

Microfinance

Microfinance, for the purposes of this PACAP technokit, shall be defined as the provision of financial services to lower income members of the population. It usually involves not only loans, but also savings, insurance, and cash transfer services.

Microfinance shall be differentiated from other similar concepts such as microlending, microcredit, and micro-enterprise in the sense that it includes a savings component. For some, this is referred to as capital build-up. Microcredit involves purely loans.

Microfinance here is also differentiated from production loan. The latter is used for agricultural purposes. Microfinance is always paid through cash while production loans may be paid for in kind. Terms for financing production loans often depend on the seasonality of crops being produced by the beneficiary farmers.



Introduction

This module is intended to serve both as a guide and a template for proponents (e.g., microfinance institutions, cooperatives, non-government organizations, people's organizations) in preparing and packaging their proposals on microfinance or microlending programs for possible PACAP assistance.

To avail of PACAP funding support, an organization has to submit an initial concept paper through a completely filled out Expression of Interest (EOI) form, a copy of which is provided in Annex 2 of this kit. The EOI shall be accompanied by an estimated budget for the proposed project. Upon PACAP's review and approval of the concept paper or EOI, the organization is asked to proceed to the full project proposal.

This module follows the proposal format prescribed by PACAP under the Responsive Assistance Scheme (RAS). Each section aims to serve as a guide for the proponent in writing up the proposal. A sample proposal may be copied or used as a guide by the proponent. At the same time, the criteria for appraising microfinance proposals is included here to ensure that the proponent complies with the necessary data requirements.



A listing of the required documents and forms are also included in this kit as a guide for submission.

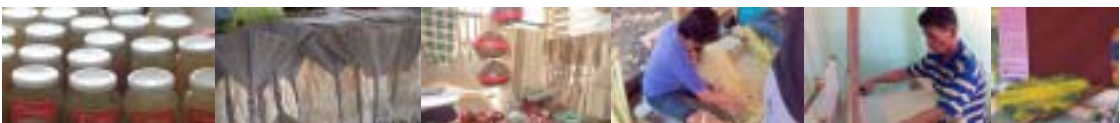
Preparing the Proposal Project

This chapter provides a step-by-step guide to preparing the project proposal. Notes or tips and other references are also provided to facilitate the proposal preparation process.

Project Background

This section should outline the issues or problems this proposed project hopes to address as well as identify previous undertakings in this area. It is also important to state who the intended beneficiaries of the project are. It should include the significance and possible contributions of the proposed project to its intended beneficiaries. Moreover, it should identify and discuss linkages to related government or donor-funded projects locally or in the Philippines.

Likewise, it should describe the credit environment and identify the presence of other microfinance institutions (MFIs) or creditors operating in the area.



Proponent Background

This section should be able to present a brief profile of the proponent organization: its mandate, nature of operations, legal character and governance, services, and clientele. Included here are the organization's vision, mission, goal/s and strategies statements.

Likewise, this section should show the proponent's track record or previous experiences for at least two years in microfinance operations to demonstrate its capability in implementing the proposed project. It should be able to include network affiliation and linkages as well.

The list and profiles of key officers including information on their liabilities, management skills, training and experience should be included as one of the attachments of the proposal.

Project Objectives

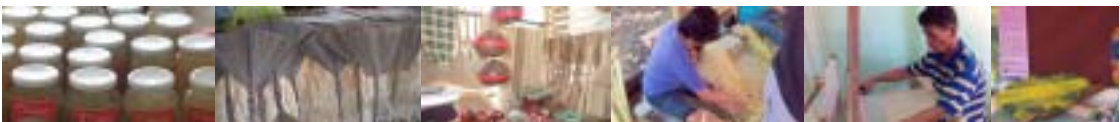
Objectives demonstrate how the proponent intends to solve or contribute to the solution of the problem/s the project hopes to address. It should indicate how these are aligned to the PACAP Strategic Guidance Framework (may be downloaded at www.pacap.org.ph).



In stating objectives, make sure that they are specific, measurable, attainable, realistic, and time-bound.

In microfinance projects, the objectives may include any or all of the following:

- Increase the breadth and depth of outreach to the “entrepreneurial” poor (*e.g., How many clients/poor households will benefit from this project?*)
- Improve the quality and appropriateness of financial services made available to “entrepreneurial” poor (*e.g., portfolio expansion, higher rate of repayments, etc.*)
- Improve the quality of life of the “entrepreneurial” poor clients and their families (*benefits that will be derived by the client through this microfinance intervention, e.g., asset build up of the business, better access to education, improvement in health and nutrition, and in their housing facilities*)
- Contribute to the financial sustainability of the organization (*i.e., in how many years can it become financially sustainable?*)



Proposed Methods

This section should describe how the proponent intends to implement the project to justify the indicative time and budget estimates. It should likewise identify the location of project, the nature of work to be done, the roles of collaborating organization/s in project implementation, the strategies to be employed to address the presence of the other MFIs in the area, and the possible risks to achieving planned outcomes, including environmental risks.

In microfinance operations, this section should describe the following:

- Delivery mechanism – the approach by which the organization intends to deliver the financial services to its clients. Refer to the matrix of Microfinance Models in Module 3 of this technokit.
- Repayment Scheme – refers to the amount and frequency of payments. Microfinance follows the principle of small loans, and small and frequent payments.
- Capital build-up mechanisms – microfinance refers not only to lending, it also has a savings component. Savings may be fixed or flexible, but withdrawable.



- Interest rates – should be at par with retail lending, reasonable and if possible, without fringes.



Don't Forget

NOTE

Interest rates should range from two to three percent per month, as of publication date.

Source: Performance Standards for Microfinance, Bangko Sentral ng Pilipinas

- Portfolio-at-Risk (PAR) or Risk Management - PAR refers to the percentage of loans handled by the organization that have arrears in relation to the total outstanding loans at a given time.



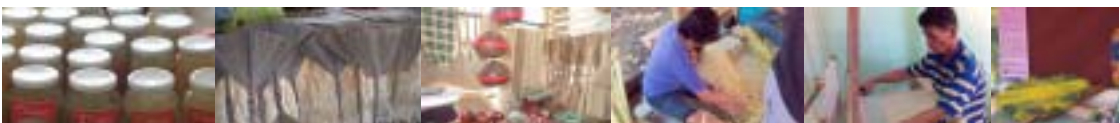
Don't Forget

NOTE

Standard: PAR should be less than five percent.

Source: Performance Standards for Microfinance, Bangko Sentral ng Pilipinas

- Monitoring scheme –should have baseline information or benchmarks on the proposed beneficiaries on which to base future evaluations. In microfinance, there is the so-called beneficiary index (e.g., housing, income, asset) or the poverty scores. Include also a



description of the organization's monitoring scheme with regards to its financial performance (e.g., putting in place an internal audit mechanism).

- Lending policies – must provide details of the following:
 - o Lending and delinquency control roles
 - o Loan procedure
 - o Loan amounts per Borrower
 - o Criteria for Loan Applications
 - o Amounts and Conditions of Loans
 - o Sanctions Against Delinquent Repayment of Loans
 - o Conditions for Loan Restructuring
 - o Collection and Monitoring System for Repayments
 - o Utilization of Repayment, Capital Build-Up and Income from Operations

Expected Outputs/Results

This section should describe the project's expected outputs, developmental benefits and impacts. It should also indicate how the expected output might be sustained at the institutional level or by the beneficiaries.



Include here the benefits that will be derived by the beneficiaries from this microfinance intervention into asset build up of their businesses, education of their children, improvement the family's health and nutrition, and their housing facilities.

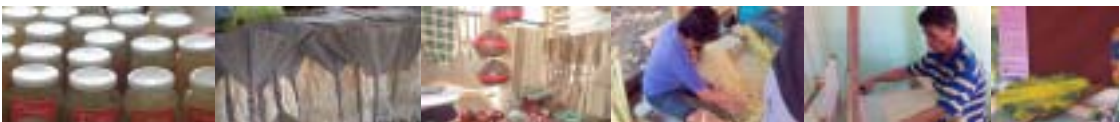
For the proponent, show how the project is expected to contribute to the sustainability of its microfinance operations such as increase in portfolio by how much percent or amount in pesos, amount of loans released to a target number of borrowers as well as target Portfolio-at-Risk (PAR) of 1; 5 percent and repayment rates of 90 percent.

Environmental Assessment

This section should identify any positive or negative impact this project may have on the environment. Likewise, it should specify measures that will be employed by the project to minimize its negative effects on the environment. Please note that PACAP does not support projects that may lead to environmental degradation such as mining, etc.

Gender and Social Issues

This section should identify the expected beneficiaries and stakeholders at the community and



institutional levels. At the community level, it should discuss how the outcomes of the project will affect gender roles or be integrated into existing roles. Likewise, the projects to be funded by the MFI should not in any way contribute to the multiple burden of women but should promote women empowerment in terms of their economic and social well-being. It should also show how it contributes to transformation of gender relations and empowerment of women through the improvement of their economic status.

Project Management

This section describes the structure, composition and functions of the Project Implementing Team (PIT). It should also identify the significant risks and common causes of failure in projects of this nature that will likely affect the achievement of project outputs/outcomes as well as propose measures to mitigate such risks.

Preparing the Project Budget

The proposed project's budget should be presented using the table below. PACAP can provide assistance to projects up to PhP 1.5 million per year. Note that PACAP does not provide funds for capacity building



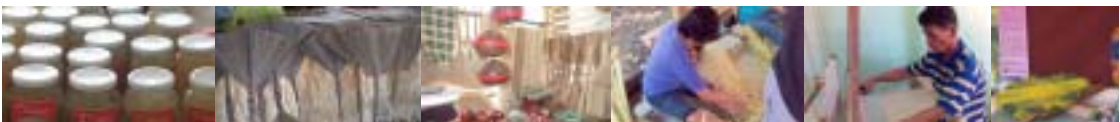
of proponent organizations except for the training on basic project management and financial management which are directly related to PACAP compliance.

Budget Item	PACAP Request	Contribution from Other Grps.	Proponent Counterpart	Beneficiary Counterpart	Total Est. Cost
DIRECT PROJECT COSTS (Components and Activities)					
Subtotal					
TRAINING					
Subtotal					
ADMINISTRATION & SUPPORT					
Subtotal					
TOTAL					


Note: Allocation of the proposed budget must be within the following limits:

- PACAP Contribution can value up to Php 1.5 million per year
- RAS projects can be implemented for up to 18 months
- It is anticipated that 25% of total budget resources will be contributed by Project Proponent and 8% from other institutions for a total counterpart contribution of at least 33%
- Administrative Fund – block funding up to a maximum of 15% of total PACAP request but not more than 25% of total project cost.

Counterpart contribution is the portion of project expenses or charges incurred for a PACAP-assisted project which are provided by the project proponent



and stakeholders and forms part of the project’s total budget. This is reflected in the Grants and Counterpart Utilization Schedule (GCUS), a sample of which is appended as Annex 5 of this module.



NOTE
 As an indication of participation and commitment to the project, the proponent and the beneficiaries must jointly provide a counterpart contribution of at least 33 percent. PACAP will cover a maximum of 67 percent of the total project cost

Don't Forget

The Guide to Budget Preparation and Cash Flow Analysis, appended as Annex 6 of this module, prescribes the basic tool for financial analysis of PACAP’s potential and ongoing projects particularly on manufacturing enterprises and revolving loan funds.

List of Required Attachments

- Projected cash flow
- Project Implementation Plan
- Grants and Counterpart Utilization Schedule (GCUS)
- Registration papers (SEC, CDA, etc.)
- Summary of track record



- Audited Financial Statements for the Last Two Years
- Accreditation Documents
- Proof of Sources of Local Counterpart Commitment
- Community Profile
- Curriculum Vitae of Project Implementing Team

PACAP Proposal Format

Background Information

Project Title

Project Type

Project Site

Number of Target Beneficiaries

Estimated Project Period

Description of Proponent Organisation

Name and Address

Date Organised

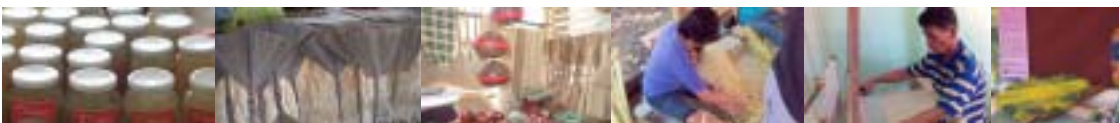
Date Registered

Type of Registration (copy of registration)

Network Affiliation

Objectives/Major Programs

Previous Projects/Donors (in the last three years)



Financial Position (copy of financial projects in the last three years)

Description of Beneficiary Organisation

(if beneficiary and proponent organizations are the same, then leave this portion blank.)

