



CASE STUDY

PROMOTING RENEWABLE ENERGY IN MFIs IN THE PHILIPPINES

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

SEDP-Simbag gets the green light

Green Light for Life (GLL) addresses SEDP-Simbag sa Pag-Asenso, Inc.'s environmental stewardship goals while doing its mission of improving the socio-economic conditions of clients.

When Herbert Manjares, SEDP-Simbag sa Pag-Asenso, Inc. Rapu-Rapu Branch Manager and member of the technical working group (TWG), came to the municipality two years ago, he was struck at how activities seemed to cease at once when power supply ends at midnight. But in the darkness, he saw clearly the need of clients for alternative access to energy. Herbert also found **an opportunity to answer this need and integrate SEDP-Simbag's third bottom line goal of environmental protection through sustained awareness on the effects of one's choices and actions on the environment.**

In December 2018, the pilot implementation of the **Green Light for Life (GLL) Program** in the institution's Rapu-Rapu branch in Albay province ended up **servicing 329 clients who availed of the clean energy products** – exceeding the planned target of 100 clients in the community in which power is supplied only between 8 am and 12 midnight.

While the availments relay a positive result of the pilot, for the other members of the TWG - the Regional Operations for Albay Head, Ella Gonzalo, and the Area Manager for Albay District, Agnes Bayna - it is just icing on the cake, so to speak. These clients now have solar products which the initial energy needs assessment results showed they needed during the scheduled power cutoff.

The solar products are a cleaner option over kerosene lamps and coal-based energy supply. SEDP-Simbag's Green Light for Life program, more than providing access to clean, renewable energy, has now become a platform from which greater environmental consciousness can be developed among clients and the communities they belong.

To date, the GLL program has expanded to three more branches – Bacacay 1, Bacacay 2, and Tabaco. It has recorded **1,101 more clients** who have availed of the green loan products from January to November 2019.

Discussions on environmental concerns and preservation do not only benefit the clients. As Ella admits, SEDP-Simbag staff members also learn more about the topic. She hopes that these conversations become part of the agenda during weekly center meetings. Just as to-see-is-to-believe and wait-and-see attitudes, and word-of-mouth are important considerations in promotions and marketing, there are no better voices than those of staff and clients who have experienced the benefits - to health, households, and the environment - of using renewable energy products.

But just like financial literacy, client protection, and other initiatives that promote welfare, SEDP-Simbag needs to put in place curriculum, teaching methods, and materials that will sustain actions that support environmental preservation; and, in the long run, create attitude change among staff, clients, and their families so that each small action is always a choice towards taking care of the planet.

Sandra: In a much brighter home

Back in June 2018, Sandra Rapuzon of Barangay (village) Batan in Rapu-Rapu, Albay, was looking forward to attending the launch of SEDP-Simbag sa Pag-asenso, Inc.'s Green Light for Life (GLL) program. The community development worker who invited her mentioned that there would be a client orientation and solar product demonstration during the event.

The following month, Sandra took home her Sun King Home 60, a set of three solar bulbs. She put one in the kitchen, another in the living room, and the third bulb she used as outside light. She initially planned on using her renewable energy products between 12:01 and 7:59 am – the power grid's scheduled cutoff in the community.



Sandra was pleased that the three solar bulbs seemed as bright as her regular bulbs; and realized that using the renewable energy products would lessen her electricity consumption which was about PhP500 (about EUR 8.85) per month. So, she started using the solar bulbs in her living room and kitchen regularly, switching from the regular bulbs that provided light for the family of six from 7 to 11 pm.

Before availing of her solar set, the family used kerosene lamp for activities that extended past 12 midnight. They used to consume 350ml bottle of kerosene worth an average of PhP25 (about EUR 0.44) per night. **They now use the solar bulb in place of the kerosene lamp; and even leave it on from 11 pm to 6 am.**

Even when she was still paying her loan amortization, Sandra already saw the benefits of using her solar product. Her monthly amortization was almost 50 percent less than her monthly expenses on electricity and kerosene combined.

Estimated CO₂ emission from Sandra's household per month

Kerosene use
 $0.35L \times 2.5kg \text{ of carbon} \times 30\text{days} = +26.25kg$

What she did not see, however, was how her household, **unwittingly, helped in the reduction of carbon emissions when they stopped using kerosene lamp.** She did not know that for every liter of kerosene burnt, an estimated 2.5 kilogram of carbon dioxide are released into the atmosphere. Not to mention the effects of polluted air to the family members' health.

Sandra clearly knows, though, what she wants to do next: "After ko mabayaran, kukuha uli ako ng bago para sa business ko. Para maka-menos sa kuryente" **(After I'm done paying (my solar bulb set), I will get a new one for my business to save on electricity cost).**



Client orientation and solar product demonstration in Rapu - Rapu, Albay conducted in June 2018

Cost per month

Electricity plus kerosene
 PhP1,250.00 (about EUR 22.12)

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Amortization for solar light
 PhP635.00
 (about EUR 11.24, payable in 10 months)