

The **People’s Development Trust Fund (PDTF)** is a Fund created under the Social Reform and Poverty Alleviation Act (R.A. 8425) to primarily develop and strengthen the institutions involved in providing microfinance services to the poor, in extending necessary support services, and in pursuing social and financial preparation of the marginalized sector of society or end-clients. The corpus of the PDTF (i.e. non-disbursable portion) consists of the amount to be provided by the government over a 10 year period and other additional amounts provided thru voluntary contributions, grants and gifts by local and foreign sources. The disbursable portion consists of the earnings of the PDTF corpus and other additional amounts expressly donated, contributed or granted as part of the disbursable portion.

ELIGIBLE GRANTEES

- Non-Bank Microfinance institutions (NGOs, Coops, and POs)
- Special Sector Organizations (NGOs, Coops, and POs) about to start providing microfinance services to unserved & hard-to-reach areas
- Local Government Units (LGUs)
- Other possible grantees (e.g. bank-MFIs) upon evaluation & approval of PDTF ExCom which have poverty reduction as a primary objective in their microfinance endeavors
- Service Providers/Promoters for Microfinance and Microenterprise Development

ELIGIBLE PURPOSES OF PDTF INCOME

- Consultancy and training services for MFIs on the establishment of necessary support services, social and financial preparation of beneficiaries, preparation of plans and programs including fund sourcing and assistance, establishment of credit and savings monitoring and evaluation mechanisms;
- Scholarships or training grants for microfinance staff/officers and selected beneficiaries;
- Community organizing for microfinance, livelihood and microenterprise training services;
- Livelihood/microenterprise project/program feasibility studies and researches;

- Savings mobilization and incentive programs, micro-insurance and other similar facilities;
- Information and communication systems such as baseline surveys, development monitoring systems, socio-economic mapping surveys, organizational assessments and other similar activities;
- Legal and other management support services such as registration, documentation, contract review and enforcement, financial audit and operational assessment;
- Information dissemination of microfinance technology and microenterprise development; and
- Other activities to support microfinance and livelihood/microenterprise development.

PRE-ACCREDITATION CRITERIA FOR SERVICE PROVIDERS (SPs)

To qualify for accreditation, the organization/individual must pass the following criteria:

Organization SPs	Individual SPs
<ul style="list-style-type: none"> • Duly registered w/ appropriate agency • With at least 3 years track record in providing technical services on microfinance/ microenterprise-related project • Key staff must be competent w/ extensive technical or field experience • No adverse findings on the reputation & competence of the owners/trustees & management of the institution 	<ul style="list-style-type: none"> • With at least 3 years track record in providing technical services on microfinance/ microenterprise-related projects • Competent w/ proper academic credentials and/or w/ extensive technical or field experience on the area of specified line of specialization needed by the project • No adverse findings on the reputation, competence and character

PRE-QUALIFICATION CRITERIA

To qualify for grant funding, the institution must pass the following criteria:

Criteria	NB-M	B-M	SSO	LGUs
• Duly registered w/ Securities & Exchange Commission (for NGOs); Cooperative Development Authority (for coops); or Bangko Sentral ng Pilipinas (for banks)	✓	✓	✓	
• Track record <ul style="list-style-type: none"> ○ At least 2 years continuous microfinance operations ○ 1 year profitable microfinance lending operations 	✓	✓		
• Presence of credible, competent and qualified Board of Directors and key officers	✓	✓	✓	
• Presence of Accounting & Cashiering Services & Internal Control Systems	✓	✓		
• Presence of Savings Mobilization for coops	✓			
• No material & adverse findings on the reputation & competence of the Board of Directors/Trustees & principal officers		✓	✓	
• Financial Criteria <ul style="list-style-type: none"> ○ Past due rate is not >20% of total loan portfolio ○ Total resources of at least P500,000 ○ Shall have profitable operations for the last 1 year & shall have Capital to Risk Asset Ratio (CRAR) of at least 10% after PCFC & other creditors 	✓	✓	✓	
• Outreach <ul style="list-style-type: none"> ○ At least 100 borrowers ○ At least 200 borrowers 	✓	✓		
• Shall have concrete start-up plan of providing microfinance/microenterprise services (i.e. area/s of coverage, projected outreach, projected loan releases, projected financial statements, plans & programs, etc.)			✓	
• Absence of MFIs in the planned area/s of operations or present MFI is not adequately serving the community			✓	
• Provide microfinance & microenterprise programs to their constituent, provided that the Fund shall not be used for personal services & maintenance & other operating expenses as loanable fund				✓
• Undertake self-help projects where at least 25% of the total Fund earnings shall be used exclusively for the provision of materials & technical services				✓

