

SPC Concept and pilot project for the Philippines



SPC (Self-Powered Communities) Concept integrates plans (vision) and solutions (missions) of socio-economic development (SED) and Disaster Risk Reduction (DRR) in a given territory in a developing country (in urban, peri-urban, and rural areas). It applies the current scientific knowledge and technology in the field of renewable energy utilization (RES) and at the same time encourages the appreciation of renewable industry sources (RIS) for local industry growth (e.g. by higher utilization of a biomass) through market development of Micro, Small and Medium Enterprises (MSMEs). The SPC Concept goal is to contribute to SED and assist DRR for a community in environment of present world turmoil (climate change,

poverty, wars, corruption, failing economy, and massive migration) within a time framework of one generation (30 years). Within such timeframe some substantial yields and benefits can be obtained from well-structured investments in infrastructure while environmental preservation and non-monetary benefits to given communities are also achieved. For more detailed information please see www.5pforres.eu and www.academia.edu.

SPC Concept

The community is a common organism in the nature and represents people within a territory where mutual interactions are vital and unavoidable. The term "powered" in the Self-Powered Communities (SPC), expresses energy to drive key drivers toward a proper and sustainable life with a responsibility for the results (both individual and collective). The SPC Concept is a tool for preparation, implementation, and evaluation of multi-functional projects (project portfolio) for communities (e.g. for a province with one million inhabitants). The Public Private Partnership (PPP) is the engine driving the success of SED and DRR projects. The target group of the SPC Concept are "Households and Entrepreneurs." i.e. people living and working in a given territory. All members of the community need jobs, food, healthcare, education, and safety, and community leaders should drive the target group toward development of a local market and economic base suitable for MSMEs.

SPC Drivers

Are opening new view on local development (SED and DRR) and on new renewable natural sources (RES and RIS) utilization for sustainable growth of job and market opportunities of developing countries (in a postindustrial stage growth). This new view was initiated by global impacts of a pair of quality of life (QL) and climate changes (CC) on nature and people in communities during last couple of years. The basic drivers of the SPC Concept are: electricity (e), water (w) and materials (m). Together creates opportunities for jobs and better life in communities with a positive impact on global environment. The Carbon driver (a) is a key influencer of a healthy air (for solutions of impacts for the global warming).

SPC Utility

Implements tasks generated by SPC Drivers monitor other drivers for a comprehensive infrastructure development (in synergy with objectives of central and local public administration) and monitors activities that are offering business opportunities for target groups. SPC Utility provides external and internal services in marketing, management, audits and specific tasks; e.g. Revolving Loan Fund (RLF), Special Purpose Vehicle (SPV). SPC Utility is a new instrument for solving key priorities developing countries has at province level using pilot project methodology and later on SPC Utility network (at regional, national and global levels represented by SPC Units) using all advantages generated from global networks services. SPC Utility supplements efforts of public administration and assists private sector's penetration into public sector using established rules, minimization of corruption risks, and improving administrative practices. SPC Utility assists private sector involvement at community level (e.g. participatory budgeting, regional planning and public hearing are integrated into a healthy and productive tool for a sustainable financial cooperation among community-based stakeholders). Implementation of the SPC Utility services in a province is proposed via network of SPC Units.

Financing

SPC Utility brings opportunity to serve a large segment of clients under an umbrella of standardized risk assessment rules, internal financial control, audits, and enforcement of account receivables from debtors, etc. It is an opportunity to implement audit trails and financial security with a higher efficiency for financial transfers, long-term investment loans (up to 30 years), loans from regional and local banks (up to 10 years), and micro financing used as cash-flow assistance to clients participating on the SPC Utility projects.

Financial Institutions

Financial institutions, donors, and venture capitalist can get a chance to link numerous public and private financial offers into a single and standardized mechanism (e.g. by the Carbon Credits for driver (a) and by the SPC Concept for drivers (e) & (w & m). All that helps to developing countries. This is a challenge for socio-economic projects financing institutions (the World Bank (WB), the Asian Infrastructure Investment Bank (AIIB), the African Development Bank (AFDB), the Asian Development Bank (ADB), the Islamic Development Bank (IDB), the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), etc.

Pilot project (PP)

Some of developing territories have gained own experience from investment in infrastructure (e.g. electrification on their territories). The Philippines are an example, and pilot project has a chance to be a model project for other localities on the Philippines, and for other countries. 5PforRES study opens topics:



- Share of the PP investment in a value of m\$100 represents only 0.01% of the total target of a global financing of the CC projects of governments by 2020 (5PforRES study compares variants m\$45, m\$90, and m\$135, for an investment period for 30 years, about to 2050).
- No public subsidies. Profit is considered as follows: from each \$1 will be \$9 at the end of 30 years period. The project portfolio needs a professional control of synergy effects and long-term loans of the Revolving Loan Fund of the SPC Utility. If a community has demonstrated the ability to invest m\$100 via banks is at position of a client with a capacity to invest m\$900 during 30 years; and banks' activities will be accelerated. All basic parameters of investment (time, money, outcomes) stays under professional control and all gained yields should be reinvested into SED and DRR projects.
- The question "Who and how much will contribute to financing of Climate Change-related needs" can be tuned into answer "Generate new jobs and more money through financing of Climate Change-related projects at local levels".

The SPC Pilot Project tasks:

1. To unlock human potential and build the capacity at central and local levels for PPP and to gain trust of donors and lenders in success of proposed SPC pilot project.
2. To strengthen impacts of regulations at local level (e.g. by a Master Planning, Citizen's Charter), to assist cooperation with public Administration (e.g. cooperate on Participatory Budgeting), and motivate stakeholders to adhere to the SPC Concept rules.
3. To integrate the SPC Utility tasks (e.g. decentralized electrification, water cycle services, development and acquisition of SMEs, carbon credits market) into measurable results with synergy effects.
4. Financially motivate the SPC Utility owners, employees and all stakeholders to apply and maintain transparent financial flows and competitive procurement in all cycles of the project portfolio.
5. To hire, educate, and coach the SPC Utility staff and to use internal financial control and internal audits as tools to control results of all milestones on the way to the goal.

Next step: to assist effectiveness, efficiency and economy of SED and DRR projects for developing countries. The SPC Concept is opportunity how succeed.

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