Name and address

Date Organised

Date Registered

Type of Registration (copy of registration)

Number of Members

Key Leaders (top three)

Major Services Offered

Previous Projects/Donors (in the last two years)

Financial Position (copy of financial statements in the last two years)



Project Budget

Budget Item	PACAP Request	Contribution from Other Grps.	Proponent Counterpart	Beneficiary Counterpart	Total Est. Cost
DIRECT PROJECT COSTS (Components and Activities)					
Subtotal					
TRAINING					
Subtotal					
ADMINISTRATION & SUPPORT					
Subtotal					
TOTAL					

Note: Allocation of the proposed budget must be within the following limits:

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- Administrative Fund – block funding up to a maximum of 15% of total PACAP request but not more than 25% of total project cost.

Project Description

Project Summary

Project Background

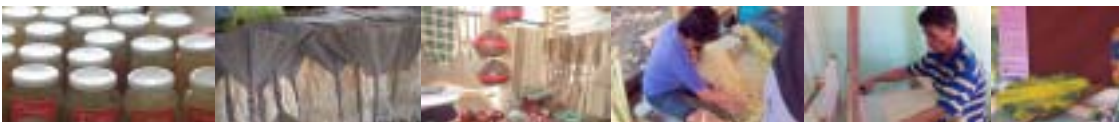
Proponent Background

Project Objectives

Proposed Methods

Expected Outcomes/Results

Environmental Assessment



Gender and Social Issues

Project Management

Attachments

Attachment 1. Indicative Budget

Attachment 2. Checklist of Documentary

Requirements

- Projected Cash Flow
- Registration Papers
- Summary of Track Record
- Audited Financial Statements (last two years)
- Accreditation Documents
- Proof of Sources of Local Counterpart
- Community Profile
- Curriculum Vitae of Project Team

Proposal Submission Instructions

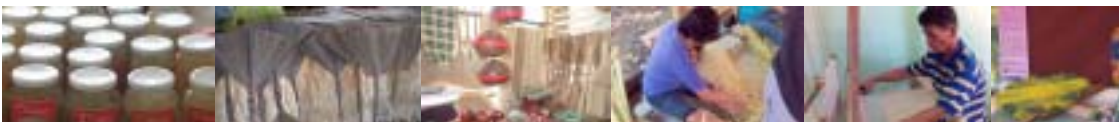
- One hardcopy, in English, must be submitted to the PACAP Office, Unit 2309, 23/F Prestige Tower, F. Ortigas Jr. Road, Ortigas Center 1600, Pasig City; Telephone : +632 631-7549/631-7943; Fax: +632 631-9654 loc. 106; website: www.pacap.org.ph
- One electronic copy, in English, must be submitted to mail@pacap.org.ph



Annex 1

SAMPLE PROJECT PROPOSAL
Section 1. Project Title, Partnership and Duration

Project Title	Sustainable Community Enterprise Development Project
Site/ Location	
Project Type	Microfinance
Budget Total Project Cost Amount Requested Total Counterpart	PhP1,065,509.60-100 % 700,000.00-66 % 365,509.60- 34 %
Project Duration & Timeframe	12 months
Proponent Organization	Cooperative ABCDE
Contact Person	
Position	
Address	
Phone	
Fax	
Email	
Collaborating Organization (Technical Service Provider) & Principal Contact	Service Provider FGHIJ
Target Number of Direct Beneficiaries/ Sector	100 micro-entrepreneur members of the cooperative/Rural Poor
Beneficiary Organization & Principal Contact	



Section 2: Project Description

2.1 Project Background

The City of Oroquieta, nestled on the coast of Iligan Bay, is the capital of Misamis Occidental. It has 47 barangays of which 13 are urban and 34 are rural. Covering a land area of 263.935 square kilometers. It has lowland plains and wide coastal areas on its eastern side and rolling to wide highlands and mountains on its western side. Its total population is 57,623 and the labor force accounts for 34,016. Generally, the population is composed of young people, the majority of whom originated in Bohol. Cebuano is the dominant language (97 percent) and population growth rate is 1.4 percent.

The city's average annual family income is PhP 50,000 and, in fact, included in the top 44 poorest provinces in the country as part of Misamis Occidental. Moreover, it has an annual per capita poverty threshold of PhP 9,655. Poverty incidence of families is 43.4 percent while poverty incidence of the population is 49 percent.

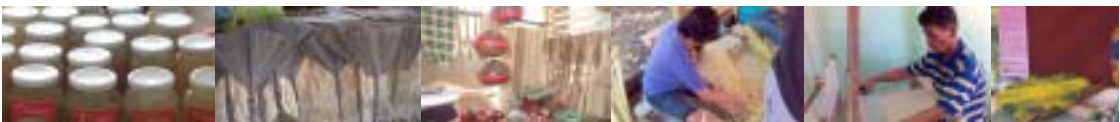
This project seeks to assist 100 micro-entrepreneur members of the Cooperative ABCDE and respond to the problem of lack of access to credit facilities. Considered as the poorest in Oroquieta City, the individual beneficiaries are composed of urban poor, farmers, fisherfolks and Subanens (indigenous peoples). These cooperative-



members have an average monthly income of PhP 2,000 with an average family size of six. Beneficiaries live in houses, either owned or rented, that are made of light materials. The market for the businesses is largely within the community where they are residing. They also employ one or two worker(s), mainly family member(s) and have business assets of PhP 25,000.00 and below as well as personal assets of PhP 50,000.00 and below. To support existing business and their families' needs, these micro-entrepreneurs resort to borrowing from usurious moneylenders in the community.

Currently, members acquire capital for business mostly from informal lending institutions and individuals charging usurious rates.

The project innovates the Grameen savings based approach to generate savings and extend loans to the members. Aware of the experience of others, the project has to inculcate the habit of savings to member borrowers in order to sustain its project. Members will be made aware of their responsibilities and commitment to pay and fulfill other functions within the group. To ensure prompt payment, the coop has to strictly impose its policies. It is envisioned that the project will be replicated in other barangays of Oroquieta City.



2.2 Proponent Background

Organized in October 10, 1992 and registered on July 24, 1994, the Coop has a total organizational experience of 13 years. Presently, it has a total membership of 545. Its major services to members include: Loans and Savings, Catering, Trading, Garment Production, Education and Training, Insurance and Scholarship Program. It is also a member of Oroquieta City Development Council.

The Coop has total assets of PhP 4,063,938.86 (current assets: PhP 1,248,812.84). However, most of these assets are fixed assets and some are tied to their present borrowers. Hence, they have limited revolving fund. The cooperative has a relatively good experience in managing its affairs and has demonstrated capability in handling the project with the proper training, supervision and guidance. Its main affiliate (and previous donor) is Service Provider FGHIJ. Other donors include the KATAWHAN-MO/Tri-People Network for Peace and Development. Most cooperative members are former program partners of the International Sponsorship Program of the Christian Child Welfare Association [CCWA] of Japan.

Upon the recommendation of the PACAP Advisory Committee (PAC), the Coop has contracted the services of Service Provider FGHIJ for 12 months to provide technical assistance and mentoring in the implementation



of the project especially in the areas of loan management and organisational development.

2.3 Project Objectives

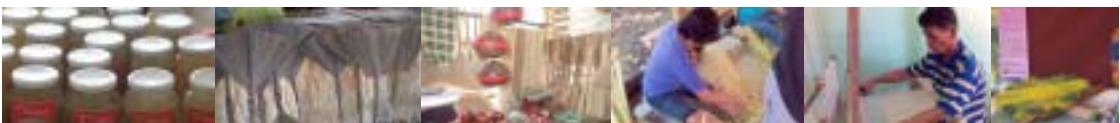
The project intends to respond to the problem of lack of access to credit facilities to target beneficiaries for the improvement and expansion of their existing businesses. Specifically, after one year of implementation, the project shall have:

- 1) strengthened institutional capabilities of the Coop ABCDE;
- 2) provided financial assistance to its 100 coop members; and
- 3) enhanced managerial capabilities of 100 member-borrowers.

After three years of implementation, it is hoped that the poverty incidence in the target communities shall be reduced through increase in income and employment generation.

Proposed Methods and Outputs

In achieving the above objectives, the following components (with corresponding outputs/outcomes) are expected in Year 1:



Financial Assistance (Loans and Credit)

Involves the provision of revolving loan fund amounting to of PhP400,000 to the coop (PhP 250,000 from PACAP and PhP150,000 from the Coop) at an interest of 3 percent per month.

Each qualified member can avail of loan amounts ranging from PhP 4,000 to PhP 10,000.

A savings generation scheme is also incorporated in this component -wherein potential member-borrowers are required to deposit PhP 30.00 per week.

A wide and extensive range of enterprises have been identified for support such as food production, orchid vending, ready-to-wear clothes (RTWs), to dried fish trading, hollow blocks making, as well as providing personal services like foot spa, barber shop and catering.

Lending policies include the following:

a. Criteria for Loan Applications

1. Borrowers must form into groups with 5 to 10 members each.
2. Any male or female member with existing business, who is physically fit and in good health, and without existing debt with other MFI or individual, is eligible to borrow.



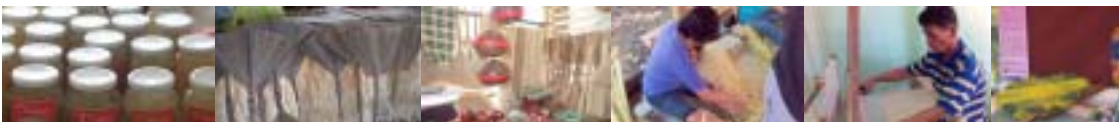
3. Borrowers are required to attend weekly group meetings and training.
4. Borrowers are willing to deposit PhP 30.00/week in regular savings with the Coop.
5. The group's commitment to pay the obligation of each member is required. Each member acts as co-maker for each member.
6. Documentary requirements for individual borrowers include the following:
 - two pieces 2 x 2 photo,
 - barangay clearance,
 - residence certificate,
 - payment of PhP 20.00 for credit and savings passbook; and
 - Accomplished Loan Application and Simple Business Plan forms.

b. Loan Amounts per Borrower

1. Loanable amount per borrower ranges from PhP 4,000.00 to PhP 10,000.00, subject to a 2 percent service fee. Increase in loan amount is dependent on previous loan performance
2. Loans are subject to insurance under the Loan Protection Plan of CLIMBS

c. Collection and Monitoring System for Repayments

1. Loan amortization payment schedule is weekly.



2. Penalty surcharge of 1.5 percent will be imposed on late payments based on amount due.

d. Loan Procedure

1. Conduct of baseline investigation
2. Conduct of group orientation and formation
3. Attendance of borrowers in training programs
4. Submission of application and other requirements
5. Credit committee action; and
6. Approval and release of loan.

The contracted technical service provider, will ensure effective and efficient project management and implementation through continued coaching and mentoring at the beneficiary level. It shall review the existing lending system and practices of the Coop to install appropriate credit management system, procedures and policies related to the project design. It shall also assist the Coop in preparing appropriate forms and other loan documents as well as in opening project bank accounts, both for the proceeds of the grant and the re-flows.

Likewise, it shall conduct on-the-job training on the innovative process of implementing the Grameen-type of organizing groups for re-lending and savings activities, assist the Coop in formulating effective strategies and activities in enforcing loan collection and minimizing loan



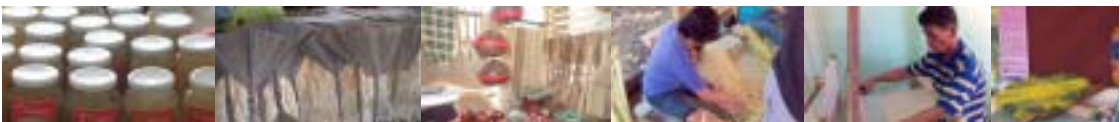
delinquency as well as help the Coop install a separate project accounting system, and regularize its financial planning and reporting.

Moreover, the contracted service provider will conduct daily coaching activities for the Coop until all project-related system, policies and activities are well-installed and undertaken. Direct staff coaching will also be done to enhance the skills of the staff in preparing and evaluating loans, preparing and evaluating business plans or simple feasibility studies, and in monitoring loans and business performance of member borrowers.

Outputs

By the end of one-year, the following outcomes shall have been achieved under this component:

- Incomes of 100 coop members increased by at least PhP 500 a month through provision of livelihood loans and expansion of businesses within a one year period
- 100 individual livelihood projects viable and profitable
- At least 50 percent of loan funds used to finance non-vending but more profitable small scale manufacturing, production or provision personal services



- 90 percent repayment rate on loans and 36-percent per annum interest collected from borrowers

Organizational Development

Involves the provision of training and technical assistance to the Coop by the contracted service provider to capacitate them to manage the loan fund and eventually, provide technical assistance to member borrowers.

