

Objectives

The **overall objective of ASEP** is to assist the Government of the Philippines in expanding its sustainable energy generation to meet the growing needs of its economy, and provide energy access to the poor and marginalized sector in accordance with the Philippine Development Plan.

The **specific objective** is to generate more electricity from renewable energy, increase the efficiency of energy use, and increase access for the poor to affordable, disaster-resilient energy systems.

Programme Components

The implementation of ASEP will be carried out through its three complementary components:

1. Technical Assistance (TA) and Capacity Building for Reform

maximum EUR 7.3 million funding assistance

The TA component aims to provide advice on policy and strategy, develop planning tools and business models, and provide targeted support to the implementation of the investment components. It functions as the ASEP Secretariat and directly supports the Department of Energy (DOE) in its role as program manager for the Government.

Specifically, it shall assist the DOE and concerned energy sector stakeholders to **resolve regulatory and administrative issues** that hinder the government from attaining its electrification targets and from achieving a sustainable electricity market.

The TA includes **capacity-building initiatives** to strengthen the DOE – EPIMB (Electric Power Industry Management Bureau) in its implementation of total electrification, enhanced power sector management, and support to renewable energy and energy efficiency programs.

Another unique feature of the TA is the **provision of tools for evidence-based decision-making**. This will allow stakeholders, like electric cooperatives, to arrive at more accurate decisions using hard, empirical findings. Using modern applications, basic but crucial data (i.e. the exact population of a barangay, the ideal site for a power plant, and similar information) will be gathered and shared with the DOE, the electric cooperatives, and other stakeholders. These tools will enable them to choose the best possible electrification option for marginalized communities.

With the looming threat of climate change, power generation has to be not only reliable, but also resilient. The ASEP TA addresses this need by supporting yet another innovation, which is the **use of disaster-resilient energy solutions** in areas that are prone to natural calamities like typhoons and earthquakes. These solutions will be incorporated in all ASEP renewable energy installations.



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2. Investment Support administered by the World Bank

maximum EUR 29 million funding assistance

This component involves a trust fund sponsored largely from EU grants and managed by the World Bank. The funding support may be used for projects that are specifically designed to enhance the capacity of Electric Cooperatives (ECs) to implement the rural electrification objective and promote RE-based energy systems, such as the DOE's PV Mainstreaming Program.

PV Mainstreaming aims at installing Solar Home Systems (SHS) in off grid areas by 2017, but largely relies on investment from donors. The proposal is for the EU to co-finance 30 - 50 Wp SHS over 2016 and 2017, to be owned and maintained by the Electric Cooperatives. Further contributions will come from the GPOBA (Global Partnership on Output Based Aid), government budget and from the end-users of the SHS. The SHS will in most cases replace polluting and unsafe kerosene lamps. Payment to ECs will be output based.

Funding for a Rural Network Solar Program shall equally be administered by the World Bank through a trust fund. It shall help ECs to increase their supply of available electricity (load area generation) and curtail additional demand for diesel generated electricity. Here, the EU will co-finance solar plants that will be connected directly to the network of an EC. The EU subsidizes the difference between least cost power source and solar plant. ECs can be investors, alone or together with private sector investors, or off-takers (for private sector investments). Technical assistance (TA) support will be provided to the National Electrification Administration's Office for Renewable Energy Development (NEA-ORED), Energy Regulatory Commission (ERC) and the ECs. TA support will include IT information systems that allow for improved planning for electricity generation through geographic information systems (GIS), efficiency in EC management (EC connect) and improved disaster resiliency planning.

3. Call for Proposals for Pro-Poor and Climate-Resilient Innovative Energy Solutions

maximum EUR 21 million funding assistance

As part of ASEP, the EU will administer call for proposals from ECs, private sector, social enterprises, micro-finance institutions, NGOs or civil society organizations and international donors. This component will co-finance (up to 80%) innovative solutions and sustainable business models for providing access to electricity in remote households. The purpose is to complement the selected TA studies and World Bank (WB) managed projects with fresh ideas from other sources.

Specifically, the Call for Proposals supports energy investments in demanding applications like hybridization with income-generating emphasis; basic supply models for poor and disadvantaged areas; electrification for livelihood generation through the Solar Home System (SHS) in the Bangsamoro areas; support to mini-grids; and capacity building and advocacy on rural electrification, energy efficiency measures and renewable energy management. The DOE will be involved in the selection of qualified organizations under the Call for Proposals.

Result Areas

Three result areas form the bases for all investment and TA activities for ASEP implementation:

1. Capacity of energy sector stakeholders for pro-poor sustainable energy policy is strengthened and institutional reforms are promoted.
2. Investments aimed at increasing access to renewable energy facilitated in rural, remote and high-poverty areas, especially in Mindanao.
3. Pro-poor and disaster-resilient innovative energy solutions are promoted for job creation and wider access, such as solar or hydropower pumps.



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