

## Overcoming Barriers to Renewable Energy: The Philippines Program (2001)

Clients: the United Nations Development Program (UNDP) and Global Environment Facility (GEF).

In order for the Philippines,

- a) to reduce a growing dependence forecast on fossil fuels;
- b) to meet ambitious targets for reliable, economic supplies of grid electricity; and,
- c) to realize widespread electrification and poverty relief in remote communities,

new and renewable energy (NRE) sources of energy will have to be tapped over the next ten years. These are abundant throughout the country but relatively under-utilized. Innovative financing and market delivery mechanisms will play a central role in providing the capital and access to the market required to meet expansion targets. This project furthered these aims by creating a GEF project co-funded by the UNDP and various Philippine private and public agencies titled "Overcoming Barriers to Renewable Energy: The Philippines Program".

SGA completed the development of the Program Document for the UNDP and GEF to provide technical assistance to the renewable energy sector through activities geared to strengthen capabilities, project preparation and project financing. The Program is valued at \$15 million. Besides full program justification and task identification with costing, SGA made an economic analysis of incremental greenhouse gas (GHG) reduction.

This project removed key market, policy, technical and financial barriers through a rationalized program. The project components included: a) strengthening the capacity of the GOP agencies to enact and implement sound NRE policies; b) providing information for targeted audiences to build an NRE market; c) creating a "one-stop-shop" market service center for preparing and promoting NRE projects; d) increasing coordination among organizations concerned with NRE; e) assisting the market penetration of NRE in remote, off-grid communities by providing incentives for innovative market delivery and financing mechanisms; f) improving the quality of NRE technologies and systems through assistance with standard setting. The project was designed to be complementary to ongoing and planned NRE and rural electrification sponsored by the GOP. In particular this capacity building project lays important groundwork for future NRE-related projects in the country.