While the Coop has already undertaken training in credit management and in installing loan related management system and processes and in the planning and decision making processes, its Credit Committee members still expressed the need to enhance their abilities relative to loan appraisal and evaluation as well as in conduct of loan related interviews. Along this line, FGHIJ, as technical service provider, will facilitate the implementation of a training on loan appraisal and evaluation training, including techniques in the conduct of interviews. A training on Loan Delinquency Management will also be provided, as preventive measure and remedial process, to counter possible recurrence of payment delinquency problems.

Other Organization Development activities include training sessions on project management, monitoring and evaluation. Hopefully, this strategy will institutionalize the IGP program at the cooperative level.



Outputs

At the end of the one-year intervention, the following shall have been attained:

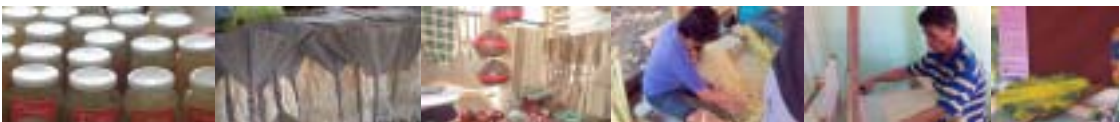
- 16 coop officers demonstrated capabilities in loan appraisal, evaluation and the conduct of loan interviews
- Loan delinquency control measures established and operational
- Monthly planning and reporting conducted and quarterly reports submitted to PACAP

Training and Consultancy

Involves the conduct of training programs on small business management such as the Business, Expenses and Savings Training [BEST], cash management and business planning.

Likewise, training on project orientation, simplified bookkeeping as well as Livelihood and Technology Skills Training will be conducted. On-site consultancy shall also be provided to assist entrepreneurs gain wider perspective about their businesses to be able to respond to problems or changes in the business environment.

FGHIJ will facilitate the conduct of a savings product development workshop, and installation of an effective mortuary service at the cooperative level. It will also



facilitate the Coop's linkage with the Cooperative Life Assurance Society of the Philippines (CLASP), the first cooperative insurance in the country.

It shall also provide on-site technical coaching on community organizing, particularly in managing and facilitating groups or small organizations. The Coop staff will also be coached in developing and managing small businesses and in upgrading their skills in evaluating small business proposals. It will also conduct other value enhancement training programs such as recollection and annual retreat of the Coop staff as well as team-building activities to enhance staff leadership skills. Moreover, the Coop staff will also be trained in networking with other resource agencies particularly in accessing programs and resources with government agencies, non government organizations and other resource agencies.

Outputs

By the end of one-year, the following outcomes shall have been achieved under this component:

- 100 coop members demonstrated capabilities in preparing simple business plans, practiced record keeping in their respective businesses, demonstrated skills in livelihood and technology, improved production and marketing activities;



- Project systems and procedures in place and operational; and
- Enhanced/Upgraded skills of Coop staff in evaluating business proposals, in leadership, in coop and business management and in linking/networking with resource agencies (LGUs, NGOs, etc.)

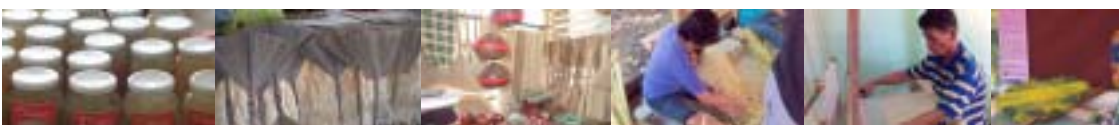
Research and Creation of a Member Database System

Involves the conduct of research activities to include updating of basic socio-economic data of member borrowers, profile studies, evaluation and creation of a database that includes name, address, gender of member borrower, business type, number of workers, classification and business and family income.

To maintain effective and efficient database system, the purchase of one unit of computer is being proposed. FGHIJ, as technical service provider, will coach and mentor Coop ABCDE in the publication of successful stories of micro-entrepreneurs and the results baseline survey of community and beneficiaries.

Outputs

By the end of one-year, the following outcomes shall have been achieved under this component:



- Survey questionnaires prepared and data consolidated into a computerized database of the community and beneficiaries
- Profiles of the 100 borrowers and their loan portfolio
- Publication of successful stories of micro-entrepreneurs

Monitoring and Evaluation

The Coop shall monitor member-borrowers' loan status through regular and/or unintended visits, collection and follow ups. Information on the visits shall be reflected on the Loan Status Report which shall include the client's name, type of business, loan status (new or re-loan) principal, interest and other charges, date release, loan terms [three months, six months, 10 months], amount collected to date, aging of account [current, overdue (1-30 days, 31-60 days, 61-90 days, over 91 days), total overdue,] outstanding balance and repayment rate.

Likewise, there will be monthly PIT meetings to evaluate the status of the project based on its objectives and strategies. Moreover, there will be an annual and final evaluation of the project for its internal and external operations.



Risk Assessment

One major risk and how this will be managed within the project is poor performance of the livelihood projects and delinquency in loan repayment. Aside from the above-cited training and OD activities, close monitoring of the progress of these livelihood projects and loan repayments will be done within the project period to ensure that the loan funds are used properly and that incomes derived from these projects are accounted for.

Moreover, a Loan Delinquency Management Training will also be provided both as preventive measure and remedial process to counter possible recurrence of the delinquency problem.

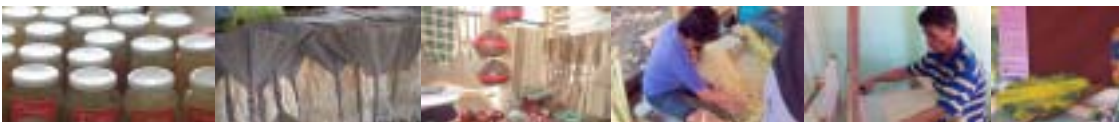
2.4 Expected Results

Project impacts at the Coop level would be manifested in the following: 1) increased ratio of member's capital contribution against seed capital; 2) exhibited capabilities to manage loan fund and provide technical assistance to member beneficiaries; and 3) income generating project (IGP) program institutionalized at the coop level.

2.5 Project Management

a. Project Implementing Team [PIT]

The Project Implementing Team [PIT] shall be composed of Coop representatives [President, Manager



and Loan Officer] and two representatives from member beneficiaries. They shall promulgate policies as well as approve and execute plans for the effective and efficient implementation of the project.

b. Financial Management System

The Coop shall submit to PACAP on quarterly basis the following documents:

1. Trial Balance
2. Income Statement
3. Balance Sheet
4. Quarterly Expenditure Report
5. Bank Reconciliation Report
6. Schedule of Accounts

It shall authorize the President and the Manager as bank signatories. The project shall maintain its own bank account and books of accounts. It shall also adhere to the generally accepted accounting principles and practices in the disposition of project funds or the financial system adopted by PACAP.

2.6 Community Participation

This project was conceptualized and developed as part of the Cooperative's development plan. It innovates the Grameen based savings approach to mobilize self-generated funds to sustain the project.



The Coop, as member of the City Development Council, it responds to the city's development plan of providing people with access to credit to create gainful employment and increase income.

Moreover, the Coop shall provide, counterpart to the project, staff and additional revolving capital.

After phase out, project is envisioned to be sustained and institutionalized at the community level.

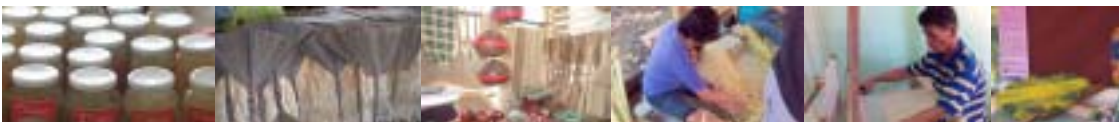
2.7 Environmental Assessment

As a matter of policy, businesses of the members of the cooperative should be ecologically sound, morally and legally upright. Strict compliance and enforcement of this policy will be ensured by the Coop's Credit Committee.

2.8 Gender and Social Issues

The project is basically gender fair, as it provides both men and women with equal access to credit and other opportunities as well as its control and benefits.

In its research and database, it intends to establish the gender-based profile of member borrowers.



2.9 Sustainability Mechanism

The project interventions and processes are, by themselves, practical measures to increase the likelihood of Coop sustaining the benefits gained in the first year, especially with FGHIJ's coaching and mentoring.

With PACAP's seed revolving capital of PhP 250,000.00, the Coop will infuse additional PhP 150,000.00, making a total loan revolving capital of PhP 400,000.00. It is projected that on one-year basis, the cooperative will generate additional share capital and savings deposit of PhP 102,000.00 and a projected net cash of PhP 316,000, thus, sustaining the project even after phase out.

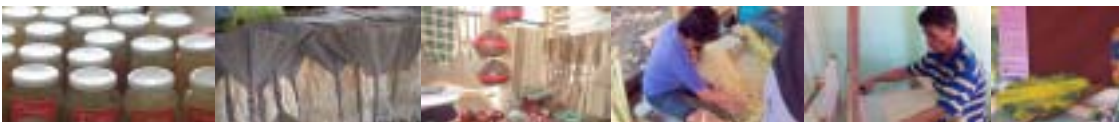
At the end of the project, the Coop will formulate a master plan for its micro-credit project with a three year projection of its operations such as: expansion areas (target clients and barangays), additional services, update of loan policies, and projections on loan disbursement, repayment rate, savings, financial and operating self-sufficiency ratios, administrative ratios, portfolio yield and productivity ratios.



Section 3:

INDICATIVE BUDGET

Major Budget Line Items	Estimated Total Cost	Counterpart Contributions		Request From PACAP
		Coop ABCDE	Beneficiaries	
A. Direct Project Expenses				
1. Capability Building				
<i>a. Project Orientation (1 day)</i>				
Meals (100 x 35 pax)	3,500.00			3,500.00
Materials	500.00			500.00
Venue (1,500 a day)	1,500.00	1,500.00		
Transportation (P40 x 100 pax x 1 day)	4,000.00	4,000.00		
Resource Persons	1,000.00	1,000.00		
Sub Total	10,500.00	2,500.00	4,000.00	4,000.00
<i>b. Small Business Management</i>				
Monitoring and Evaluation Management (3days; 3 batches)				
Meals (100pax x 3 days)	30,000.00			30,000.00
Materials	1,500.00			1,500.00
Venue (1,500 x 3 days x 3)	13,500.00	13,500.00		
Transportation (P40 x 100 pax x 3 days)	12,000.00		12,000.00	
Resource Persons (1,000 x 9)	9,000.00	9,000.00		
Sub Total	66,000.00	22,500.00	12,000.00	31,500.00
<i>c. Simplified Bookkeeping (2 days in 3 batches)</i>				
Meals (100 pax x 2 days)	20,000.00			20,000.00
Materials	1,500.00			1,500.00
Venue (1,500 x 2 days x 3)	9,000.00	9,000.00		
Transportation (P40 x 100 pax x 2 days)	8,000.00		8,000.00	
Resource Persons (1,000 x 2 days x 3)	6,000.00	6,000.00		
Sub Total	44,500.00	15,000.00	-	21,500.00
<i>d. Livelihood & Technology Skills Training (2days,3 batches)</i>				
Meals (100 pax x 2 days)	20,000.00			20,000.00
Materials	1,500.00			1,500.00
Venue (1,500 x 2 days x 3)	9,000.00	9,000.00		
Transportation (P40 x 100 pax x 2 day)	8,000.00		8,000.00	
Resource Persons (1,000 x 2 days x 3)		6,000.00		6,000.00
Sub Total	44,500.00	9,000.00	8,000.00	27,500.00

