



Peace and Equity Foundation



BEST-OF-PREN

**Building Economic, Social and Technological
Opportunities and Foundations to Promote Renewable Energy Nationwide**

A Primer on the BEST-OF-PREN Program¹

In October 2006, Peace and Equity Foundation (PEF) joined the Department of Energy, United Nations Development Programme and the Global Environment Facility in the Capacity Building to Remove Barriers to Renewable Energy Development (CBRED) project. CBRED aims to reduce green house gas emissions by facilitating the development and widespread use of renewable energy systems and applications.

Tasked to mobilize the Microfinance Fund, PEF aims to tap community finance institutions and bring renewable energy to remote communities who are in most need of sustainable energy services.

The following are answers to frequently asked questions about BEST-OF-PREN and how your organization and community can benefit from the use of renewable energy.

Renewable Energy

1. What is Renewable Energy (RE)?

Renewable Energy comes from sources that replenish or renew themselves. RE includes biomass, solar, wind, geothermal, hydro and ocean energy, as well as other emerging sources using new technologies.

Fortunately, our country is endowed with these resources and has been using these to supplement our energy needs. The Philippines is actually the second largest producer of geothermal energy and has been using hydropower technology for several decades.

¹ Version 1.0 (February 2007)

2. What are the benefits of RE for rural communities?

- **Provides access to reliable and high quality power.** RE technologies have improved over the years therefore presenting a viable substitute or complement to grid power. They also provide clean, reliable (although limited) power with predictable voltage and frequency.
- **Improves Quality of Life.** RE systems offer quality of life benefits and local economic development, such as improved indoor air quality, dramatic improvement in quality of lighting for education, entertainment and livelihood.
- **Mitigates Climate Change.** RE systems such as solar home systems and backyard biogas digesters contribute to reduction in carbon dioxide emissions.
- **Revitalizes Rural Communities.** Access to electricity and their corresponding amenities presents rural communities with economic and social opportunities.
- **Encourages Local Entrepreneurship and Income Generation.** Cottage industries, farm-related activities and community stores are given the chance to operate longer hours. RE technologies that can be manufactured, installed and managed at the community level creates employment and development of small enterprises.

BEST-OF-PREN Program

3. What is PEF's involvement in RE?

PEF has adopted renewable energy as part of its strategy to reach the poorest communities in the country through its BEST-OF-PREN. Our goal is to make these communities more self-reliant by giving them access to energy sources that would allow them to engage in productive economic activities, as well as improve their quality of life.

PEF, however, has been supporting partners in their RE projects since 2003. These are:

- ***Biogas Digesters***
 - Swine Fattening Project Adapting Pa-iwi System: An Income Augmentation Activity for Marginal Farmers in Lobo, Batangas
- ***Bio-fuel***
 - Coco Methyl Ester (CME) Production in Odiongan, Romblon
- ***Micro-Hydropower***
 - Rehabilitation of Ngibat Multi Purpose Irrigation System in Ngibat, Tinglayan, Kalinga
 - Study for Mangali, Tanudan Micro-Hydro Project (MHP) Development in Tabuk, Kalinga
- ***Solar photovoltaic system***
 - Kahikukok Solar-powered Community-managed Level 2 Potable Water Project in Tongkil, Sulu
- ***Hydraulic Pump***
 - Let There Be Light (and Water!): Play pump Station for Rural Barangays in Victorias City, Negros Occidental
 - Participation to the 3rd Conference and International Exhibit of AIDFI for their Ram Pump technology
 - Rehabilitation / Improvement of Kabungaan Water System in Baybay, Leyte

4. What is BEST-OF-PREN?

BEST-OF-PREN stands for Building Economic, Social and Technological Opportunities and Foundations to Promote Renewable Energy Nationwide. In creating the program, we hope to contribute to the sustained use of renewable energy in our country through the creation of Philippine Renewable Energy Nodes or PRENs in different provinces.

PEF aims to establish a PREN in provinces where we have a strong institutional base, especially in areas where we have Partnership and Access Centers or PAC. Each PREN will be composed of communities with operational RE projects, complete with members trained in the RE technology that they are using. In turn, these PRENs will link communities and adjacent provinces into a network or federation of RE users, practitioners, technicians and organizations.

To facilitate the creation of PRENs, BEST-OF-PREN offers financial and technical support to civil society organizations who wish to go into small-scale, off-grid power projects for their respective communities.

