

FOR DISTRIBUTION

Narrative Report: 20th PSF Board Meeting

Date: October 23, 2023

Venue: Department of Finance (DOF) Building, BSP complex, City of Manila, Philippines

The People's Survival Fund (PSF) Board held its 20th meeting to discuss various matters related to the management of the People's Survival Fund. The meeting was attended by the board members and the PSF Board Secretariat. The following is a summary of the discussions and decisions made during the meeting:

Adoption of Agenda

The Board members approved the agenda for the meeting.

Approval of the Minutes of the 19th PSF Board Meeting held on November 29, 2022

As the previous meeting's minutes were sent only last October 20, the Board agreed to send approval of the minutes via email within 5 days or within October 28, 2023.

For PSF Board Decision

A. Proposals Received by the PSF Board Secretariat During the Call for Proposals from February to April 2023

The Department of Finance (DOF) corrected the number of received proposals, reducing it from 189 to 187. This correction was due to a double count of proposals from two cities. The total value of these proposals amounted to approximately PHP23.9 billion. The projects were clustered into three batches for review and evaluation. The recommended amounts are still subjected to standard government processes.

The Development Bank of the Philippines (DBP) presented seven PSF projects from the first batch of received PSF proposals recommended for approval, as endorsed by the commissioners of the Climate Change Commission (CCC):

- Mountain Province
- Maramag, Bukidnon

- Catanauan, Quezon
- Sadanga, Mountain Province
- Cabagan, Isabela
- Borongan, Eastern Samar

CCC has provided initial comments and recommendations already included in the presentations. The Board inquired into each proposal before deliberation. Additionally, the CCC extended an invitation to Board members to participate in the assessments and validation of these proposals.

Five of the six projects that received a Recommendation for Approval were granted approval with conditionalities, while one was deferred (Sadanga, Mt. Province). In total, five out of the six presented projects were approved with specific conditions, and one was recommended to access the Project Development Grant (Besao, Mt. Province).

B. Requests for Additional Grants of Ongoing PSF Projects

The Board has granted additional funding for ongoing projects in Agusan Del Norte and Sarangani, following verification of the cost's reasonability by the DBP.

C. Inclusion of an Insurance Aspect to Appropriate Projects

During the presentation of the project status in Del Carmen, the PSF Board Secretariat updated the Board that last October 10, they sent a communication to the LGU discussing ways forward. The LGU responded that they are revising their plan to address issues on the insurance aspect of the project. The Secretariat is awaiting updates from the LGU. With this, there was a motion for the collation of additional documents on insurance, further discussion, and the inclusion of an insurance aspect to appropriate projects. The Board approved this motion.

Status Report of PSF

The DBP reported the status of the PHP 1 Billion PSF. There is a remaining balance of PHP 679,663,803.97, with committed funds amounting to PHP 320,336,196.03.

The project in San Francisco, Camotes Island in Cebu, has already been completed, spending less than the approved amount, and has been turned over to the CCC for monitoring. Ongoing project updates in Kitcharao, Agusan Del Norte, Sarangani Province, Lanuza, Surigao Del Sur, Del Carmen, Siargao, and Gerona, Tarlac were also presented. It was noted that the project in Tarlac had delays in releasing its next tranche of funding, but it will soon be ready for disbursement following adjustments in implementation.

ICSC emphasized the need for providing the Board with a list of the proposals with a short explanation of how the prioritization was made, primarily as the fund is targeted to LGUs with lesser economic classification. ICSC also followed up with Guiuan's project proposal, prompted by the letter from one of Guiuan's implementing partners, Philippine Misereor Partnership, Inc. (PMPI). It was reported in this letter that the proposal was submitted last March 30 electronically, which did not receive acknowledgment of receipt.

The DOF agreed with the need to acknowledge proposals and informed the Board that they would send over 160 letters in the following week. These letters will not only acknowledge the proposals but also provide information on the status of their application, notify regarding incomplete documents, and suggest proposal improvements.

First PSF Replenishment

The DOF informed the Board that they are sending a request for fund augmentation to the Office of the President and to seek guidance due to past disbursement rates of the PSF. They plan to meet with the DBM to explore options and present this to the Board.

Additionally, the DOF discussed the possibility of the Fund receiving grants and donations as stipulated in RA 10174 (PSF Law) and sought guidance from the Board members, specifically DOF and DBM. The CCC also raised concerns about the need for more guidelines for PSF allocation to recognized institutions and local community organizations. The DOF assured that these guidelines will be included in the operational manual and by-laws to protect and guide the Board. The manual and by-laws will be created and commented on by the Board in the following weeks, as comments from this meeting will be taken into account. ICSC noted the existence of qualifications for local community organizations already.

The DBM identified a potential problem with funding sources in the 2023 budget and a lack of a specific budget line or purpose for the PSF, contrasting it with the 2016 budget. The DOF anticipated difficulties in the 2024 budget but shared that the 2025 General Appropriations Act will be able to include PSF. Aside from focusing on the relevance and impact of the PSF, the DBM suggested working on the Budget Utilization Rate (BUR). The DOF views securing one billion pesos in the 2024 budget as challenging, but there is still time for documentation preparation.

Updates on Nominations for New PSF Board Sectoral Representatives

The CCC has submitted a letter to the Office of the President, and the Office has confirmed receipt of the letter. The Board has been informed that the DOF and the CCC are awaiting the President's official nomination papers.

Streamlining of PSF Process Flow

Due to time constraints, the streamlining of the process flow will be a workshop held during another meeting.

The meeting was adjourned after all agenda items were discussed and decisions were made.