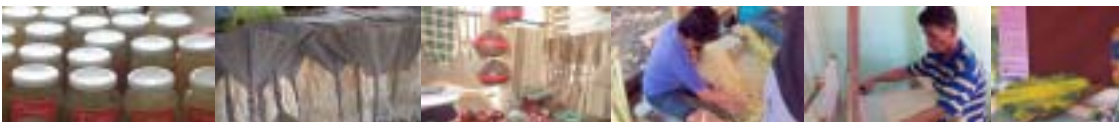


Major Budget Line Items	Estimated Total Cost	Counterpart Contributions		Request From PACAP
		Coop ABCDE	Beneficiaries	
<i>e. Savings Product Development and Installing Effective Cooperative Mortuary System (3 days)</i>				
Meals (21 pax x 100 x 3 days)	6,300.00			6,300.00
Materials	1,293.00			1,293.00
Venue (1,500 x 3)	4,500.00	4,500.00		
Resource Persons (1,000 x 3)	3,000.00			3,000.00
Sub Total	15,093.00	4,500.00	-	10,593.00
2. Revolving Loan Fund	400,000.00	150,000.00		250,000.00
3. Organizational Development				
<i>a. Loan Appraisal & Evaluation training (3days)</i>				
Meals (21 pax x 100 x 3 days)	6,300.00			6,300.00
Materials	1,000.00			1,000.00
Venue (1,500 x 3)	4,500.00	4,500.00		
Resource Persons (1,000 x 3)	3,000.00	3,000.00		
Sub Total	14,800.00	7,500.00	-	7,300.00
<i>b. Project Management, Monitoring & Evaluation (3days)</i>				
Meals (21 pax x 100 x 3 days)	6,300.00			6,300.00
Materials	1,000.00			1,000.00
Venue (1,500 x 3)	4,500.00	4,500.00		
Resource Persons (1,000 x 3)	3,000.00	3,000.00		
Sub Total	14,800.00	7,500.00	-	7,300.00
<i>c. Loan Delinquency Management Training (3 days)</i>				
Meals (21 pax x 100 x 3 days)	6,300.00			6,300.00
Materials	1,000.00			1,000.00
Venue (1,500 x 3)	4,500.00	4,500.00		
Resource Persons (1,000 x 3)	3,000.00	3,000.00		
Sub Total	14,800.00	7,500.00	-	7,300.00
4. Monitoring and Evaluation				
<i>a. PIT and Project Staff Monitoring and Evaluation</i>				
Meals (15 pax x 100.00 x 2 days x 6 bimonthly)	18,000.00			18,000.00
Materials (500.00 x 6 bimonthly)	3,000.00			3,000.00
Transportation (700.00x 6 bimonthly)	4,200.00			4,200.00
Venue (1,000 x 2 days x 6)		12,000.00	12,000.00	
Sub-total	37,200.00	12,000.00	-	25,200.00



Major Budget Line Items	Estimated Total Cost	Counterpart Contributions		Request From PACAP	
		Coop ABCDE	Beneficiaries		
5. Profiling-Databasing & Publication					
a. Profiling – Community and Beneficiary's business profile – Packaging and printing cost	35,270.60			35,270.60	
b. Publication of Successful Micro-entrepreneurs – Packaging and printing cost	30,000.00			30,000.00	
c. One Unit Computer Internet-ready	45,000.00	5,000.00		40,000.00	
Subtotal	110,270.60	5,000.00	-	105,270.60	
6. Other Direct Project Cost					
a. Salaries & Benefits - Project Officer					
a.1 Salaries					
(P4,000.00 x 12)	48,000.00			48,000.00	
a.2. 13 th Month	4,000.00			4,000.00	
a.3. SSS and Philhealth Counterpart	3,632.40			3,632.40	
Subtotal	55,632.40	0.00	-	55,632.40	
b. Consultancy Fee to Service Provider	84,000.00	-	-	84,000.00	
B. Administration					
a. Salaries & Benefits					
a.1. Salaries					
a.1.a. Project Manager (5,000 x 12)					
	60,000.00	60,000.00			
a.1.b. Bookkeeper (3,000 x 12)					
	36,000.00			36,000.00	
a.2. 13 th Month					
a.2.a. Program Coordinator					
	5,000.00	5,000.00			
a.2.b. Bookkeeper					
	3,000.00			3,000.00	
a.3. SSS and Philhealth Counterpart					
a.3.a. Program Coordinator					
	4,509.60	4,509.60			
a.3.b. Bookkeeper					
	2,904.00			2,904.00	
c. Supplies (2,000 x 12)					
	24,000.00	12,000.00		12,000.00	
d. Communication (1500 x 12)					
	18,000.00	9,000.00		9,000.00	
Subtotal	153,413.60	90,509.60	-	62,904.00	
TOTAL	1,065,509.60	333,509.60	32,000.00	700,000.00	
		Total Project Cost	HRBEC-MPC	Beneficiaries	PACAP
Percentage Distribution		100%	31%	3%	66%
Cost-Benefit Ratio		10,665.10	3,335.10	320.00	7,000
PACAP Admin cost/ Total PACAP request		9%			
Total Project Admin cost/ TPC		14%			

* Attachments: GCUS, projected cashflow of revolving loan fund, comparative analysis of with and without project



Annex 2

Expression of Interest Form



Philippines-Australia Community Assistance Program

**RESPONSIVE ASSISTANCE SCHEME
EXPRESSION OF INTEREST (EOI)**

SECTION 1. Project Title, Partnership and Duration

Project title:	Title should be descriptive but concise
Proponent Organisation:	
Address:	
Phone:	
Fax:	
Email:	
Contact person:	
Mobile No.:	

[In the case of more than one institution collaborating, details of the other collaborating institutions should be provided as follows; duplicate this section of the Proforma as required]

Collaborating Organisation (s):	
Address:	
Phone:	
Fax:	
Email:	



Contact person:	
Mobile No.:	
Number of Target Beneficiaries (direct):	
Sectoral area:	To be completed by the PACAP Program Management Unit
Expression of Interest Number:	To be assigned by the PACAP Program Management Unit
Geographic Region/s:	
Project Duration:	
Proposed Start Date:	Month/Year
Proposed Finish Date:	Month/Year

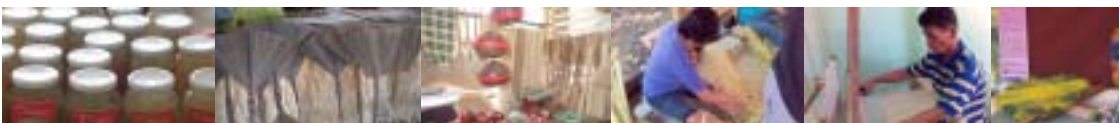
SECTION 2. Project Description

[Maximum of 3 pages]

2.1 Project Background:-

Describe the reasons for undertaking the proposed project. Provide a brief summary of:

- a. the problem being addressed and previous work in this area;
- b. describe the significance and benefit of the proposed project;
- c. identify the direct or indirect benefits to the southern Philippines.



- d. identify and discuss linkages to related government or donor-funded projects or programs locally or more generally in the Philippines.

2.2 Proponent Background.

Provide a summary of the Proponent's organizational profile and track record relevant to the proposed project. Include network affiliations and linkages.

2.3 Project Objectives.

Set out the objectives of the project. Indicate how they are aligned with the PACAP Strategic Guidance Framework.

2.4 Proposed Methods.

Provide a brief statement of how the project will be conducted, sufficient to justify the indicative time and budget estimates. In particular:

- a. Describe where the work will be done and the nature of the project;
- b. Summarise the respective roles of the Philippine institutions in project implementation and output dissemination; and



- c. Describe possible risks to achieving the planned outcomes, including environmental risk (see also Section 2.6) and how they will be addressed.

2.5 Expected Outputs/Results

Describe the expected project outputs, development benefits and impacts (institutional, gender, financial, environmental) of the project. Indicate how it is envisaged or expected that the outputs might be sustained at the institutional level or by beneficiaries.

2.6 Environmental Assessment

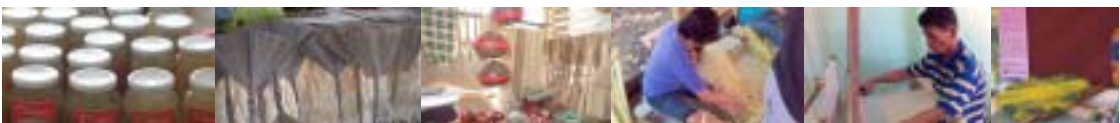
Identify any positive or negative environmental impacts that the project may have.

2.7 Gender and Social Issues

The proposal should identify the expected beneficiaries and stakeholders at community and institutional level. The community level analysis should indicate how it is envisaged the outcomes from the project will affect gender roles or be integrated into existing roles.

SECTION 3: EOI Certification

The preparation of this Expression of Interest has taken into account the PACAP Program Guidelines and is hereby submitted. The Philippine institutions undertake that the information provided is a true representation of the intended collaborative arrangements and of the resources that



would be committed to the project including the availability of the personnel nominated for the project.

Proponent Organization:
Contact Person:
Signature of Contact Person:
Address:
Contact Tel. Nos.:
Date: ___/___/___

ATTACHMENT 1: INDICATIVE BUDGET

Please attach the Project Indicative Budget using the Excel format provided and by referring to the Notes for Completion of the Indicative Budget.

ATTACHEMENT 2: CHECKLIST OF DOCUMENTARY REQUIREMENTS

Please indicate with a check (✓) the relevant DOCUMENT/S you already have and that are ready for submission (*no need to submit these documents at this stage*)

- Registration Documents (SEC, CDA, BRW)
- Summary of Track Record
- Audited Financial Statements in Last 2 Years
- Accreditation Documents
- Proof of Sources of Local Counterpart
- Commitment
- Community Profile
- Curriculum Vitae of Project Staff

Other Submission Instructions

One Hard Copy, in English must be submitted to PACAP
One Electronic copy, in English must be submitted to
mail@pacap.org.ph



Annex 3

ANNEX 3-1
 COOP ABCDE
 SUSTAINABLE COMMUNITY ENTERPRISE DEVELOPMENT PROJECT
 REVOLVING FUND COMPONENT
 PROJECTED CASH FLOW STATEMENT - YEAR 1

ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
CASH INFLOWS						
LOAN REPAYMENT-PRINCIPAL						
Batch 1: 1st Loan				16,666.67	16,666.67	16,666.67
2nd Loan						
Batch 2: 1st Loan					16,666.67	16,666.67
2nd Loan						
Batch 3: 1st Loan						
2nd Loan						
Batch 4: 1st Loan						
2nd Loan						
LOAN PAYMENTS- INTEREST						
Batch 1: 1st Loan			3,000.00	3,000.00	3,000.00	3,000.00
2nd Loan				3,000.00	3,000.00	3,000.00
Batch 2: 1st Loan						
2nd Loan						
Batch 3: 1st Loan						
2nd Loan						
Batch 4: 1st Loan						
2nd Loan						
CAPITAL BUILD-UP						
OTHER INFLOWS						
Sub Total	0	0	9,000.00	31,666.67	54,333.34	77,000.01



ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
CASH OUTFLOWS						
LOAN RELEASES						
Batch 1: 1st Loan			100,000.00			
2nd Loan						
Batch 2: 1st Loan				100,000.00		
2nd Loan						
Batch 3: 1st Loan					100,000.00	
2nd Loan						
Batch 4: 1st Loan						100,000.00
2nd Loan						
SALARIES						
Loan Officer						
Loan Collector						
Bookkeeper						
TRANSPORTATION						
OTHER ADM. EXP.						
	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Sub Total	1,000.00	1,000.00	101,000.00	101,000.00	101,000.00	101,000.00
NET INFLOWS						
(OUTFLOWS)	(1,000.00)	(1,000.00)	(92,000.00)	(69,333.33)	(46,666.66)	(23,999.99)
ADD:EXTERNAL FUNDS						
HRBEC-MPC COUNTERPART		25,000.00	25,000.00	25,000.00	25,000.00	
PACAP GRANT			75,000.00	75,000.00	75,000.00	75,000.00
Sub Total	-	-	100,000.00	100,000.00	100,000.00	100,000.00
NET CASH FLOW	(1,000.00)	(1,000.00)	8,000.00	30,666.67	53,333.34	76,000.01
ADD:CASH BALANCE, BEGINNING	0	(1,000.00)	(2,000.00)	6,000.00	36,666.67	90,000.01
CASH BALANCE ENDING	(1,000.00)	(2,000.00)	6,000.00	36,666.67	90,000.01	166,000.02



ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH INFLOWS							
LOAN REPAYMENT- PRINCIPAL							
Batch 1: 1st Loan	16,666.67	16,666.67	16,666.67				100,000.02
2nd Loan				16,666.67	16,666.67	16,666.67	50,000.01
Batch 2: 1st Loan	16,666.67	16,666.67	16,666.67	16,666.65			100,000.00
2nd Loan					16,666.67	16,666.67	33,333.34
Batch 3: 1st Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.65		100,000.00
2nd Loan						16,666.67	16,666.67
Batch 4: 1st Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67		100,000.02
2nd Loan							
LOAN PAYMENTS- INTEREST							
Batch 1: 1st Loan	3,000.00	3,000.00					18,000.00
2nd Loan			3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Batch 2: 1st Loan	3,000.00	3,000.00	3,000.00				18,000.00
2nd Loan				3,000.00	3,000.00	3,000.00	9,000.00
Batch 3: 1st Loan	3,000.00	3,000.00	3,000.00	3,000.00			18,000.00
2nd Loan					3,000.00	3,000.00	6,000.00
Batch 4: 1st Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00		18,000.00
2nd Loan						3,000.00	3,000.00
CAPITAL BUILD-UP	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00		102,000.00
OTHER INFLOWS	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00		24,000.00
Sub Total	90,666.68	90,666.68	93,666.68	93,666.66	93,666.66	93,666.68	728,000.06
CASH OUTFLOWS							
LOAN RELEASES							
Batch 1: 1st Loan							100,000.00
2nd Loan			100,000.00				100,000.00
Batch 2: 1st Loan							100,000.00
2nd Loan				100,000.00			100,000.00
Batch 3: 1st Loan							100,000.00
2nd Loan					100,000.00		100,000.00
Batch 4: 1st Loan							100,000.00
2nd Loan						100,000.00	100,000.00