5. How will BEST-OF-PREN support our community's renewable energy project?

BEST-OF-PREN offers a long-term loan package to microfinance institutions (MFI) at low interest rates to fund small-scale renewable energy projects. These MFIs may in turn deliver credit through the following mechanism, as initially identified by the CBRED project:

- Loans are provided to members who wish to directly purchase a RE system or appliance, such as backyard biogas system, biomass cook stoves and pico hydro systems.
- Private developer will set up an energy service concession in the community. The MFI will then provide credit to members who wish to access the service, i.e., battery charging stations, pico and micro hydropower and wind pump.
- A community-based provider such as a Barangay Power Association or Peoples' Organization, instead of a private developer, will establish a concession for community members. The abovementioned arrangement with the MFI and clients will also be used.
- Lease or lease-to-own arrangement for MFI clients for backyard biogas digesters, cook stoves or pico-hydro mechanism

In addition, BEST-OF-PREN will offer capacity building assistance given that there are risks involved in implementing a RE project in remote, rural communities. A customized assistance package will be made available to partners to better ensure their project's success. Partners may avail of the following support:

- Feasibility study funding of up to PhP 20,000
- Sustainability enhancement activities support of up to PhP 75,000. This may come in the form, but not limited to, system design and sizing and RE technology training
- Organization development and financial management system improvement
- Networking and linkage with RE experts

6. What are the criteria for eligibility for project partners?

Civil society organizations interested in bringing RE to rural, off-grid communities are encouraged to take part in the BEST-OF-PREN program provided that they meet the following criteria:

- Duly registered organizations in operation for the last two years
- Experience in the successful implementation of a similar development project
- Competent management and staff
- Sound financial and management systems

7. What projects are eligible under the BEST-OF-PREN?

Small-scale and household-size RE projects for both power and non-power applications are eligible under BEST-OF-PREN. The following technologies are eligible for funding support:

- Solar Photovoltaic System
 - Balance of Systems Replacement
 - Battery charging station
 - Water Pumps
- Hydro power
 - Pico hydro
 - Micro hydro
- Biomass
 - Cook stoves
 - Backyard and household biogas digesters
 - Bio-fuel
 - Charcoal briquettes
- Wind Power
 - Wind turbine for power generation
 - Wind mill
- Hydraulic Pump
 - Ram Pump
 - Play Pump
- Other small-scale RE technologies

8. What are the terms for the loan package?

BEST-OF-PREN offers a customized loan depending on the needs of interested organizations or MFIs. The initial package amount, however, is not to exceed PhP 1.2 million per annual work program but may increase or decrease depending on how the funds were used in the project.

Consequently, the MFIs may extend credit to individuals or groups depending on their needs but should not go beyond the maximum of PhP 150,000 per individual borrower as mandated by the Bangko Sentral ng Pilipinas.

PEF will charge a pass-on rate of seven percent (7%) straight per annum, which will be computed on the outstanding balance of the loan. Interest will be charged on the amount actually released, whether partial or full.

As with the loan amount, amortization period will be determined on a case-to-case basis but not exceed three (3) years. Partners are given a three-month grace period before they begin interest payments, while principal will be paid on a quarterly basis. The MFI will issue post-dated checks to PEF for their amortization payments.

Like any loan product, PEF requires material collateral to secure the loan.

The above terms can be discussed in detail once PEF approves the project.

9. What are the BEST-OF-PREN priority areas?

Given the focus on rural, off-grid communities, BEST-OF-PREN is targeting priority provinces identified by PEF's poverty mapping project as initial sites for small-scale RE development.

- **Luzon**
 - Albay
 - Cagayan Valley
 - Camarines Norte
 - Camarines Sur
 - Cordillera Autonomous Region
 - Marinduque
 - Masbate
 - Mindoro
 - National Capital Region
 - Palawan
 - Quezon Province
 - Romblon
 - Sorsogon
- **Visayas**
 - Northern Samar
 - Eastern Samar
 - Western Samar
 - Negros Occidental
 - Negros Oriental
 - Bohol
 - Biliran
 - Cebu City
- **Mindanao**
 - Sarangani
 - Maguindanao
 - North Cotabato
 - Lanao del Sur
 - Zamboanga del Sur
 - Basilan
 - Sulu
 - Tawi-Tawi
 - Zamboanga Sibugay
 - South Cotabato
 - Davao City

10. What are the next steps for eligible organizations planning a RE project in PEF priority areas?

Eligible organizations are requested to fill up the PEF Project Application Form, which may be accessed at the Peace and Equity Foundation website at <http://www.peacefdn.org>. You may also visit the nearest PEF office for application instructions.

