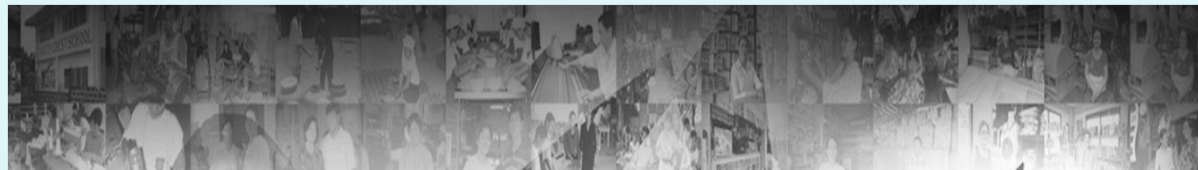




PONDO SA PAGBABAGO AT PAG-ASENSO (P3)



P3 PROGRAM



Pondo sa Pagbabago at Pag-asenso
A Microfinancing initiative of
Pres. Rodrigo Roa Duterte

Ang Kasama natin sa Pag-unlad



P3 PROGRAM

- ▣ Provides microenterprises with an alternative source of financing that is easy to access and at reasonable cost
- ▣ Boosts the development of entrepreneurship and the MSME sector, particularly the microenterprises



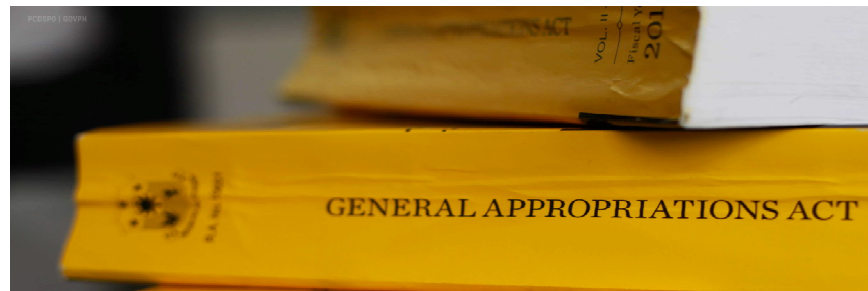
P3 PROGRAM

- ▣ Provides microenterprises with an alternative source of financing that is easy to access and at reasonable cost
- ▣ Boosts the development of entrepreneurship and the MSME sector, particularly the microenterprises



FUNDING

The Php1 Billion fund from the Office of the President for the *Pondo sa Pagbabago at Pag-asenso (P3)* Program is included in the 2017 General Appropriations Act (GAA).



FUNDING

<u>Purpose</u>	<u>Amount ('000)</u>
□ Wholesale Microfinance	741.500 (74.15%)
□ Retail/Direct Lending	100.000 (10%)
□ Cost of Credit Risk	148.500 (14.85%)
□ Mobilization Fund	10.000 (1%)
TOTAL	<hr/> 1,000.000

PRIORITY BENEFICIARIES

- ▣ Micro entrepreneurs who do not have access to credit or access it at very high cost
- ▣ Include market vendors, agri-businessmen and members of cooperatives, industry associations and co-operators
- ▣ Micro and small enterprises in priority and emerging industries, start ups and technology innovation



GEOGRAPHICAL COVERAGE

30 POOREST PROVINCES (1st Semester 2015 Provincial Poverty Estimation)

- Lanao del Sur
- Northern Samar
- Saranggani
- Sultan Kudarat
- Bukidnon
- Siquijor
- Apayao
- Negros Oriental
- North Cotabato
- Zamboanga del Norte
- Sulu
- Lanao del Norte
- Catanduanes
- Eastern Samar
- Maguindanao
- Agusan del Sur
- Western Samar
- Leyte
- Mt. Province
- Aurora
- Camiguin
- Camarines Norte
- Ifugao
- Occidental Mindoro
- Sorsogon
- Surigao del Norte
- Agusan del Norte
- Antique
- Misamis Occidental
- Abra

GEOGRAPHICAL COVERAGE

30 Poorest Provinces by Region (1st Semester 2015 Provincial Poverty Estimation)

Region 3 – Central Luzon
Aurora

Region 4B – MIMAROPA
Occidental Mindoro

Region 5 – Bicol
Sorsogon
Camarines Norte
Catanduanes

Region 6 – Western Visayas
Antique

Region 7 – Central Visayas
Siquijor
Negros Oriental

Region 8 – Eastern Visayas
Northern Samar
Western Samar
Eastern Samar
Leyte

Region 9 – Zamboanga Peninsula
Zamboanga del Norte

Region 10 – Northern Mindanao
Lanao del Norte
Misamis Occidental
Camiguin

Region 12 - SOCCSKSARGEN
Sultan Kudarat
Sarangani
North Cotabato

Region 13 - CARAGA
Surigao del Norte
Agusan del Norte
Agusan del Sur

Region 14 - CAR
Abra
Mt. Province
Apayao
Ifugao

Region 15 - ARMM
Lanao del Norte
Sulu
Maguindanao

PROGRAM ADMINISTRATION

Small Business Corporation shall implement the P3 Program. It has formed a Program Management Office (PMO) to oversee the management and monitoring of the P3 funds, and also to report to oversight government entities on a quarterly basis.