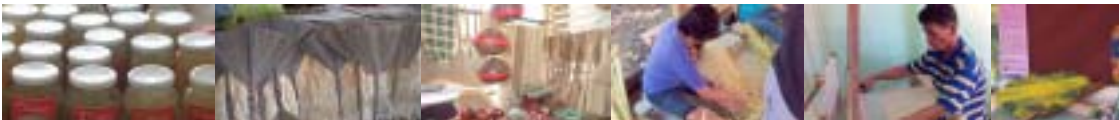


ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
SALARIES							
Loan Officer							0.00
Loan Collector							0.00
Bookkeeper							0.00
TRANSPORTATION	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
OTHER ADM. EXP.							0.00
Sub Total	1,000.00	1,000.00	101,000.00	101,000.00	101,000.00	101,000.00	812,000.00
NET INFLOWS (OUTFLOWS)	89,666.68	89,666.68	(7,333.32)	(7,333.34)	(7,333.34)	(7,333.32)	(83,999.94)
ADD:EXTERNAL FUNDS							
HIRBEC-MPC COUNTERPART							100,000.00
PACAP GRANT							300,000.00
Sub Total	89,666.68	89,666.68	(7,333.32)	(7,333.34)	(7,333.34)	(7,333.32)	400,000.00
NET CASH FLOW	166,000.02	255,666.70	345,333.38	338,000.06	330,666.72	323,333.38	316,000.06
ADD:CASH BALANCE, BEGINNING							
CASH BALANCE ENDING	255,666.70	345,333.38	338,000.06	330,666.72	323,333.3	316,000.06	



ANNEX 3-2
 COOP ABCDE
 SUSTAINABLE COMMUNITY ENTERPRISE DEVELOPMENT PROJECT
 REVOLVING FUND COMPONENT
 PROJECTED CASH FLOW STATEMENT - YEAR 2

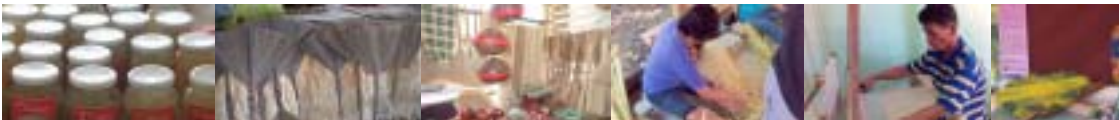
ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
CASH INFLOWS						
LOAN REPAYMENT-PRINCIPAL						
Batch 1: Second Loan	16,666.67	16,666.67	16,666.67			
Third Loan					16,666.67	16,666.67
Fourth Loan						
Batch 2: Second Loan	16,666.67	16,666.67	16,666.67	16,666.67		
Third Loan						
Batch 3: Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	
Third Loan						
Batch 4: Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Third Loan						
Batch 5: First Loan		16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
Batch 6: First Loan			16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
LOAN PAYMENTS-INTEREST						
Batch 1: First Loan						
Second Loan	3,000.00	3,000.00	3,000.00			
Third Loan					3,000.00	3,000.00
Batch 2: First Loan						
Second Loan	3,000.00	3,000.00	3,000.00	3,000.00		
Third Loan						
Batch 3: First Loan						
Second Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	
Third Loan						
Batch 4: First Loan						
Second Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Third Loan						
Batch 5: First Loan						
Second Loan		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00



ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Batch 6: First Loan			3,000.00	3,000.00	3,000.00	3,000.00
Second Loan						
CAPITAL BUILD-UP	12,000.00	15,000.00	18,000.00	15,000.00	15,000.00	15,000.00
OTHER INFLOWS	3,000.00	3,000.00		3,000.00	3,000.00	3,000.00
Sub Total	99,666.68	116,333.35	136,000.02	116,333.35	116,333.35	116,333.35
CASH OUTFLOWS						
Batch 1: Third Loan				100,000.00		
Fourth Loan						
Batch 2: Third Loan					100,000.00	
Fourth Loan						
Batch 3: Third Loan						100,000.00
Fourth Loan						
Batch 4: Third Loan						
Fourth Loan						
Batch 5: First Loan	100,000.00					
Second Loan						
Batch 6: First Loan		100,000.00				
Second Loan						
SALARIES						
Loan Officer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Loan Collector						
Bookkeeper	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
TRANSPORTATION						
1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER ADM. EXP.						
3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Sub Total	111,000.00	111,000.00	11,000.00	111,000.00	111,000.00	111,000.00
NET INFLOWS (OUTFLOWS)	(17,333.32)	5,333.35	125,000.02	5,333.35	5,333.35	5,333.35
ADD:EXTERNAL FUNDS						
MODICE COUNTERPART						
PACAP GRANT						
Sub Total	-	-	-	-	-	-
NET CASH FLOW	(17,333.32)	5,333.35	125,000.02	5,333.35	5,333.35	5,333.35
ADD:CASH BALANCE, BEGINNING	214,000.06	196,666.74	02,000.09	327,000.11	332,333.46	337,666.81
CASH BALANCE ENDING	196,666.74	202,000.09	327,000.11	332,333.46	337,666.81	343,000.16



ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH INFLOWS							
LOAN REPAYMENT-PRINCIPAL							
Batch 1: Second Loan		16,666.67	16,666.67				50,000.01
Third Loan	-16,666.67			16,666.67		16,666.67	100,000.02
Fourth Loan							16,666.67
Batch 2: Second Loan		16,666.67	16,666.67	16,666.67	16,666.67		66,666.68
Third Loan	-16,666.67			16,666.67			100,000.02
Batch 3: Second Loan		16,666.67	16,666.67	16,666.67	16,666.67		83,333.35
Third Loan	-16,666.67			16,666.67			100,000.02
Batch 4: Second Loan		16,666.67	16,666.67	16,666.67	16,666.67		83,333.35
Third Loan	-16,666.67			16,666.67			100,000.02
Batch 5: First Loan		16,666.67	16,666.67	16,666.67	16,666.67		66,666.68
Second Loan	-16,666.67			16,666.67			100,000.02
Batch 6: First Loan		16,666.67	16,666.67	16,666.67	16,666.67		66,666.68
Second Loan	-16,666.67			16,666.67			100,000.02
LOAN PAYMENTS-INTEREST							
Batch 1: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Batch 2: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Batch 3: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Batch 4: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Batch 5: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Batch 6: First Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
Second Loan	3,000.00						9,000.00
Third Loan		3,000.00	3,000.00	3,000.00	3,000.00		12,000.00
CAPITAL BUILD-UP	15,000.00	15,000.00	15,000.00	18,000.00	15,000.00	12,000.00	180,000.00
OTHER INFLOWS	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	27,000.00
Sub Total	116,333.35	116,333.35	116,333.35	136,000.02	116,333.35	107,333.35	1,403,666.87

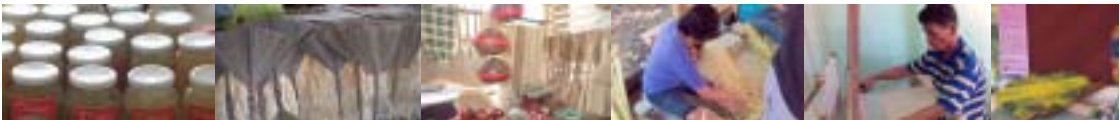


ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH OUTFLOWS LOAN RELEASES							
Batch 1: Third Loan							100,000.00
Fourth Loan					100,000.00		100,000.00
Batch 2: Third Loan							100,000.00
Fourth Loan						100,000.00	100,000.00
Batch 3: Third Loan							100,000.00
Fourth Loan							-
Batch 4: Third Loan	100,000.00						100,000.00
Fourth Loan							-
Batch 5: First Loan							100,000.00
Second Loan		100,000.00					100,000.00
Batch 6: First Loan							100,000.00
Second Loan			100,000.00				100,000.00
SALARIES							
Loan Officer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
Loan Collector							-
Bookkeeper	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
TRANSPORTATION	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
OTHER ADM. EXP.	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Sub Total	111,000.00	111,000.00	111,000.00	111,000.00	111,000.00	111,000.00	1,132,000.00
NET INFLOWS (OUTFLOWS)	5,333.35	5,333.35	5,333.35	125,000.02	5,333.35	(3,666.65)	271,666.87
ADD:EXTERNAL FUNDS							
MODICE COUNTERPART							-
PACAP GRANT							-
Sub Total	-	-	-	-	-	-	-
NET CASH FLOW	5,333.35	5,333.35	5,333.35	125,000.02	5,333.35	(3,666.65)	485,666.93
ADD:CASH BALANCE, BEGINNING	348,333.51	348,333.51	353,666.86	359,000.21	484,000.23	489,333.58	
CASH BALANCE ENDING	348,333.51	353,666.86	359,000.21	484,000.23	489,333.58	485,666.93	



ANNEX 3-3
 Coop ABCDE
 SUSTAINABLE COMMUNITY ENTERPRISE DEVELOPMENT PROJECT
 REVOLVING FUND COMPONENT SAMPLE PROJECTED CASH FLOW STATEMENT - YEAR 3

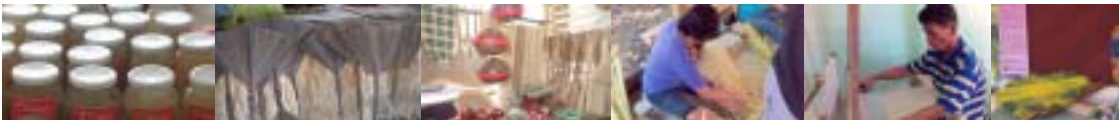
ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
CASH INFLOWS						
LOAN REPAYMENT- PRINCIPAL						
Batch 1: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	
Fifth Loan						
Batch 2: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Fifth Loan						
Batch 3: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Fifth Loan						
Batch 4: Third Loan	16,666.67					
Fourth Loan			16,666.67	16,666.67	16,666.67	16,666.67
Fifth Loan						
Batch 5: Second Loan	16,666.67	16,666.67				
Third Loan				16,666.67	16,666.67	16,666.67
Fourth Loan						
Batch 6: Second Loan	16,666.67	16,666.67	16,666.67			
Third Loan					16,666.67	16,666.67
Fourth Loan						
Batch 7: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
Batch 8: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
Batch 9: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
Batch 10: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
Batch 11: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Second Loan						
LOAN PAYMENTS-INTEREST						
Batch 1: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	
Fifth Loan						
Batch 2: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00



ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Fifth Loan						
Batch 3: Fourth Loan		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Fifth Loan						
Batch 4: Third Loan	3,000.00		3,000.00	3,000.00	3,000.00	3,000.00
Fourth Loan						
Fifth Loan						
Batch 6: Second Loan	3,000.00	3,000.00		3,000.00	3,000.00	3,000.00
Third Loan						
Fourth Loan						
Batch 6: Second Loan	3,000.00	3,000.00	3,000.00		3,000.00	3,000.00
Third Loan						
Fourth Loan						
Batch 7: First Loan		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Second Loan						
Batch 8: First Loan		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Second Loan						
Batch 9: First Loan		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Second Loan						
Batch 10: First Loan			3,000.00	3,000.00	3,000.00	3,000.00
Second Loan						
Batch 11: First Loan				3,000.00	3,000.00	3,000.00
Second Loan						
CAPITAL BUILD-UP	15,000.00	24,000.00	27,000.00	30,000.00	33,000.00	30,000.00
OTHER INFLOWS	12,000.00	6,000.00	6,000.00	3,000.00		3,000.00
Sub Total	125,333.35	187,333.36	210,000.03	229,666.70	249,333.37	229,666.70
CASH OUTFLOWS						
LOAN RELEASES						
Batch 1: Fifth Loan						100,000.00
Batch 2: Fifth Loan						
Batch 3: Fourth Loan	100,000.00					
Fifth Loan						
Batch 4: Fourth Loan		100,000.00				
Fifth Loan						