NB-M – Non-Bank-MFIs
B-M – Bank-MFIs

SSO – Special Sector Organization
LGUs – Local Government Units

CONDITIONS FOR THE GRANT

- PDTF contribution $\leq 75\%$ of the total project cost (i.e. for foreign scholarship grant fund will provide $\geq 37.7\%$ of the total cost)
- Proponent-organization must contribute at least 25% direct cost (i.e. may consider equivalent value of the contribution in kind-human resources and materials)
- Maximum PDTF contribution is P300,000/MFI (in the meantime that the Fund has not received the required PAGCOR contribution)

APPLICATION PROCEDURES

1. Proponent-organization/individual should provide the following:

Proponent-organization	Proponent-individual
<ul style="list-style-type: none"> • Information about the organization including the plans & programs 	<ul style="list-style-type: none"> • Bio-data & supporting documents for credentials (e.g. diplomas, Transcript of Records, Certificates of Training Completion, Awards/Certificates, etc.)
<ul style="list-style-type: none"> • Certificate of Registration, Articles of Incorporation and By-Laws 	<ul style="list-style-type: none"> • Income Tax Return
<ul style="list-style-type: none"> • Information sheet on the Board of Directors & Principal Officers 	<ul style="list-style-type: none"> • Concept Paper
<ul style="list-style-type: none"> • Latest Audited financial statements 	
<ul style="list-style-type: none"> • Board resolution authorizing the request for grant funding 	
<ul style="list-style-type: none"> • Concept paper 	

2. The proponent shall submit the following project details after approval of qualification/accreditation and after approval of concept paper:
 - a. Rationale and Objectives
 - b. Methodology/Strategy/Action Plans to achieve objectives (how is this different from existing approaches)

- c. Description of the Project's ultimate clients & corresponding poverty situation & opportunity for economic growth
- d. Expected benefits and/or benefit monitoring measurements
- e. Implementation Site
- f. Duration/Timetable of Activities
- g. Detailed Project Costs by type of Activity (with breakdown on Fund Request & proponent-counterpart)



**PEOPLE'S CREDIT and
FINANCE CORPORATION**

2/F Accelerando Building
395 Se. Gil Puyat Ave.,
Makati City

Tel. No.: 897-8521 loc. 280/281
Virtual Fax: 325-0448/325-0449

E-mail:
May L. Hernandez
(mlhernandez@pcfc.ph)
Julie Christine B. Calimag
(jccalimag@pcfc.ph)
Bella C. Mordeno
(bmordeno@pcfc.ph)



**NATIONAL ANTI-POVERTY
COMMISSION**

3/F, D.A. Agricultural Training
Inst. Bldg., Elliptical Road,
Diliman, Quezon City

Tel. Nos.:
DL: (02) 426-5198
TL: (02) 426-5028/5019
loc. 131/118/134
Fax No.: (02) 927-9838

Email:
napc_mfu@yahoo.com

PDTF

PEOPLE'S DEVELOPMENT TRUST FUND

**(Administered by the People's Credit and
Finance Corporation)**



**FOR THE DEVELOPMENT AND
STRENGTHENING OF MICROFINANCE
INSTITUTIONS (MFIs) THAT PROVIDE
MICROFINANCE SERVICES
FOR THE POOR**