

Highlights of the Technical Working Group (TWG) Meeting on CSO Disbursement
 IKM Conference Room, Climate Change Office, Malacanang Compound, San Miguel, Manila
 February 3, 2016

Attendees:

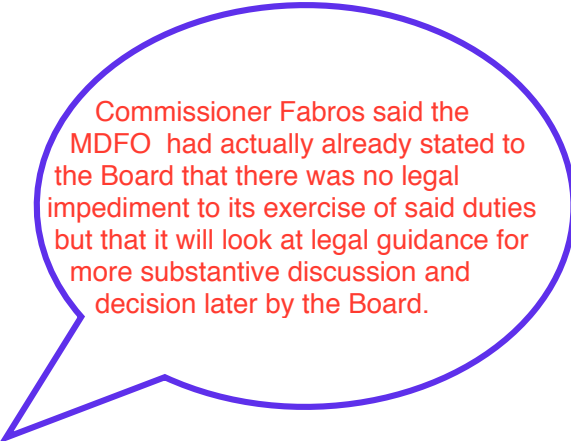
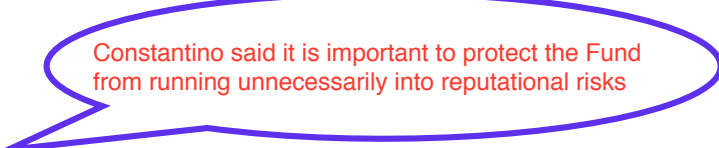
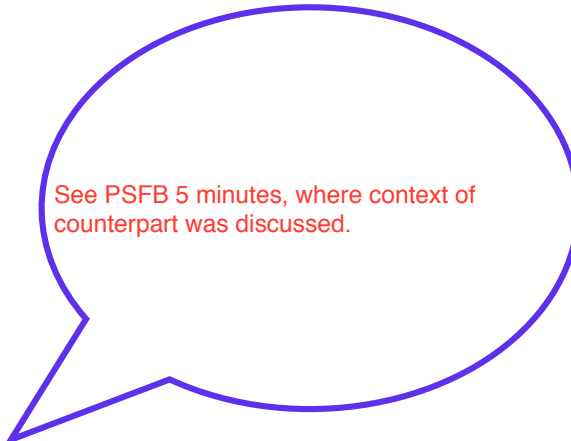
Ms. May-I Fabros, Commissioner-PCW
 Ms. Grace Delos Santos, Asst. Dir.-DBM
 Mr. Red Constantino, CSO representative
 Ms. Kathleen Capiroso, NEDA
 Mr. John Adrian Narag, DOF

Mr. Silvestre Barrameda, DILG
 Dr. Tony Fernandez, Senior Coordinator-PSF-CCC
 Ms. Mirasol Garcia, MDFO
 Ms. Erika Erro, CCC-CCO
 Ms. Elaine Joyce Borejon, CCC-CCO

Requests TWGs when feasible to begin meetings by citing relevant Board decisions and requests by the Board Chair as basis and guide for TWGs

SUBJECT	DISCUSSION	ACTION POINTS
<p>Proof of Communication between LGUs and Local Organizations</p>	<p>Mr. Red Constantino, CSO representative asked that the Board agreement required organizations to establish proof of communication with the LGU. He emphasized that priority to access the Fund be given to LGUs in supporting hard projects rather than the local community organizations (LCOs) or civil society organizations (CSOs) due to accountability issues.</p> <p>Ms. Erika Erro noted the comment, and further asked on what specific documents will prove communication/ correspondence between the LGU and organization. Mr. Barrameda answered that this may be in form of an endorsement letter by the LGU. Mr. Constantino added that this should not just be an endorsement letter, but rather, it should show written exchanges between the parties. Mr. Barrameda suggested including the meeting proceedings.</p>	<p>Mr Constantino requested Mr Fernandez to review first the previous Board meeting minutes and the submission by the CSO rep detailing said guides, which the CCO may formulate in greater detail.</p>

<p>Different Options for PSF Disbursement</p>	<p>Mr. Barrameda, in a prior discussion with Usec. Panadero and their Asec. for Finance, shared that DILG is not open to be a fund conduit for PSF given the previous experiences of the BuB and its limited absorptive capacity. DILG also had problems in their past experiences with CSOs regarding capacity development proposals, as they were not allowed to disburse funds. This entails longer processing time and has a number of requirements with pending COA guidance. They suggested that the disbursement path be directed to LGUs for a more informed engagement and partnership with CSOs.</p> <p>Asst. Director de los Santos asked if this meant that the fund conduit would still be MDFO. Ms. Mira reiterated that the law does not restrict MDFO to be a conduit to CSOs, however, MDFO would need to coordinate with COA regarding the requirements. This is due the fact that CSOs are not well-acquainted with the COA and national government requirements.</p> <p>Mr. Narag informed that GPPB issued a procurement guideline specific for DENR utilizing CSOs as source of procurement for the National Greening Program (NGP) seedlings. However, Asst. Dir. Delos Santos noted that the guideline does not cover direct disbursement to CSOs.</p> <p>Mr. Narag sought advice on whether it is feasible for DSWD to be a fund administrator, to which Asst. Dir. de los Santos replied that it may be possible for funds to be channelled through DSWD being a government agency.</p> <p>Commissioner May-I Fabros suggested the Board issuing a resolution designating MDFO as the fund administrator for CSOs. The legal basis for this will be the provision under the GAA and the PSF law on the authorized access of CSOs.</p> <p>COA guidelines should be specific on how the Board will provide oversight function. The guidelines could include</p>	<p>Set meeting with COA, MDFO, DBM and DOF to discuss legal basis for disbursement to CSOs and possibility of drafting new set of guidelines specific for PSF disbursement. (guidelines to include allowing only soft projects especially capacity development for CSOs)</p> <p>In parallel, to secure back-up of the Board Resolution by DOF/MDFO writing and obtaining legal clearance from COA/DOJ/DOF's own legal group.</p>
--	---	--