RE Project Development

The Department of Energy with assistance from the USAID developed the *Guidebook for Developing Sustainable Rural Renewable Energy Services* in 2001 to assist communities in developing, financing and implementing rural renewable energy service business enterprises. The answers to the following questions are culled from this guidebook.

<http://www.doe.gov.ph/Downloads/nre20guidebook.pdf>.

11. What important activities should be done before starting a RE project?

Since MFIs operate in different areas, the first step would be choosing a pilot project site where they could introduce a new loan window for renewable energy services. It should be noted that BEST-OF-PREN focuses on rural, off-grid areas in the abovementioned priority areas and gives preference to unenergized barangays or those with a low percentage of households with electricity.

Once a site has been chosen, it is important to analyze the energy needs and availability of resources to ensure the sustainability of the RE project. This preliminary assessment, which looks into needs and market, resource and technology, usually takes up to 1 – 2 months.

- ***Needs and Market Assessment.*** This will look at the area's current and future needs for various energy services, such as household lighting and water pumping, commercial irrigation, drying, street lighting and milling, to name a few. This also aims to define existing supply and demand conditions, i.e. consumers' willingness and capacity to pay.

In planning for what type of energy service to provide, the MFI should look into the economic end uses of energy and not just target simple household lighting. Given their significant impact in a community's capacity to pay, income generating activities must also be planned and coordinated with the users and the technology providers.

- ***Resource Assessment*** will identify the type of RE sources available in the area, as well as describe the location, amount and other geo-physical characteristics. Local raw material resources and their possible use in livelihood activities will also be covered.
- ***Technology Assessment.*** Technology options available are assessed based on the available RE sources and economic end use of energy in the area. These are evaluated based on cost and benefit to determine the most appropriate and cost effective option.

12. What are sample questions that would help in conducting a needs and market assessment?

A needs and market assessment will answer the following questions to come up with an Energy end-use and willingness to pay analyses and an energy consumption/load identification analyses.

- What are the existing energy/ fuel sources (e.g. kerosene, dry cell, candle, coal, generator set, etc.) and their level of use?
- What are the current sources of income of each household?
- How much are the current spending on existing energy/ fuel sources of each household/consumer?
- Where are majority of households located and concentrated?

- What are the potential uses or range of applications for electricity in the target site? E.g. lighting, heating, drying, refrigeration, water pumping, livelihood?
- How many potential consumers are there by type of use? (e.g. household, consumer, public)
- What is the projected energy consumption/load by type of consumer?
- What is expected duration and schedule for using electricity?
- How much are consumers able to pay for future energy services?

13. What are guide questions for conducting a resource assessment?

A resource assessment will answer the following questions and will result in resource and village maps and resource availability analysis.

- What are the potential resources for producing the electricity in the target site – solar, hydro, wind, biomass?
- Where are these resources located relative to the potential consumers?
- What are the levels of availability of these resources?
- What are the distinctive geophysical landmarks (mountains, hills, cliffs, ravines) and environmental conditions (typhoons, flooding, erosion) that may constrain or facilitate construction/ establishment of you energy service facility?
- Where are possible sites for locating the future energy facilities?

14. What are helpful questions for conducting a technology assessment?

A technology assessment answers the following questions and comes up with a cost-benefit analysis of technology options.

- What are the technology options for electrifying the target site based on the available local renewable energy resources?
- What are the corresponding benefits and costs of each option?
- What is the least cost technical option in terms of the following:
 - Technology – solar, wind, ocean, hydro, biomass, hybrid
 - Design – individual or centralized
 - Capacity/Scale – no. of kW/mW
 - Grid reference – off-grid, on-grid or mini-grid
- Who/where are the potential technology suppliers?
- What are their terms for supplying the technology?
- Is there a local capability for technology servicing?

Background on the CBRED Project

15. What is CBRED?

CBRED is short for Capacity Building to Remove Barriers to Renewable Energy Development project, which aims to contribute in laying the groundwork for future new and renewable energy projects in the country. It is a joint project of the Philippine Department of Energy, United Nations Development Programme and the Global Environment Facility.

CBRED started in late 2002 as systems approach to removing key barriers to renewable energy acceptance. The project aims to overcome these barriers through policy planning and institutional

capacity building, market services institutionalization, information and promotion program, delivery and financing mechanisms, RE training program and RE technology support program.

Under the delivery and financing mechanisms component, CBRED established three pilot funds to support RE projects that promote and apply innovative strategies and delivery mechanisms. These are the project preparation fund, loan guarantee fund and microfinance fund, which is handled by PEF.

