

# **R**ELENDING FACILITIES FOR THE LOCAL GOVERNMENT UNITS



Local Government Unit  
Support Credit  
Program (LGUSCP)



Water District  
Development Project  
(WDDP)

**ADB**

Mindanao Basic Urban  
Services Sector  
(MBUSS)

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# Local Government Unit Support Credit Program

*Funder :*



*Japan Bank for International  
Cooperation*



## Local Government Units Support Credit Program (LGUSCP)

### Objective

→ To augment sources of development funds for LGUs through the extension of credit assistance. The end view is to reduce poverty and achieve social equity in the countryside.

### Loan Amount

→ JPY 6,072 MM = \$48.9 MM

### Eligible Borrowers

- Provinces
- Cities
- Municipalities



## *Local Government Units Support Credit Program (LGUSCP)*

### *Eligible Projects*

- **Low Cost Housing**  
mass housing construction of high rise building (maximum of 4 storeys) or row house type with minimum floor area of 25 - 36 sqm. and dwelling unit cost of around P150,000 to P300,000



## Local Government Units Support Credit Program (LGUSCP)

### → Health Sector Project

construction of public hospital, rural, or barangay health centers or purchase of medical equipment



### → Water System Project

improvement or expansion of the LGU's water distribution system.



## Local Government Units Support Credit Program (LGUSCP)



→ Flood Control and Sanitation watershed management, and construction of seawalls, dikes, drainage, catch

→ Forestry Project community based forestry management including forestation and restoration activities

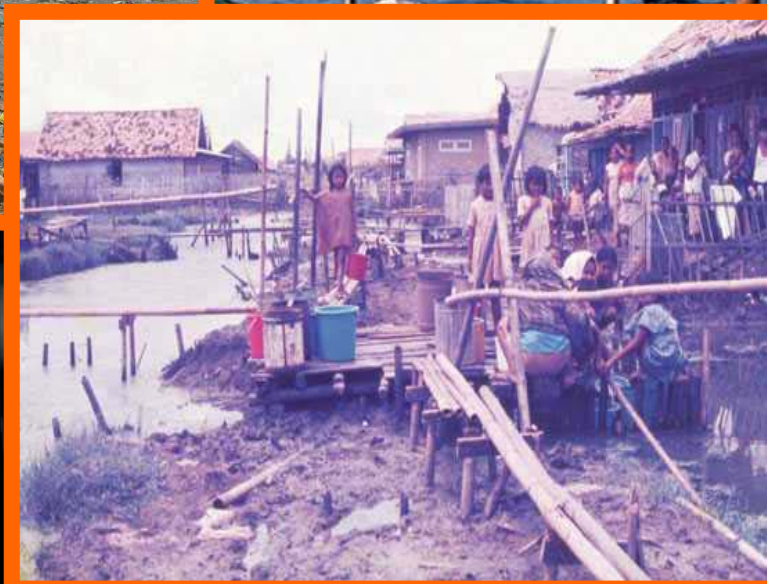




## Local Government Units Support Credit Program (LGUSCP)



→ **Waste Disposal construction of solid waste system, sewage treatment system, and water treatment system**



→ **Preparation of Feasibility Study**



## **Local Government Units Support Credit Program (LGUSCP)**

### **Loan Amount**

- **Based on the requirement of the sub-project, but should not exceed LGUs net borrowing capacity as determined by LBP**
- **Minimum amount is P5 million for eligible projects**
- **Maximum of P3 million for FS preparation**

### **Term of Loan**

- **Minimum of 3 years & maximum of 15 years inclusive of two (2) years grace on the principal.**
- **Maximum of 3 years for FS preparation**



## Local Government Units Support Credit Program (LGUSCP)

### Financing Scheme

- 80.0% - JBIC Components
- 10.0% - LBP Portion
- 10.0% - LGU Equity

### Interest Rate

- 3 – 10 yrs      11% - 12%
- 11 – 12 yrs    11.5% - 12.5%
- 13 – 15 yrs    12% - 13%
- (fixed for the term of the loan)

### Loan Availability

- Up to December 31, 2004

### Closing Date

- January 7, 2005

# **MINDANAO BASIC URBAN SERVICES SECTOR**

*Funder :*

*Asian Development Bank*





## Mindanao Urban Basic Sector Service (MBUSS)

### Objective

- To improve the quality of life of the urban population of Mindanao by:
- Providing, upgrading and rehabilitating basic municipal infrastructure and services to increase productivity of urban economy
- Improving access of poor communities to basic infrastructure services
- Strengthening institutional **capacity and capability of LGUs** to provide, manage and maintain adequate municipal services and basic urban infrastructure.



## Mindanao Urban Basic Sector Service (MBUSS)

### Project Component

- Urban Infrastructure Investment
- Capacity Building and Institutional Support

### Eligible Borrowers

- Province, city, municipality in Mindanao with a minimum urban population of 20,000 in the year 2000 or expected to exceed 20,000 in 2002.

