



# **Access to Sustainable Energy Programme: Contributing to impact reduction and energy resilience for the off grid areas**

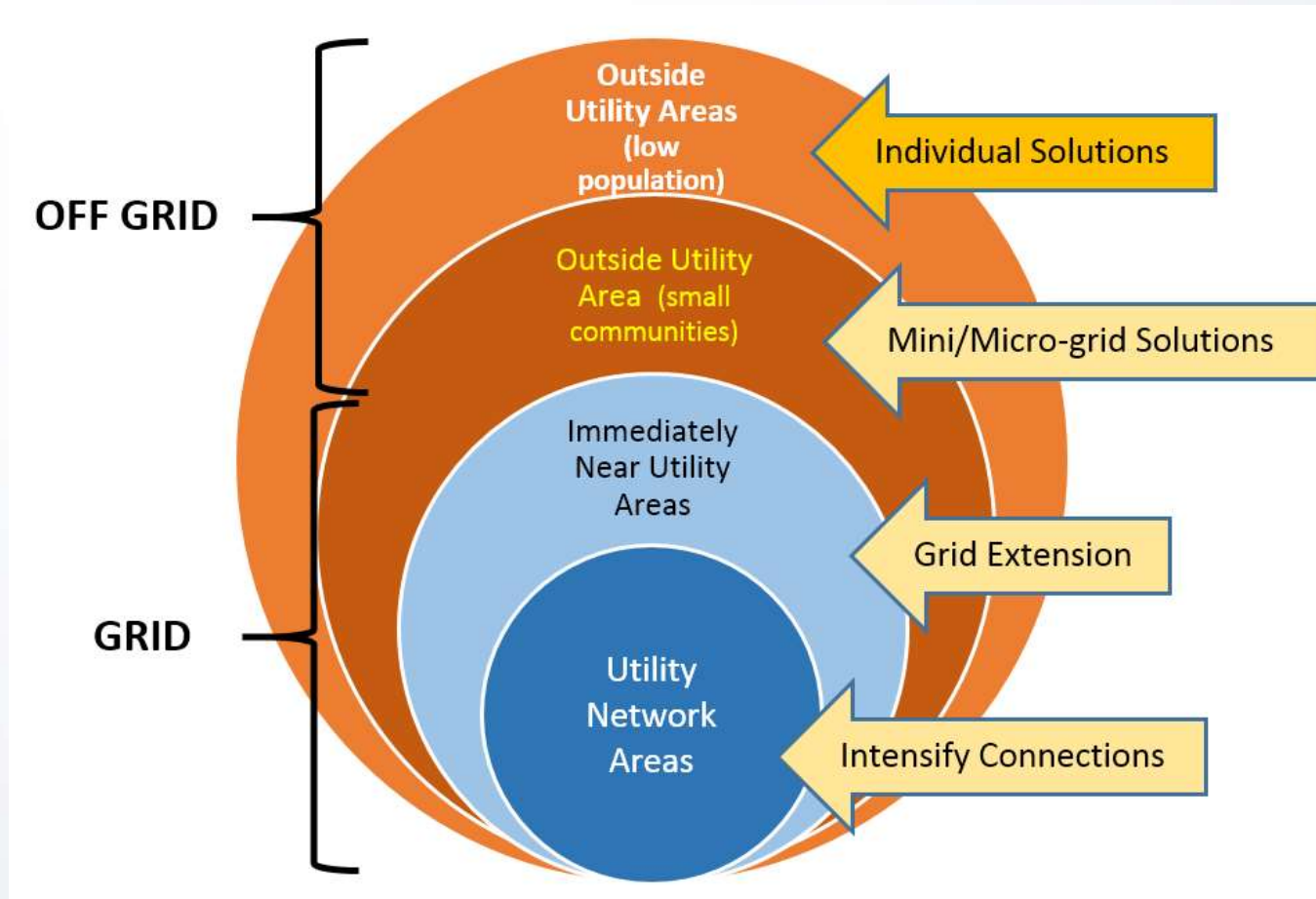
**Simone Rolfe**  
**Programme manager Energy**  
**EU Delegation to the Philippines**