Additional information on the CBRED project and other renewable energy projects of the government are found in the DOE website, www.doe.gov.ph.

General Information about PEF

16. What is PEF?

Established in 2001, Peace and Equity Foundation is an independent non-profit foundation formed by the Caucus of Development NGOs (CODE-NGO) to support the work of civil society in eradicating poverty and marginalization.

PEF administers an endowment fund from the net proceeds of the Poverty Eradication and Alleviation Certificate (PEACe) Bonds to promote opportunities for the poor.

PEF envisions empowered communities that (1) have basic needs of life – food, health, education, shelter and water; (2) engage in socio-cultural and economic activities; and (3) participate meaningfully in local governance in atmosphere of social harmony, cooperation and sharing.

PEF supports best practices as well as innovative and trailblazing development projects by providing civil society organizations with development financing and technical assistance, promoting appropriate technology and encouraging networking among its stakeholders.

17. How do I contact PEF to learn more about BEST-OF-PREN?

You may visit the following offices if you wish to know more about BEST-OF-PREN or if you still have questions not covered in this primer.

You may also visit PEF’s website for further information, <http://www.peacefdn.org>.

- Renewable Energy Unit, National Office

Contact Person	Mr. Roberto Mina, Program Manager
Address	69 Esteban Abada St., Loyola Heights, Quezon City
Telephone	(63-2) 426-8402 loc 112
Email	renewables@peacefdn.org

- Luzon Office

Contact Person	Mr. Allyn Lopez, Regional Manager
Address	69 Esteban Abada St., Loyola Heights, Quezon City
Telephone	(63-2) 426-8402 loc 104
Email	pef-luzon@peacefdn.org

- Visayas Office

Contact Person	Ms. Ofel Cardeno, Regional Manager
Address	Rm 301, Krizia Bldg., Gonzales Compound corner Gorordo Ave., Cebu City
Telephone	(63-32) 231-8853
Email	pef-visayas@peacefdn.org

- Mindanao Office

Contact Person	Mr. Cris Bual, Regional Manager
Address	37 3rd St., cor. Quimpo Blvd., Ecoland Subdivision, Phase 1 Matina, Davao City
Telephone	63-82) 299-3588
Email	pef-mindanao@peacefdn.org



Peace and Equity Foundation

BEST-OF-PREN Project Proposal Format

1.0 SUMMARY

1.1. IDENTIFYING INFORMATION

Project Title	(Please limit title to 7 words)
Project Site/s*	(Exact location of the project, not the proponent's address)
<i>Island Coverage</i>	<input type="checkbox"/> Luzon <input type="checkbox"/> Visayas <input type="checkbox"/> Mindanao <input type="checkbox"/> Nation-wide
<i>Region</i>	
<i>Province</i>	
<i>Municipality/ District</i>	

Direct Beneficiaries*	<i>(Please check sector/s and fill estimated number)</i>		
	Male	Female	Total
a. Socio-Economic Sectors			
<input type="checkbox"/> Farmers			
<input type="checkbox"/> Landless Rural Workers			
<input type="checkbox"/> Fisherfolk			
<input type="checkbox"/> Wage-earners			
<input type="checkbox"/> Micro-entrepreneurs			
<input type="checkbox"/> Migrant workers			
<input type="checkbox"/> Multi-sectoral/HH			
<input type="checkbox"/> Victims of Calamities			
<input type="checkbox"/> Informal Settlers			
<input type="checkbox"/> Youth/students			
b. Socio-Political Sectors			
<input type="checkbox"/> Women			
<input type="checkbox"/> Indigenous People			
<input type="checkbox"/> Physically challenged			
<input type="checkbox"/> Victims of Calamities			
<input type="checkbox"/> Urban Poor			
<input type="checkbox"/> Rural Poor			
<input type="checkbox"/> Moro People			

Renewable Energy Project Type

(Please check appropriate box)