### Eligible Projects

- Local roads and bridges
  - ▣ Rehabilitation and construction of local roads, sidewalks and bridges
  - ▣ Provision for maintenance equipment
  - ▣ Improvement of streetlights



- **Sanitation, drainage and flood control**
  - Construction of low-cost sludge treatment facilities, low-cost waste water treatment facilities and other facilities necessary to alleviate flooding and inundation
  - Provision of equipment for sludge collection and transportation
  - Upgrading of existing drains and/or river embankments
- **Solid Waste Management**
  - Provision for equipment, vehicles and facilities for solid waste management
  - Upgrading of existing facilities and disposal sites
  - Construction of disposal and recycling facilities



## *Mindanao Urban Basic Sector Service (MBUSS)*

- **Water Supply**
  - Rehabilitation and upgrading of existing source works, treatment facilities, transmission systems, existing distribution systems and reduction of unaccounted for water
  - Construction of new source works, deep wells, pumping facilities and transmission and distribution systems
- **Public Market and Bus Terminals**
  - Construction of public market facilities and bus terminals
  - Improvement and upgrading of sanitary and safety conditions of public infrastructure facilities
  - Improvement of lighting conditions and market kiosks



## **Mindanao Urban Basic Sector Service (MBUSS)**

**→ Rehabilitation or construction of other public facilities, including environmental management services of facilities relating to general hygiene and sanitation, slaughterhouses, municipal buildings, public parks, parking spaces, hospitals, public schools and other structures related to seashore facilities to accelerate productivity.**



**Loan Amount**

→ Based on the project cost but not to exceed LGU's net borrowing capacity

**Term of Loan**

→ Maximum of 15 years inclusive of 3 years grace period on principal payment

**Interest Rate**

→ 11% - 13% fixed for the term of the loan

**Financing Scheme**

→ Based on LGU Income classification and type of project

# **Water Districts Development Project**

*Funder :*



*The World Bank*



## Water District Development Project (WDDP)

### Objective

→ To help participating LGUs plan and implement sewerage and sanitation investments based on their resident's wishes and willingness to pay.

### Loan Amount

→ **US \$30.1 Million**

### Eligible Borrowers

→ **First to third class LGUs outside of Metro Manila (provinces, cities and municipalities)**



## Water District Development Project (WDDP)

### Eligible Projects

- Trunk investment in sewerage, sanitation and wastewater treatment infrastructure
- Feeder investment in barangays, such as water supply sanitation, microdrains, or solid waste collection and disposal facilities

### Loan Amount

- Project cost but not to exceed LGUs net borrowing capacity

### Loan Availability

- Up to December 31, 2005 – Trunk and Feeder Investment

### Interest Rate

- 12% per annum, fixed for the term of the loan



## Water District Development Project (WDDP)

### Financing Scheme

- 90.0% - LBP
- 10.0% - LGU

### Closing Date

- December **31**, 2005

### Pre-release Requirements:

- **Complete Loan Documentation**



## Water District Development Project (WDDP)

### Loan Approval Process Flowchart

**SUBMIT LOI**

**PROJECT BRIEFING  
BY LBP - PMO**

**SUBMIT INITIAL BANK  
REQUIREMENTS**

**PREPARATION &  
EVALUATION OF  
CREDIT FACILITY BY  
LBP**

**FINAL STAGES OF  
LOAN APPROVAL**

**SUBSIDIARY LOAN  
AGREEMENT (SLA)  
SIGNING**

**Total Duration of  
Loan Approval  
Processing = 62  
days**





## Water District Development Project (WDDP)

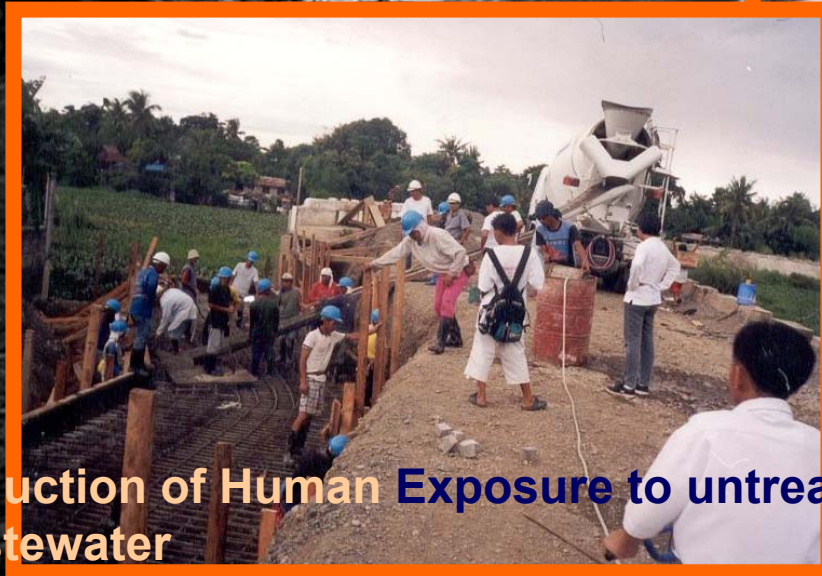
### Beneficial Outcome : The WDDP's Experience

Construction of Interceptor Drains and Reinforced Concrete Box Culvert for the Comprehensive Drainage and Sewerage System of Cabanatuan City

Increase in Market Value of Property



Flood prone residential areas in New Guinlo, Palawan was provided with street drainage and box culverts



Reduction of Human Exposure to untreated wastewater



## Water District Development Project (WDDP)

Providing basic drainage infrastructure in areas prone to flooding



San Fernando City's Drainage Improvement Project

Promoting people empowerment through community participation and involvement in the planning and implementation of development projects



Public Consultation is conducted in all WDDP investment projects prior to the physical development stage



## Water District Development Project (WDDP)



**Left Photo:** Water supply for Panabo residents



**Middle Photo:** Excreta Disposal Facilities (Septic Tanks) are provided in 10 participating Barangays of the Province of Palawan



**Right Photo:** Water Supply Development (Well Drilling)



*BESP PALAWAN EXPERIENCE*

**BESP**



**LAND BANK OF THE PHILIPPINES (LBP)**

**We will entertain only a FEW  
Questions 'cus We're READY to TAKE  
the PLUNGE!!!**

**END  
OF  
PRESENTATION**

**Thank you for your Attention!!!**

**[www.infocity.org/lguportal/wddp](http://www.infocity.org/lguportal/wddp)**

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