## **EU – Philippines government cooperation on Energy**

- ❖ Joint Partnership Agreement 2012: Energy and Climate Change.
- ❖ EU commitment to support the Philippines Development Plan to promote inclusive growth through energy, allocating EUR 190 million for 2014-2020
- ❖ December 2015, EU and the DOF signed the Access to Sustainable Energy Programme (ASEP) for EUR 60 million.
- ❖ Programme to advance rural electrification, expanding RE for rural electrification and promote energy efficiency
- ❖ Sustainable Energy For All – SDG 7; Climate Change Agenda

# Access to Sustainable Energy Programme (ASEP)





# Ways to reach last mile connectivity through ASEP

## An enabling environment

Evidence based planning for programmes to define a strategic vision for rural electrification: TA support

## Sustainable Business Models

Adapted to context: WB Output based subsidy facility, ECs own/maintain SHS, fee for services model

## Opportunities for investment

Call for Proposals, ElectriFI, Future: Sector Support Programme, Blending



## **ASEP objectives**

- ❖ At least 100 000 households in remote areas will be electrified and/or use innovative energy solutions
- ❖ At least 20 MW capacity of renewable energy projects will be installed with the support of the EU
- ❖ Generate CO<sub>2</sub> emission saving through support for Energy Efficiency
- ❖ Overall, 1500 000 people shall be reached through activities of ASEP



## ASEP for Mitigation

- ❖ Harness renewable energy technology for reaching the off-grid: SHS, RNS (EUR 18.4 million + USD 3 million GPOBA) Hybrid mini grids, RE mini-grids (EUR 18 million).
- ❖ National awareness through Centre of Excellence for SE4All
- ❖ “Put energy efficiency first! It is the cheapest fuel source and it is available to everyone!” (Rachel Kyte, ACEF 2016).
  - Preparatory to ASEP, the EU Switch project assisted DOE EUMB in the preparation of an Energy Efficiency Roadmap and Action Plan
  - Support across four main energy consuming sectors (Transport, Industry, Residential and Commercial Building Sector)
  - Short term savings from implementing the Roadmap could be nearly 1000 MW per year
  - ASEP offers access to large Technical Assistance Funds for expertise



## **ASEP for Adaptation**

- ❖ Disaster risk resilience is mainstreamed into ASEP. Support to the PV Mainstreaming programme, Rural Network Solar, projects generated through the Call for Proposals
- ❖ TA support for the mainstreaming of disaster risk resilience to rural electrification policy and programmes/pilot villages
- ❖ As part of the EU WB Administration Agreement to implement ASEP the EU supports disaster risk resilience as a integral part of Electric Cooperatives Institutional Strengthening and measures to reduce the financial impact when disaster hits and (in line with the “Action Plan for Resilience in Crisis Prone Countries 2013-2020” )

# ASEP – Disaster Risk Management Aspects



- Provision for DRM is included in the NEA/EC TA component executed by the World Bank
- DRM activities will be managed in close coordination with work that is already underway by IFC and the World Bank and funded through other means (including ESMAP and other trust funds)
- The work to date has helped NEA and the EC community appreciate risk layering approaches; an indicative example is seen at left
  - Parametric risk transfer (PRT) for catastrophic risks – working with global re-insurers
  - Mutual risk pool for 2<sup>nd</sup> layer
  - Lower level risks can be handled internally and reduced in part through planning, codes, and standards
  - The concept is to internalize risk management within the Electric Cooperative system, instead of forcing the Department of Finance to have contingent liability for losses in the EC sector due to natural hazards
- Scope of work will include regulatory aspects of ensuring that the cost of insurance can be recovered in the tariff
- More effective DRM is an essential component of institutional development of the electric cooperatives

Source: World Bank Group





## Conclusions

- ❖ ASEP supports policy reform and action that reduces CO<sub>2</sub> emissions through increased energy efficiency, and promotes renewable energy for off grid
- ❖ Disaster risk resilience is mainstreamed through ASEP.
- ❖ TA to mainstream DRM into energy policies and programmes
- ❖ ASEP support DRM through an Administration Agreement with the WB through risk layering and risk insurance and through including DRM in work on institutional strengthening of the ECs

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