RE Technology to be Used	RE Services To Be Applied To
1) Solar Photovoltaic (PV) <input type="checkbox"/> Balance of Systems Replacement <input type="checkbox"/> Battery Charging Station <input type="checkbox"/> Water Pumps <input type="checkbox"/> Others: _____	1) Home Use <input type="checkbox"/> Lighting <input type="checkbox"/> Entertainment <input type="checkbox"/> Cooking <input type="checkbox"/> Communication or Access to Information
2) Hydropower <input type="checkbox"/> Pico <input type="checkbox"/> Micro	2) Community Use <input type="checkbox"/> Water Supply <input type="checkbox"/> Rural School <input type="checkbox"/> Rural Clinic <input type="checkbox"/> Street <input type="checkbox"/> Others: _____
3) Biomass <input type="checkbox"/> Cook stove <input type="checkbox"/> Biogas <input type="checkbox"/> Bio-fuel	3) Productive/Livelihood Use <input type="checkbox"/> Bakery <input type="checkbox"/> Irrigation <input type="checkbox"/> Crop Loss Reduction
4) Wind Power <input type="checkbox"/> Turbine <input type="checkbox"/> Windmill	<input type="checkbox"/> Telephone Kiosks <input type="checkbox"/> Shrimp/Fish Farming <input type="checkbox"/> Refrigeration <input type="checkbox"/> Eco-tourism Facilities <input type="checkbox"/> Shops <input type="checkbox"/> Agriculture <input type="checkbox"/> Livestock <input type="checkbox"/> Others
5) Others: _____	

1.2. PROJECT COST*

Component	Proposed	Recommended	%
Institutional Support			
Client Development			
Direct Project Costs			
Total			

- Indicate the reason for the variance in the proposed and recommended

2.0 PROJECT CONTEXT

2.1. THE AREA/ COMMUNITY*

a. Basic Community Profile

- Population
- Number of barangays
- Major economic activity
- Energy Situation
 - Off-grid or on- grid electricity
 - Sources, uses and frequency of electricity, if any
 - Cooking fuel used
 - Estimated HH expenditures on energy (kerosene, candles, wood, LPG etc)
 - Percentage of HHs with electricity connection

- Total population and population growth rate
- Income classification (class)

b. What are the indicators of poverty in the community? Indicate if possible how many are affected.

- Economic
- Basic Services
- Governance/ Community Empowerment
- Environment
- Access to Electricity/ Energy Services
- Others
- If available, refer to poverty map

c. How do these indicators compare with towns/ communities?

d. What are the specific problems or needs that the project intends to resolve?

2.2. PREVIOUS/ ON-GOING INITIATIVES*

a. What have the community stakeholders done to respond to the problem?

b. What have the proponent and other stakeholders (e.g. other funders, LGU) done? List significant accomplishments or outputs, if any.

3.0 THE PROJECT

3.1. PROJECT RESULTS/ OBJECTIVES

- a. What is it specifically that the project seeks to accomplish to reduce poverty in the area or the target stakeholders/beneficiaries/partners? Elaborate on the potential impact of the project on the community and the partner organization based on the terminal objectives.
- b. What are the indicators that will demonstrate that the poverty conditions are being addressed during the lifetime of the project? Describe direct or proxy indicators.
- Community/ Household level

By end of six months	End of 1 Year	Terminal Objectives

- Partner/ Organizational Level

By end of six months	End of 1 Year	Terminal Objectives

3.2. CLIENT STRATEGY/ PROJECT OUTREACH

- a. When and how will the project cover the different areas targeted?

(For example, a new branch will be established to reach the areas by 2004, a buying/production unit will be set in each barangay, a water committee will be set up in month 1 to select the priority households for the water tanks, etc.)

- b. When and how will the project reach the targeted number of beneficiaries?

(For example, to reach 1500 new microfinance clients in one year, project will serve 100 new clients per month for the first 6 months, and 150 new clients per month for the next 6 months two water tanks will be constructed in a cluster of 10 household, etc.)

3.3. PRODUCT DESCRIPTION/ PROJECT COMPONENTS

- a. What are the major components and activities to be carried out to address the poverty conditions and the project's implementation?

(Describe each component or activity, e.g., loan & savings products/guidelines, training topics, market activity, business activities, product to be produced, listing and specifications of machinery and equipment, etc.)

3.4. PROJECT MANAGEMENT*

- a. Name the key officers and staff that will be directly accountable for the project

POSITION	NAME

- b. Describe the management scheme and internal monitoring and evaluation procedures

3.5. PROJECT FINANCIALS*

Based on the project cash flows and project financial statements:

- Are the benefits/returns greater than the costs?
- Can the project be sustained after PEF assistance?
- Describe the financial highlights of the cash flow or the business plan

(Please attach project cash flows, and income statement and balance sheets for enterprise projects. If available, use softwares/tools provided by PEF.)

