

LOAN TERMS AND CONDITIONS

Categories	LGU INCOME CLASS		
	HUCs/Cities/Provinces/ Municipalities		Cities/Provinces/ Municipalities
	1 st -3 rd	4 th -5 th	6 th
Public Economic Enterprise/Revenue Generating	4.5%	4.0%	3.75%
Social and Environmental	4.25%		
Solid Waste Management, Sewerage and Sanitation Facilities			

REPAYMENT PERIOD:

1. Infrastructure Projects

- 15 years inclusive of 3-year grace period on the principal payment

2. Water Supply System (Levels II & III) Solid Waste Management, Sewerage and Sanitation Facilities

- 20 years inclusive of 3-year grace period on the principal payment

APPLICATION REQUIREMENTS

1. Letter of Intent duly signed by the Local Chief Executive;
2. *Sangguniang* Resolution affirming the interest of the LGU to apply, negotiate and borrow funds from the DOF-MDFO for the implementation of the subproject;
3. Feasibility Study/Project Proposal;
4. Commitment Letter; and
5. Certificate of Net Debt Service and Borrowing Capacity issued by the Bureau of Local Government Finance (BLGF).

For more information, please write or call:

THE EXECUTIVE DIRECTOR
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Department of Finance

MUNICIPAL DEVELOPMENT FUND OFFICE

MUNICIPAL DEVELOPMENT FUND PROJECT



OVERVIEW

As part of the National Government's commitment to enhance devolution of services and local autonomy, the Municipal Development Fund Office–Policy Governing Board (MDFO-PGB), created the **Municipal Development Fund Project (MDFP)** through Resolution No. 05-05-25-2006. This new financing window is in response to the increasing demand of LGUs for better financing terms for the implementation of their priority development projects. Utilizing the Municipal Development Fund–Second Generation Fund (MDF-SGF), this new lending facility offers comparative interest rates for LGU investment projects.

OBJECTIVES

- To help the LGU promote economic growth and enhance its local revenue generation through investment on local public enterprise and infrastructure project; and
- To provide financial assistance to LGUs in upgrading delivery of basic services.

ELIGIBLE BORROWERS

All Cities, Provinces, and Municipalities nationwide are eligible to apply.

ELIGIBLE SUBPROJECTS

Public Economic Enterprises/ Revenue Generating Projects

Public Market, Trading Post (Bagsakan Center), Slaughterhouse, Bus and Jeepney Terminals, Municipal Wharves and Fish Ports, Dry Port, Sea Port, Cargo Port, Barge, Roll-on/Roll-off (RORO), Airport Strip, Post Harvest Facilities, Cold Storage Facilities, Ice Plants, Cemetery/Public Memorial Parks, Crematorium, Columbarium, Funeral Services, Level III Water Supply System, Toll Roads, Local Electrification such as Mini-Hydro Electric Power Plant, Wind Power and Solar Energy, Income Generating Policy Reform-Related Initiatives (i.e. RPTA Computerization, One-Stop Shop Taxpayers System, etc.), Microfinance and Livelihood Projects, Food Processing Facility, One Town, One Product (OTOP) Programs, Breeding Station, Agro-Industrial Facilities, Establishment of Seed Farm and Seed Banks, Purchase of Fries and Fingerlings, Solar Dryer, and other related facilities.

Social Subprojects

Level II Water Supply System, Health Centers, Lying-In Clinics and Hospitals, Nursery, Day Care Center, Construction of Orphanage/Home for the Aged Facilities, School Building, Public Library and Information Centers, Communal Irrigation,

Farm-to-Market Roads, Rural Roads and Bridges, Policy Reform-Related Initiatives (computerization programs such as of Financial Management Information System, Community-Based Information and Monitoring System, etc.) Training Center, Non-Formal Education Facility, Sports Complex, Gymnasium, Basketball Court, Housing Project, Traffic Management Systems, Multi-Purpose Pavement, and other related facilities.

Environmental Subprojects

Reforestation, Soil Conservation, Mangrove and Watershed Protection, River and Seashore Protection, Ecotourism Project, Freedom Parks, Reforestation and Agro-forestry, Watershed Protection, Biodiversity Conservation and other related environmental related initiatives.

Solid Waste Management, Sewerage and Sanitation Facilities

Materials Recovery Facilities, Recycling Plant, Sanitary Landfills, Drainage System, Sewerage and Sanitation Support Facilities, Wastewater Treatment Facility, Public Sanitary Toilets, Waste-to-Energy Facilities, Sewerage and Septage Management and other related facilities.