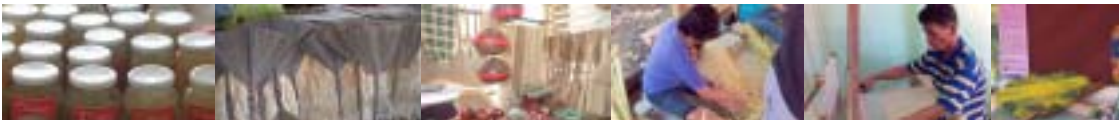
ITEMS /	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Batch 5: Third Loan			100,000.00			
Fourth Loan						
Batch 6: Third Loan				100,000.00		
Fourth Loan						
Batch 7: First Loan	100,000.00					
Second Loan						
Batch 8: First Loan	100,000.00					
Second Loan						
Batch 9: First Loan	100,000.00					
Second Loan						
Batch 10: First Loan		100,000.00				
Second Loan						
Batch 11: First Loan			100,000.00			
Second Loan						
SALARIES						
Loan Officer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Loan Collector						
Bookkeeper	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
TRANSPORTATION						
Bookkeeper	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER ADM. EXP.						
Sub Total	411,000.00	211,000.00	211,000.00	111,000.00	11,000.00	111,000.00
NET INFLOWS(OUTFLOWS)	(285,666.65)	(23,666.64)	(999.97)	118,666.70	238,333.37	118,666.70
ADD:EXTERNAL FUNDS						
MODICE COUNTERPART						
PACAP GRANT						
Sub Total	-	-	-	-	-	-
NET CASH FLOW	(285,666.65)	(23,666.64)	(999.97)	118,666.70	238,333.37	118,666.70
ADD:CASH BALANCE, BEGINNING	289,666.87	4,000.22	(19,666.42)	(20,666.39)	98,000.31	336,333.68
CASH BALANCE ENDING	4,000.22	(19,666.42)	(20,666.39)	98,000.31	336,333.68	455,000.38



ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH INFLOWS							
LOAN REPAYMENT-PRINCIPAL							
Batch 1: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	83,333.35
Fifth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 2: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Fifth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 3: Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	66,666.68
Fifth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Batch 4: Third Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	50,000.01
Fifth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	33,333.34
Batch 5: Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Third Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	33,333.34
Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	50,000.01
Batch 6: Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Third Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Fourth Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 7: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	66,666.68
Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 8: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	66,666.68
Batch 9: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 10: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	50,000.01
Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	100,000.02
Batch 11: First Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	33,333.34
Second Loan	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	15,000.00
Batch 1: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Batch 2: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Batch 3: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
LOAN PAYMENTS-INTEREST							
Batch 1: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Batch 2: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00
Batch 3: Fourth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Fifth Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00



ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Batch 4: Third Loan							3,000.00
Fourth Loan	3,000.00	3,000.00					18,000.00
Fifth Loan				3,000.00	3,000.00	3,000.00	9,000.00
Batch 5: Second Loan							6,000.00
Third Loan	3,000.00	3,000.00	3,000.00				18,000.00
Fourth Loan					3,000.00	3,000.00	6,000.00
Batch 6: Second Loan							9,000.00
Third Loan	3,000.00	3,000.00	3,000.00	3,000.00			18,000.00
Fourth Loan						3,000.00	3,000.00
Batch 7: First Loan	3,000.00						18,000.00
Second Loan			3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Batch 8: First Loan	3,000.00						18,000.00
Second Loan			3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Batch 9: First Loan	3,000.00						18,000.00
Second Loan			3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Batch 10: First Loan	3,000.00	3,000.00					18,000.00
Second Loan							9,000.00
Batch 11: First Loan	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	18,000.00
Second Loan							6,000.00
CAPITAL BUILD-UP	30,000.00	21,000.00	27,000.00	27,000.00	30,000.00	33,000.00	327,000.00
OTHER INFLOWS	3,000.00	12,000.00	6,000.00	6,000.00	3,000.00		60,000.00
Sub Total	229,666.70	170,666.69	210,000.03	210,000.03	229,666.70	249,333.37	2,530,667.03
CASH OUTFLOWS LOAN RELEASES							
Batch 1: Fifth Loan							100,000.00
Batch 2: Fifth Loan	100,000.00						100,000.00
Batch 3: Fourth Loan							100,000.00
Fifth Loan		100,000.00					100,000.00
Batch 4: Fourth Loan			100,000.00				100,000.00
Fifth Loan							100,000.00
Batch 5: Third Loan							100,000.00
Fourth Loan				100,000.00			100,000.00
Batch 6: Third Loan							100,000.00
Fourth Loan					100,000.00		100,000.00
Batch 7: First Loan							100,000.00
Second Loan		100,000.00					100,000.00



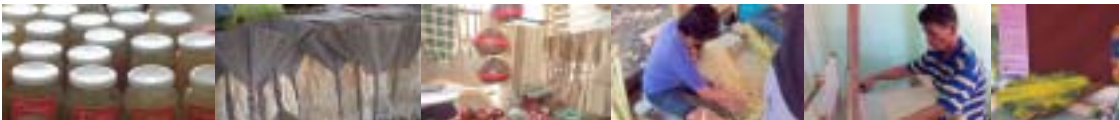
ITEMS /	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Batch 8: First Loan							100,000.00
Second Loan		100,000.00					100,000.00
Batch 9: First Loan							100,000.00
Second Loan		100,000.00					100,000.00
Batch 10: First Loan							100,000.00
Second Loan			100,000.00				100,000.00
Batch 11: First Loan							100,000.00
Second Loan				100,000.00			100,000.00
SALARIES							
Loan Officer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
Loan Collector							
Bookkeeper	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
TRANSPORTATION	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
OTHER ADM. EXP.	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Sub Total	111,000.00	411,000.00	211,000.00	211,000.00	111,000.00	11,000.00	2,132,000.00
NET INFLOWS							
(OUTFLOWS)	118,666.70	(240,333.31)	(999.97)	(999.97)	118,666.70	238,333.37	398,667.03
ADD:EXTERNAL FUNDS							
MODICE COUNTERPART							
PACAP GRANT							
Sub Total	-	-	-	-	-	-	-
NET CASH FLOW	118,666.70	(240,333.31)	(999.97)	(999.97)	118,666.70	238,333.37	688,333.90
ADD:CASH BALANCE, BEGINNING	485,000.38	573,667.08	333,333.77	332,333.80	331,333.83	450,000.53	
CASH BALANCE ENDING	573,667.08	333,333.77	332,333.80	331,333.83	450,000.53	688,333.90	



Annex 4

ANNEX 4
Coop ABCDE
SAMPLE PROJECT IMPLEMENTATION PLAN (PIP) IMPLEMENTATION PLAN AND TIMETABLE FOR CURRENT YEAR

Major Project Component(s)/ Project Activities	Time Frame/Schedule (Monthly)												Target Outputs	
	1	2	3	4	5	6	7	8	9	10	11	12		
A. Loans and Credit 1. Loan Orientation, Loan Processing, Credit Investigation, Loan Releases														100 coop members provided with livelihood loan for start up or expansion activities within one year period 100 individual livelihood projects viable and profitable At least 50% of loan fund used to finance non-vending, more profitable small scale manufacturing, production or services activities
2. Loan Collection through the cell or field visit														90% repayment rate on loans 36% per annum interest collected from borrowers
3. Policy, guidelines and procedures formulation and adoption														Clear set of loan policies, guidelines and procedures established and documented
4. Coop managed loan services														Board of directors, credit committee and management staff managed the credit services of the coop
B. Capability Building 1. Project Orientation														Project system and procedures in placed, operational.
2. Small Business Management Monitoring and Evaluation														100 coop members demonstrated capabilities in preparing simple business plan and established cash management system.
3. Simplified Bookkeeping														100 coop members practiced record keeping in their business
4. Livelihood and Technology Skills Training														100 coop members demonstrated skills in livelihood and technology; improved production and marketing activities.
5. Savings Product Development Workshop and Mortuary System Installation														New savings and mortuary product developed and adopted

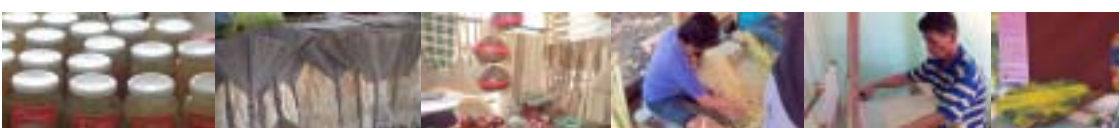


Major Project Component(s)/ Project Activities	Time Frame/Schedule (Monthly)												Target Outputs				
	1	2	3	4	5	6	7	8	9	10	11	12					
C. Research and Database																	
1. Preparation of instrument																	Survey questionnaire prepared
2. Data gathering, consolidation and validation																	Data gathered and consolidated from 100 loaners
3. Profile making and updating																	Profile prepared
4. Publication and sharing of success stories																	Success stories documented and published
D. Organizational Development																	
1. Loan Appraisal and Evaluation Training																	16 coop officers demonstrated capabilities in loan appraisal, evaluation and in the conduct of interviews
2. Project Management Monitoring and Evaluation																	Project management, monitoring, and evaluation system and processes prepared, adopted.
3. Loan Delinquency Management Training																	Loan delinquency control measures established, operational.
E. Monitoring and Evaluation																	
1. Bi-monthly PIT and Project Staff Planning and Evaluation																	Project and activities evaluated, monthly plans prepared and reported
2. Preparation and submission of reports																	Project quarterly report submitted to PACAP



Annex 5

Budget Item		1		2		3	
		G	CC	G	CC	G	CC
ANNEX 5							
Coop ABCDE							
GRANT AND COUNTERPART UTILIZATION SCHEDULE (GCUS)							
I. Administration							
a.1. Salaries			5,000.00		5,000.00		5,000.00
a.1.a. Project Manager		4,000.00	-	4,000.00	-	4,000.00	-
a.1.b. Project Officer		3,000.00	-	3,000.00	-	3,000.00	-
a.1.c. Bookkeeper		-	-	-	-	-	-
a.2. 13 th Month		-	-	-	-	-	-
a.2.a. Project Manager		-	-	-	-	-	-
a.2.b. Project Officer		-	-	-	-	-	-
a.2.c. Bookkeeper		-	-	-	-	-	-
a.3. SSS Counterpart		-	375.80	-	375.80	-	375.80
a.3.a. Project Manager		302.70	-	302.70	-	302.70	-
a.3.b. Project Officer		242.00	-	242.00	-	242.00	-
a.3.c. Bookkeeper		-	-	-	-	-	-
b. One Unit Computer Internet Ready		40,000.00	5,000.00	1,000.00	1,000.00	1,000.00	1,000.00
c. Supplies (2,000 x 12)		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
d. Communication (1500 x 12)		750.00	750.00	750.00	750.00	750.00	750.00
e. Consultancy Fee to		-	-	-	-	-	-
Technical Service Provider (7,000 x 12)		7,000.00	-	7,000.00	-	7,000.00	-
2. Revolving Loan Fund							
3. Capability Building							
a. Project Orientation (1 day)		-	-	-	-	-	-
Meals (100 x 35 pax)		3,500.00	-	-	-	-	-
Materials		500.00	-	-	-	-	-
Venue		-	1,500.00	-	1,500.00	-	1,500.00
Transportation		-	4,000.00	-	4,000.00	-	4,000.00
Resource Persons		-	1,000.00	-	1,000.00	-	1,000.00
b. Small Business Management		-	-	-	-	-	-
Monitoring and Evaluation Management		-	-	-	-	-	-
(2 days in 3 batches)		-	-	-	-	-	-
Meals (100 pax x 3 days)		-	-	10,000.00	-	10,000.00	-
Materials		-	-	500.00	-	500.00	-

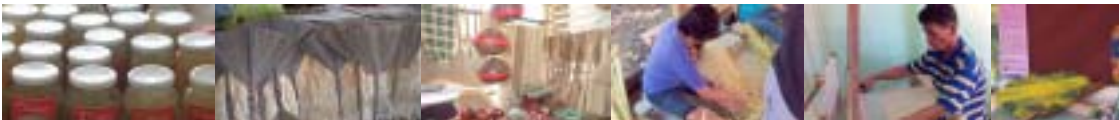


Budget Item	1		2		3	
	G	CC	G	CC	G	CC
Venue (1,500 x 3 days x 3)	-	-	-	4,500.00	-	4,500.00
Transportation	-	-	-	4,000.00	-	4,000.00
Resource Persons (1,000 x 9)	-	-	-	3,000.00	-	3,000.00
c. Simplified Bookkeeping (2 days in 3 batches)	-	-	-	-	-	-
Meals (100 pax x 2 days)	-	-	7,000.00	-	7,000.00	-
Materials	-	-	500.00	-	500.00	-
Venue	-	-	-	3,000.00	-	3,000.00
Transportation	-	-	-	2,800.00	-	2,800.00
Resource Persons	-	-	-	2,000.00	-	2,000.00
d. Livelihood and Technology Skills Training (2 days in 3 batches)	-	-	-	-	-	-
Meals (100 pax x 2 days)	-	-	7,000.00	-	7,000.00	-
Materials	-	-	500.00	-	500.00	-
Venue (1,500 x 2 days x 3)	-	-	-	3,000.00	-	3,000.00
Transportation	-	-	2,000.00	-	2,000.00	-
Resource Persons (1,000 x 2 x 3)	-	-	-	-	-	-
e. Savings Product Development and Installing Effective Mortuary System (3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons (1,500 x 3 days)	-	-	-	-	-	-
4. Organizational Development	-	-	-	-	-	-
a. Loan Appraisal and Evaluation training (3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	6,300.00	-	-	-	-	-
Materials	1,000.00	-	-	-	-	-
Venue (1,500 x 3 days)	-	4,500.00	-	-	-	-
Resource Persons (1,000 x 3 days)	-	3,000.00	-	-	-	-
b. Project Management, Monitoring and Evaluation(3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	6,300.00	-	-	-
Materials	-	-	1,000.00	-	-	-