4.0 THE PROJECT PROPONENT

4.1. BACKGROUND OF THE ORGANIZATION

- General – Vision, Mission, Goals
- Area of Operation
- Number of members
- Type of project implemented and funding agencies (include major project types implemented in the last 2 years)

Project Type/ Name	Funder	Project Area	Brief Status
Microfinance for OSY	Fund ABC	Site A	30 clients, On going; due for completion 2006, repayment rate at 89%

4.2. TRACK RECORD OF THE PROPONENT

- a. What is the track record of the proponent in relation to the proposed project?
 - What are the key indicators that would indicate the proponent's capacity to manage the project successfully?
 - What are the key indicators that would indicate the proponent's weaknesses to manage the project successfully?

- b. Analysis of financial statements, e.g. income statement in the last 2 years
 - For microfinance use FAST software and DP cash flow tool.
 - For business/employment/livelihood, analysis of income statement
 - If the proponent has existing liabilities, include the status of the liability and if necessary submit a statement of good standing from the debtor (see table)

Liability with / Debtor	Amount	Status of Repayment
Land Bank of the Philippines PCFC etc		<ul style="list-style-type: none"> • Total amount • Duration • Amount outstanding • Yearly amortization • Interest rate • Repayment rate

5.0 RECOMMENDATIONS

5.1. FINANCIAL SUPPORT RECOMMENDED

How much resources are recommended for the effective implementation of the project? (Indicate the local counterpart and the contributions to the project from other stakeholders.)

Line Items	Total Cost	Recommended		Local Counterpart		Amount From Others	
		Loan	Grant	Proponent	Beneficiary	LGU	Donors
Salaries							
Staff Development							
Systems Development							
MOOE							
Others							
Total Institutional Support							
Field Visits							
Skills Trainings							
Others							
Total Client Development							
Working Capital							
Equipment							
Infrastructure							
Land							
Total Direct Project Cost							
TOTALS							
% Share							

5.2. TERMS AND CONDITIONS OF ASSISTANCE

a. The loan shall be subject to the following terms:

Schedule of Releases

Schedule of Release	Amount	Condition of Release
1 st Release		
2 nd Release		
Total		

Loan Profile

ITEM	TERMS AND CONDITIONS	
Maturity Period/Duration		
Interest Rate	12% pa for regular projects; 9% pa for PACs; 7% pa for CBRED MFF	
Repayment Conditions	Principal:	Interest:
Security		
Mode of Payment	Post-date Checks in favor of PEF	
Others		

b. The grant shall be released based on the following schedule

Schedule of Releases

Schedule of Release	Amount	Condition of Release
1 st Release		
2 nd Release		
Total		

6.0 RISK ANALYSIS

- a. What can go wrong with the project?
 - b. What mitigating or preventive mechanisms need to be installed by PEF and the proponent?
-

7.0 DOCUMENT CHECKLIST

(These documents SHALL be provided by the proponent.)

7.1. ORGANIZATION-RELATED DOCUMENTS

- Copy of SEC/PCNC/CDA Registration
- Copy of Proponent's Articles of Incorporation and By-Laws
- Audited Financial Statements of Proponent for the last two years
- Notarized Board Resolution indicating the requested assistance from PEF and naming at least two authorized representatives who will sign all documents pertaining to the project
- Curriculum Vitae of the officers and management staff of the organization

7.2. PROJECT-RELATED DOCUMENTS

- Location map showing project sites/areas
- Detailed financial schedules of proposed budget (including notes and assumptions)

7.3. PROJECT-SPECIFIC DOCUMENTS

- Business Plan (if project is an enterprise)
- Guidelines for Revolving Credit Funds (if applicable)
- Documents showing proof of approved funding (if the project will use counterpart funds from other donors)
- Plan, drawings, specifications for infrastructure, machinery and equipment, etc. (if applicable)
- training Design (if applicable)

Training Title	Expected participants	Resource Persons	Total Cost

Guidelines/Notes for recommendations:

For Microfinance Projects

Portfolio at Risk = ideally less than 5%

- If PAR is greater than 5% but is being recommended for support please provide justification. Possible justifiable reasons are potential for growth of portfolio, presence of risk mitigation measures, good collateral cover, MF is the only organization in the area.

Past Due Rate = ideally Zero

- If the PDR is greater than 15%, it is possible that institution/capability building is the primary need and not additional loan.
- If above 5%-15% and the project is being recommended for support please provide for strong justification. Consider also releases in tranches subject to good performance.

Debt-Equity Ratio

- Less than 6x is ideal.
- A detailed list of liabilities is needed if the project being recommended for support despite a high D-E ratio