	<p>matters concerning not only the work and financial plan of NGAs, but also the financial capacity MDFO. The Board resolution would then adopt a– Joint Memorandum Circular (JMC) prescribing COA to issue guidelines that could spell out the accountability of the PSF Board and MDFO.</p> <p>The members raised concerns that might be raised, and these include the legal basis and legal impediments.</p> <p>Commissioner Fabros added that an internal discussion should be conducted with MDFO, COA, DBM and DOF. She compared the role of the NGAs similar to the role of the PSF Board and MDFO. A JMC with COA is thus recommended, outlining the specific guidelines that need to be drafted with COA. She also referred the Secretariat to check the amendments in the IRR of the procurement law as this might stipulate the role and accountability of CSOs as receivers of the Fund.</p>	 <p>Commissioner Fabros said the MDFO had actually already stated to the Board that there was no legal impediment to its exercise of said duties but that it will look at legal guidance for more substantive discussion and decision later by the Board.</p>
<p>Soft Projects for CSOs</p>	<p>Mr. Constantino highlighted the preference of the Board for LCOs to submit soft projects for funding, at least for the first 2 years of implementation, as providing funds for hard projects to LCOs might pose issues on procurement and supplant LGUs on providing public infrastructure.</p>	 <p>Constantino said it is important to protect the Fund from running unnecessarily into reputational risks</p>
<p>CSO Counterparting</p>	<p>Ms. Erro informed the group of an existing circular stating a required percentage of counterparting for CSOs amounting to 20% of the total project cost. Mr. Constantino replied that PSF considers in-kind counterparting, which can be valued by the organizations seeking to access the Fund</p> <p>Ms. Mira Garcia added that if capacity development will be the menu of projects expected of CSOs, the full amount must be granted. Mr. Barrameda, in reply, reiterated the CSO’s accountability in the project.</p> <p>Mr. Narag inquired if providing funds to CSOs will pose a challenge for CSOs to undertake their projects as CSOs have different levels of maturity. Mr. Constantino</p>	<p>Consult and seek guidance with COA re: the guidelines.</p>  <p>See PSFB 5 minutes, where context of counterpart was discussed.</p>

	<p>suggested that the CCO/TWG design and conduct a training activity for CSOs. In this activity, options that would be available to CSOs could be discussed. Mr. Narag then further added that CSOs be required to provide a certificate proving that funds are available for counterparting.</p>	
<p>Other Matters</p>	<p>Ms. Kat Capiroso suggested that the Secretariat forward the proponents' proposals with potential for funding to the TEC for review. Mr. Constantino also emphasized that the Secretariat play its role more proactively rather than stick to taking the steps strictly in a sequential manner so that proposals that submitted, say 70% of the required documents were already complied, can already be processed.</p> <p>Mr. Constantino suggested putting a tracking system in the website. He also requested putting in the agenda how many times the Board will approve projects in a year. So that LGUs can prepare their application with certainty based on specific timelines.</p> <p>Ms. Erro informed the group that there are already 37 proposals, of which nine (9) have almost complete submissions. The total cost of the nine (9) proposals is about 450 million pesos.</p> <p>Mr. Constantino also suggested the conduct of roadshows to fill the gap/waiting time of proponents (as there will be banning on fund release from March to May). Asst. Dir. Delos Santos cited out the need for transparency on the process so that the PSF Board.</p> <p><u>SARO request</u></p> <p>Mr. Narag recalled a Board discussion on providing an indicative amount of the projects received. Asst. Dir. Delos Santos reminded the group of the importance in providing the project details (description, estimated costs, activities) for COA purposes.</p>	<p>The Secretariat to coordinate with DILG for the IEC activities.</p>

Banning on Fund Releases and implications to PSF

SARO will not be issued until a month after the election (June). This is seen as an opportunity to review and evaluate the proposals.

Maintenance, Operating and Other Expenses (MOOE) and Capital Outlay (CO) Breakdown under PSF

Ms. Erro informed the group that 750 million pesos was appropriated for MOOE while 250 million was for CO. Capital outlay for infrastructure projects dominate the nine (9) proposals costing P450 million. Asst. Dir. Delos Santos advised the Secretariat to request for realignment. Mr. Constantino added that this is a “happy problem” as it prompts the Congress, the DBM and other potential funding sources of the demand for funding under PSF, thus the need to augment the initially allotment.

Roadshows

Mr. Narag asked the inclusion of this topic in the Board meeting. Mr. Barrameda informed the possibility of DILG organizing the IECs. The group suggested island grouping approach. Mr. Erro further shared that there are also support offered by GIZ and GGGI on such activities.