Budget Item	1		2		3	
	G	CC	G	CC	G	CC
Venue (1,500 x 3 days)	-	-	-	4,500.00	-	-
Resource Persons (1,000 x 3)	-	-	-	3,000.00	-	-
c. Loan Delinquency Management	-	-	-	-	-	-
Training (3 days)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
Monitoring and Evaluation	-	-	-	-	-	-
a. PIT and Project Staff Monitoring and Evaluation - bi-monthly	-	-	-	-	-	-
Meals	-	-	3,000.00	-	-	-
Materials	-	-	500.00	-	-	-
Transportation	-	-	700.00	-	-	-
Venue	-	-	-	2,000.00	-	-
Research and Database	-	-	-	-	-	-
a. Profiling – Community and Beneficiary’s business profile – data gathering, write-up/packaging	-	-	-	-	-	-
b. Publication of Successful Micro-entrepreneurs – Packaging and printing cost	-	-	-	-	-	-
TOTAL	67,594.70	26,125.80	55,294.70	41,725.80	106,294.70	69,325.80

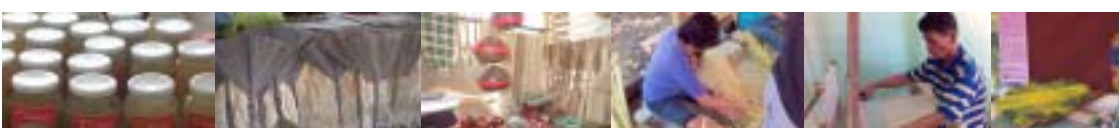
mos 1-4 337,678.80
 mos 1-5 427,066.50
 mos 1-6 521,818.20
 1st 50% release 350,000.00



Budget Item	4		5		6	
	G	CC	G	CC	G	CC
I. Administration						
a.1. Salaries						
a.1.a. Project Manager	4,000.00	5,000.00	4,000.00	5,000.00	4,000.00	5,000.00
a.1.b. Project Officer	3,000.00	-	3,000.00	-	3,000.00	-
a.1.c. Bookkeeper	-	-	-	-	-	-
a.2. 13 th Month	-	-	-	-	-	-
a.2.a. Project Manager	-	-	-	-	-	-
a.2.b. Project Officer	-	-	-	-	-	-
a.2.c. Bookkeeper	-	-	-	-	-	-
a.3. SSS Counterpart	-	375.80	-	375.80	-	375.80
a.3.a. Project Manager	302.70	-	302.70	-	302.70	-
a.3.b. Project Officer	242.00	-	242.00	-	242.00	-
a.3.c. Bookkeeper	-	-	-	-	-	-
b. One Unit Computer Internet Ready	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
c. Supplies (2,000 x 12)	750.00	750.00	750.00	750.00	750.00	750.00
d. Communication (1500 x 12)	-	-	-	-	-	-
e. Consultancy Fee to Technical Service Provider (7,000 x 12)	7,000.00	37,500.00	7,000.00	37,500.00	7,000.00	37,500.00
2. Revolving Loan Fund	62,500.00	-	62,500.00	-	62,500.00	-
3. Capability Building						
a. Project Orientation (1 day)	-	-	-	-	-	-
Meals (100 x 35 pax)	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
Small Business Management	-	-	-	-	-	-
Monitoring and Evaluation Management	-	-	-	-	-	-
(2 days in 3 batches)	-	-	-	-	-	-
Meals (100 pax x 3 days)	10,000.00	-	10,000.00	-	10,000.00	-
Materials	500.00	-	500.00	-	500.00	-
Venue (1,500 x 3 days x 3)	-	4,500.00	-	4,500.00	-	4,500.00
Transportation	-	-	-	-	-	-
Resource Persons (1,000 x 9)	-	3,000.00	-	3,000.00	-	3,000.00



Budget Item	4		5		6	
	G	CC	G	CC	G	CC
c. Simplified Bookkeeping (2 days in 3 batches)	-	-	-	-	-	-
Meals (100 pax x 2 days)	6,000.00	-	-	-	-	-
Materials	500.00	-	-	-	-	-
Venue	-	3,000.00	-	-	-	-
Transportation	-	2,600.00	-	-	-	-
Resource Persons	-	2,000.00	-	-	-	-
d. Livelihood and Technology Skills Training (2 days in 3 batches)	-	-	-	-	-	-
Meals (100 pax x 2 days)	-	-	-	-	-	-
Materials	6,000.00	-	-	-	-	-
Venue (1,500 x 2 days x 3)	500.00	-	-	-	-	-
Transportation	-	3,000.00	-	-	-	-
Resource Persons (1,000 x 2 x 3)	-	2,600.00	-	-	-	-
e. Savings Product Development and Installing Effective Mortuary System (3 days)	2,000.00	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	6,300.00	-	-	-
Materials	-	-	1,293.00	-	-	-
Venue	-	-	-	4,500.00	-	-
Resource Persons (1,500 x 3 days)	-	-	3,000.00	-	-	-
4. Organizational Development	-	-	-	-	-	-
a. Loan Appraisal and Evaluation training (3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Resource Persons (1,000 x 3 days)	-	-	-	-	-	-
b. Project Management, Monitoring and Evaluation(3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue (1,500 x 3 days)	-	-	-	-	-	-
Resource Persons (1,000 x 3 days)	-	-	-	-	-	-
Project Management, Monitoring and Evaluation(3 days)	-	-	-	-	-	-
Meals (21 pax x 100 x 3 days)	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue (1,500 x 3 days)	-	-	-	-	-	-
Resource Persons (1,000 x 3)	-	-	-	-	-	-
c. Loan Delinquency Management Training (3 days)	-	-	-	-	-	-



Budget Item	4		5		6	
	G	CC	G	CC	G	CC
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
Monitoring and Evaluation-						
a. PIT and Project Staff Monitoring and Evaluation - bi-monthly	-	-	-	-	-	-
Meals	3,000.00	-	-	-	3,000.00	-
Materials	500.00	-	-	-	500.00	-
Transportation	700.00	-	-	-	700.00	-
Venue	-	2,000.00	-	-	-	2,000.00
Research and Database						
a. Profiling – Community and Beneficiary’s business profile – data gathering, write-up/packaging	-	-	-	-	11,757.00	-
b. Publication of Successful Micro-entrepreneurs – Packaging and printing cost	-	-	-	-	-	-
TOTAL	108,494.70	71,325.80	89,387.70	49,125.80	94,751.70	46,625.80

bal at mo:8
5,578.80

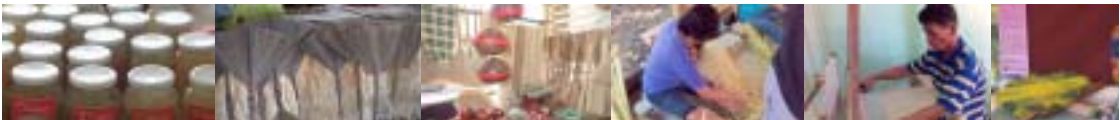
mos5-8 net 239,421.20

at 35%

2nd release 35%
245,000.00



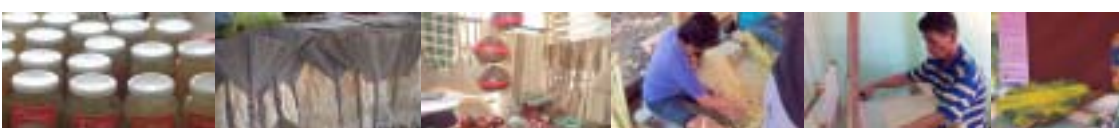
Budget Item	7		8		9	
	G	CC	G	CC	G	CC
1. Administration						
a. 1. Salaries		5,000.00		5,000.00		5,000.00
a.1.a. Project Manager	4,000.00	-	4,000.00	-	4,000.00	-
a.1.b. Project Officer	3,000.00	-	3,000.00	-	3,000.00	-
a.1.c. Bookkeeper	-	-	-	-	-	-
a.2. 13 th Month	-	-	-	-	-	-
a.2.a. Project Manager	-	-	-	-	-	-
a.2.b. Project Officer	-	-	-	-	-	-
a.2.c. Bookkeeper	-	-	-	-	-	-
a.3. SSS Counterpart	-	-	-	-	-	-
a.3.a. Project Manager	-	375.80	-	375.80	-	375.80
a.3.b. Project Officer	302.70	-	302.70	-	302.70	-
a.3.c. Bookkeeper	242.00	-	242.00	-	242.00	-
b. One Unit Computer Internet Ready	1,000.00	-	1,000.00	-	1,000.00	-
c. Supplies (1,000 x 12)	750.00	750.00	750.00	750.00	750.00	1,000.00
d. Communication (750 x 12)	7,000.00	-	7,000.00	-	7,000.00	750.00
2. Revolving Loan Fund						
3. Education and Training						
a. Project Orientation (1 day)						
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
b. Small Business Management						
Monitoring and Evaluation Management						
(2 days in 3 batches)						
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-



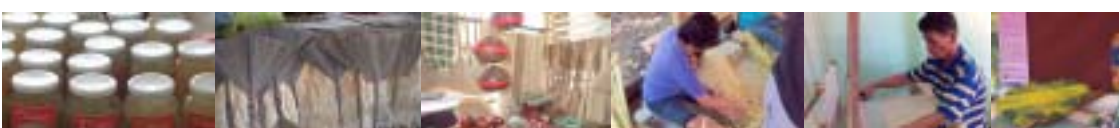
Budget Item	7		8		9	
	G	CC	G	CC	G	CC
c. Simplified Bookkeeping (2 days in 3 batches)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
d. Livelihood and Technology Skills Training (2 days in 3 batches)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
e. Savings Product Development and Installing Effective Mortuary System (3 days)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
4. Organizational Development	-	-	-	-	-	-
a. Loan Appraisal and Evaluation training (3 days)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
b. Project Management, Monitoring and Evaluation(3 days)	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Venue	-	-	-	-	-	-
Resource Persons	-	-	-	-	-	-
c. Loan Delinquency Management Training (3 days)	-	-	-	-	-	-



Budget Item	7		8		9	
	G	CC	G	CC	G	CC
Meals	6,300.00	-	-	-	-	-
Materials	1,000.00	-	-	-	-	-
Venue	-	4,500.00	-	-	-	-
Resource Persons	-	3,000.00	-	-	-	-
Monitoring and Evaluation	-	-	-	-	-	-
a. PIT and Project Staff - Monitoring and Evaluation - Bi-Monthly	-	-	-	-	-	-
Meals	-	-	-	-	-	-
Materials	-	-	3,000.00	-	-	-
Transportation	-	-	500.00	-	-	-
Venue	-	-	700.00	2,000.00	-	-
Research and Database	-	-	-	-	-	-
a. Profiling – Community and Beneficiary’s business profile – Packaging and printing cost	11,757.00	-	11,756.60	-	-	-
b. Publication of Successful Micro-entrepreneurs – Packaging and printing cost	-	-	-	-	-	-
TOTAL	35,351.70	14,625.80	32,251.30	9,125.80	6,294.70	7,125.80



Budget Item	10		11		12		TOTAL	
	G	CC	G	CC	G	CC	G	CC
c. Simplified Bookkeeping (2 days in 3 batches)	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	20,000.00	-
Materials	-	-	-	-	-	-	1,500.00	-
Venue	-	-	-	-	-	-	-	9,000.00
Transportation	-	-	-	-	-	-	-	8,000.00
Resource Persons	-	-	-	-	-	-	-	6,000.00
d. Livelihood and Technology Skills Training (2 days in 3 batches)	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	20,000.00	-
Materials	-	-	-	-	-	-	1,500.00	-
Venue	-	-	-	-	-	-	-	9,000.00
Transportation	-	-	-	-	-	-	-	8,000.00
Resource Persons	-	-	-	-	-	-	6,000.00	-
e. Savings Product Development and Installing Effective Mortuary System (3 days)	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	6,300.00	-
Materials	-	-	-	-	-	-	1,293.00	-
Venue	-	-	-	-	-	-	-	4,500.00
Transportation	-	-	-	-	-	-	3,000.00	-
Resource Persons	-	-	-	-	-	-	-	-
4. Organizational Development	-	-	-	-	-	-	-	-
a. Loan Appraisal and Evaluation training (3 days)	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	6,300.00	-
Materials	-	-	-	-	-	-	1,000.00	-
Venue	-	-	-	-	-	-	-	4,500.00
Resource Persons	-	-	-	-	-	-	-	3,000.00
b. Project Management, Monitoring and Evaluation(3 days)	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	6,300.00	-
Materials	-	-	-	-	-	-	1,000.00	-
Venue	-	-	-	-	-	-	-	4,500.00
Resource Persons	-	-	-	-	-	-	-	3,000.00
c. Loan Delinquency Management Training (3 days)	-	-	-	-	-	-	-	-



