



REVISED IMPLEMENTING GUIDELINES OF THE PSF PROJECT DEVELOPMENT GRANT (PDG)

INTRODUCTION

The People's Survival Fund (PSF) was created pursuant to Section 18 of the Republic Act (RA) No. 9729, also known as the Climate Change Act of 2009, as amended by RA No. 10174. It is a special Fund in the National Treasury for the financing of climate change adaptation programs and projects based on the National Strategic Framework on Climate Change (NSFCC) and the National Climate Change Action Plan (NCCAP). The Fund shall be used to support adaptation programs and projects of local governments and communities.

The Project Development Grant (PDG) is a sub-financing window under the PSF with an allocation of Php 60 Million, 6% of the annual Php 1 Billion PSF budget.

RATIONALE

Project preparation activities that will establish climate rationale, technical feasibility, and sustainability of a PSF project proposal entail costs, manpower, and technical knowledge that remain to be a challenge to many PSF project proponents. This leads to a few PSF proposals that are comprehensive, compelling, and ready for implementation.

To realize a climate-resilient future for vulnerable Filipino communities, technical and financial support must be extended, from the conceptualization of responsive and sustainable climate change adaptation (CCA) projects up to the full implementation of these plans.

OBJECTIVE

PDG aims to help project proponents in preparing PSF funding proposals based on Concept Notes that have been approved by the PSF Board to have the potential for community-level climate change adaptation.

The objective of the PDG is to address the barrier faced by proponents during project initiation/design by providing funding for activities that are essential in the identification and development of climate change adaptation projects.

ELIGIBLE PROPONENT

Municipality (2nd income class and below)

ELIGIBILITY CRITERIA

- Project must be a mix of infrastructure (hard components) and soft projects
- Concept Notes must be supported by the Local Climate Change Action Plan (LCCAP), Comprehensive Land Use Plan (CLUP)/Climate and Disaster Risk Assessment (CDRA)/Risk and Vulnerability Assessment (RVA).

ELIGIBLE ACTIVITIES

- Feasibility Study (FS) and/or Detailed Engineering Design (DED)
 - Climate Study
 - Hydrological Study
 - Geological and Geotechnical Study
 - Soil Suitability Test
 - Environmental and Social Safeguards Studies including Gender and Development
 - Technical design and drawings including quantity and cost estimates outlining unit prices
- Climate Risk Assessment (CRA)
- Other project preparation activities where necessary and justified
- Other activities/studies as recommended to undertaken resulting from the climate rationale review (for PDG applicants for the purpose of project proposal enhancement).

INELIGIBLE EXPENDITURES

- Costs not associated with project preparation activities specific to the proposed project
- Project start-up costs, demonstration and pilot projects
- Capital goods not directly required for project preparation, such as computers, hardware, mechanical equipment, vehicles
- Policies, and general capacity building activities

TERM AND CONDITIONS

<i>Amount of Grant</i>	Up to Php 2 Million per proponent/beneficiary
<i>Requirements/ Documents to be submitted</i>	<ul style="list-style-type: none">● Letter of Intent● Project Concept Note / Business Case● LCCAP / CLUP / CDRA / RVA● Cost Breakdown and Amount Requested
<i>Output</i>	Full PSF Proposal with complete supporting documents
<i>Other Conditions</i>	<ul style="list-style-type: none">● PDG activities shall be undertaken by a third-party consultant.● The final grant amount shall be based on the winning bid.● Cost overruns shall be for the account of the proponent.● First fund disbursement shall be 90% of the PSFB-approved PDG amount, which shall be released to the proponent’s DBP account.● The proponent shall secure a certification from the Climate Change Commission-Climate Change Office (CCC-CCO) that the project proposal is acceptable in terms of climate rationale and technical quality. The remaining 10% of the PDG shall be disbursed upon receipt of CCC-CCO certification.

- The proponent shall reimburse to the PSF Board the amount of PDG assistance received if it fails to:
 - Submit a full PSF proposal for infrastructure and soft projects
 - Complete the PSF proposal within the approved schedule
 - Procure in accordance with Republic Act 9184

IMPLEMENTATION ARRANGEMENTS

- **PSF Board Secretariat** receives applications and forwards them to the CCC for processing; communicates results of evaluation to the proponent, (i.e. not eligible, approved/denied by the PSF Board); disburses funds in accordance with PSF Board approval; and validates, monitors, and reports use and beneficiaries of PDG funds.
- **Climate Change Commission (CCC)** screens and processes applications for PDG based on criteria and methodology approved by the PSF Board; and recommends approval for PDG access to the PSF Board.
- **PSF Board** approves/denies application for PDG.