Budget Item	10		11		12		TOTAL	
	G	CC	G	CC	G	CC	G	CC
Meals	-	-	-	-	-	-	6,300.00	-
Materials	-	-	-	-	-	-	1,000.00	-
Venue	-	-	-	-	-	-	-	4,500.00
Resource Persons	-	-	-	-	-	-	-	3,000.00
Monitoring and Evaluation								
a. PIT and Project Staff								
Monitoring and Evaluation - Bt-Monthly	-	-	-	-	-	-	-	-
Meals	3,000.00	-	-	-	-	-	18,000.00	-
Materials	500.00	-	-	-	3,000.00	-	3,000.00	-
Transportation	700.00	-	-	-	500.00	-	3,000.00	-
Venue	-	2,000.00	-	-	700.00	-	4,200.00	-
Research and Database								
a. Profiling – Community and Beneficiary’s business profile – Packaging and printing cost	-	-	-	-	-	-	35,270.60	-
b. Publication of Successful Micro-entrepreneurs – Packaging and printing cost	15,000.00	-	15,000.00	-	-	-	30,000.00	-
TOTAL	35,494.70	9,125.80	31,294.70	7,125.80	27,494.70	14,125.80	700,000.00	365,509.60

1,065,509.60

bal at mo.12 105,000.00 (35,000.00)
 mos 9-12 net 70,000.00
 3rd release 10%



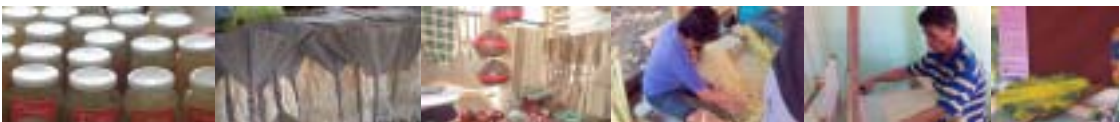
ANNEX 6

Guide to Budget Preparation and Cash Flow Analysis for PACAP Projects*Introduction*

There are many tools for determining the financial sustainability of a project. There are numerous financial ratios; internal rates of return, present values, profitability measures and others. Yet most of these tools are inappropriate for the kinds of projects supported by PACAP. Internal rates of return are useful when an investor must decide between several competing options; this is not usually the case at PACAP.

Commercial analysis of investment projects in Philippine corporate board rooms must consider depreciation schedules, tax effects, etc. These things are only of secondary importance in the kinds of projects submitted for PACAP funding support.

Profit and Loss (Income) Statements are important in commercial analysis but these can also give very misleading information on the health of an enterprise. It is possible for an enterprise to show very strong “profits” and still go out of business due to cash flow problems.



Small enterprises (such as the ones supported by PACAP) are at a disadvantage when operating within the context of an economy such as the Philippines where big business enjoys a number of open (as well as hidden) subsidies. Small enterprises must contend with a number of adverse factors, e.g.,

- o inadequate working capital and limited access to additional capital;
- o small markets;
- o obsolete production technology; and
- o lack of management skills.

Given the above, it must be emphasized that the primary objective of a small enterprise, particularly during its start-up period, is to survive. This objective is best achieved through the proper management of its cash resources.

The primary concerns must be: Can the project pay for itself? If not now, when? How much cash must be put into the project before it achieves self-sufficiency? Can the project repay the original seed capital and continue its operations? How long will this take? These are questions that can be answered through cash flow analysis.



Cash flow analysis will be PACAP's basic tool for the financial analysis of potential and ongoing projects.

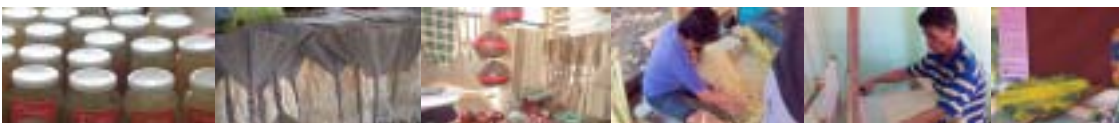
The Purposes of Cash Flow Analysis

It is not enough to know the production capacity, prices and break-even sales of an enterprise. Equally important is the length of time required before it can start production and, once operational, how long it will take before it achieves a break-even level.

What is the length of time required to put together all the different elements so that an enterprise can actually begin production? Will this take a month? two months? three months? half a year? What are the capital and start-up costs that are to be incurred during this pre-operating period?

Once an enterprise begins actual operations, how long will it take before it achieves its planned 100% production capacity? Obviously, no business achieves 100% production capacity on the day it begins operations. It may take some months before all production problems are straightened out. The enterprise may also encounter difficulties in its initial marketing efforts.

Because of the above, cash flow analysis is critical for any business. On a periodic basis, cash inflows (=receipts)



must be matched against cash outflows (=disbursements) so that it can be determined when an enterprise can generate enough cash to cover all its costs and, therefore, will no longer have to depend on external funds.

Once this is determined, the amount of external funds required for the enterprise and, more important, the timing for the infusion of these external funds would also have been determined. This is particularly important for PACAP who would normally release funds in three tranches, i.e., 60% of the grant on Month 1, 35% after 6 months; and the remaining 5% on Month 12.

Cash Flow Analysis for a Revolving Loan Fund

A large number of PACAP-supported projects involve the establishment of revolving credit funds that are used by the proponent NGO to extend loans to either individuals or groups to capitalize a variety of microenterprises.

Loan repayments, both principal and interest, are usually plowed back into the revolving credit fund for re-lending purposes. Repayment periods, while sometimes fixed for all loans, are often based on the business cycle of the microenterprise supported.

Most of these projects incorporate a capital build-up (CBU) component, both for individual savings and group



funds. The funds generated from the CBU scheme are often incorporated into the revolving credit fund to service either new borrowers or existing borrowers who have need for larger loans.

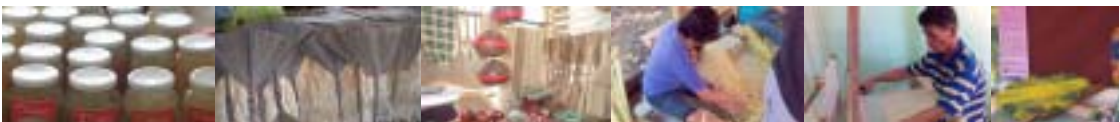
Planning the effective utilization of a revolving credit fund requires the preparation of a Projected Cash Flow Statement.

The Projected Cash Flow Statement would indicate the number of borrowers whose loan applications can be accommodated (cash outflows) given the amount of cash that will become available, either from external funds or inflows from loan repayments and other sources.

The timing of the infusion of external funds from PACAP is particularly important since, as mentioned earlier, the Program releases approved grants in three tranches, namely:

- o a first release of 60% on Month 1;
- o a second release of 35% after 6 months; and
- o a third release (retention) of the remaining 5% on the 12th month.

(All of these releases are dependent on the submission of a satisfactory progress report.)



The cash flow would also show the amount of cash that will be built up over time, i.e., the ending cash balance, at the end of every period and at month 12 (the end of the project period).

This will provide the proponent NGO with some indication of the length of time required for the community to generate enough internal funds to sustain the credit program, if the intention is to withdraw the original seed capital for the loan funds and transfer it to serve to other communities.

Table I provides a sample projected cash flow statement for a revolving credit fund that is typical of the kind of project normally supported by PACAP.

Table II lists the different assumptions used in the preparation of the Projected Cash Flow Statement in Table I.



Table I

(Shoot Table1 of
Annex 6)

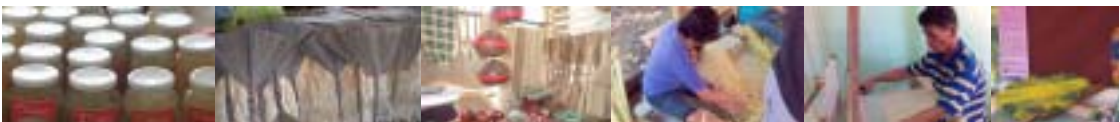
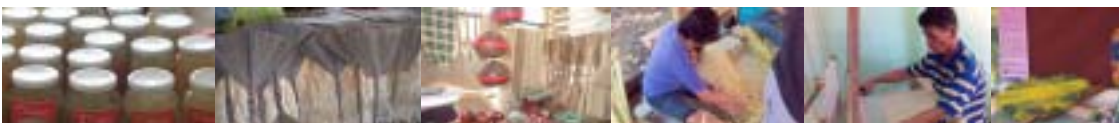




Table II

NOTES AND ASSUMPTIONS TO THE SAMPLE PROJECTED CASH FLOWS TATEMENT

1. Four hundred (400) beneficiaries will avail of loans from the revolving fund component of this project. These are organized into groups of 5 members each. A total of 80 groups will be involved in the revolving fund component. Each member of a group can avail of a maximum loan of P2,000 each.
2. Loans will be extended to the 80 groups in four batches. Each loan batch will consist of 20 groups, or 100 people. Releases of the first loans will be as follows: Batch 1, July; Batch 2, August; Batch 3, November; and Batch 4, December. Groups may avail of new loans as soon as 80% of their outstanding loans have been repaid. For example, the groups in Batch 1 can avail of a second loan in the beginning of December since they are expected to have repaid 80% of their first loan by November.
3. The total loan releases for one batch will amount to P200,000, computed as follows: 2,000/member X 5 members/group X 20 groups. Batches 1 and 2 are projected to each receive 3 loan releases during



the 12-month life of the project. Batches 3 and 4 will each receive 2 loan releases.

4. Loans have a maximum term of 5 months. Repayments shall be made monthly in equal installments. The projected monthly amortization per batch is P40,000 (P200,000/5 months).
5. The Projected Cash Flow assumes a 100% repayment rate. At the end of the project period (June 1994), status of loans receivable is expected to be as follows:

	First Loan	Second Loan	Third Loan
Batch 1	100% paid	100% paid	20% paid
Batch 2	100% paid	100% paid	0% paid
Batch 3	100% paid	40% paid	0% paid
Batch 4	100% paid	20% paid	0% paid

6. Interest is computed at 2% per month on the original principal of the loan, payable monthly. Monthly interest per-batch is computed at P4,000 (P200,000 X 2%).
7. The credit program incorporates a Capital Build-Up (CBU) , or forced-savings scheme, at the rate of P2.50 per person per day, beginning on month 2

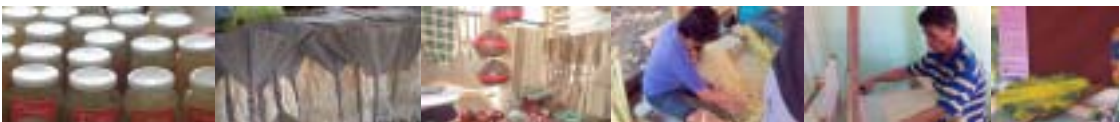


(August). This amounts to P30,000 per month for the 200 beneficiaries.

8. Other Inflows include infusion of cash from miscellaneous sources, e.g., bank interest, etc.
9. All inflows -repayments of principal, interest payments, capital build-up, other inflows -are plowed back as additional working capital into the revolving loan fund.
10. Monthly salaries for staff are as follows: Credit Manager, P3,000; Loan Collector, P2,500; Bookkeeper, P2,000.
11. The revolving fund will require the infusion of external funds -from the proponent NGO and PACAP -to cover its cash deficits, particularly during the first months of operation.

The NGO's contribution will cover the costs of staff salaries, transportation and other administrative expenses. This is estimated at P8,500 per month, or P102,000 for the 12-month project period.

The PACAP contribution will provide the initial capital for the revolving loan funds. This will be disbursed in two tranches: P325,400 (Months 1&2)



and P119,000 (Months 6&7). The total PACAP contribution for the Revolving Fund Component is estimated at P444,400.

12. It is assumed that the project has a zero beginning cash balance on Month 1.



References:

PACAP Brochure

PACAP Operations Manual

PACAP Website (www.pacap.org.ph)

Key Informants:

Jaime Aristotle Alip, CARD Bank

Luis Carrillo, COOP-NATCCO

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