PROGRAM ADMINISTRATION

Small Business Corporation
administers the P3
Program.

- Set up P3 PMO
- Marketing & Operations Sector for field work
- Controllership Group for DBM transactions
- Mancom/Board for oversight



P3 DELIVERY SYSTEM

SB Corp channels P3 funds through partner microfinance institutions (MFIs)/conduits which include MFIs operating nationwide, as well as, local MFIs, such as, cooperatives, associations and other organizations



P3 DELIVERY SYSTEM

- Microfinance wholesale through partner
 - MFIs with nationwide network
 - Local cooperatives and associations
- Direct microfinance retail by SBC P3 offices (pilot-test)
 - Public market offices
 - Supervision by Area Group



MICROFINANCE WHOLESale

CRITERIA	REGULAR WHOLESale	P3 WHOLESale
Fund Allocation	Not Applicable*	P741.5 Million
Borrower Risk Rating	BRR 5 or better	
Business Track Record	At least 2 years	

*2017 SB Corp Target for Microfinance – PhP 1.016B

MICROFINANCE WHOLESale

CRITERIA	REGULAR WHOLESale	P3 WHOLESale
Documentation of Loan Application	Full documentary requirements	<ul style="list-style-type: none"> • Historical and interim FS w/ supporting reports/schedules on microfinance portfolio, portfolio, past due loan-loss provisioning, provisioning, and ageing of past due portfolio • SEC/CDA Certificate of Business Registration • Board Resolution to borrow & authorized signatories • Schedule of borrowings, including: terms of terms of payment, collateral cover and credit status

MICROFINANCE WHOLESAL

CRITERIA	REGULAR WHOLESAL	P3 WHOLESAL
Past Due Rate	15%	20%
Capital Adequacy Ratio	20%	15%
MF-PAR	10%	15%

MICROFINANCE WHOLESale

CRITERIA	REGULAR WHOLESale	P3 WHOLESale
Loan Implementation	Full release or in tranches; check or credit to account	
Credit Line	Subject to our SBL	Maximum of P100 Million
Loan Term	One year line; renewable	
Interest Rate	4.5% - 8% p.a.	2% p.a. to conduit; cap of 30% p.a. to end-borrowers
Mode of Payment	Post-dated checks	

COMMITMENTS FROM CONDUITS

	LOAN FEATURES	METRICS
1.	Simple Documentation	Standardized, reduced to minimum
2.	Fast Release to Borrowers	Within 24 hours from complete docs
3.	Low Pass-on Interest Rate	Capped at 2.5% per month
4.	Efficient Collection & Repayment	Daily/weekly; 100% repayment to SBC

P3 RETAIL/DIRECT LENDING

CRITERIA	P3 Features
Fund Allocation	P 100 Million
Borrower Risk Rating	Waived
Business Track Record	At least 1 year

P3 RETAIL/DIRECT LENDING

CRITERIA	P3 Features
Loan Application Documentation	<ul style="list-style-type: none">□DTI registered enterprise□At least 1 valid ID□Membership certification issued by market administrator/ LGU/ association/cooperative
Pre-Qualification Criteria	<ul style="list-style-type: none">□Asset size <500K□DTI registered enterprise□Minimum loan = 5K□ITR & FS waived
Loan Implementation	Cash card/ATM or cash

P3 RETAIL/DIRECT LENDING

CRITERIA	P3 Features
Loan Documentation	Promissory Note*, Disclosure Statement, amortization schedule
Collateral Requirement	None/clean
Loan Term	Maximum of 12 months on amortized basis

***The borrower only signs on the promissory note.**

P3 RETAIL/DIRECT LENDING

CRITERIA	P3 Features
Interest Rate	Maximum of 10% p.a.
Fees	Waived except for the DST
Mode of collection	Daily except Saturday and Sunday

P3 PILOT

- Pilot tests in Occ. Mindoro, Leyte & Sarangani
- Meetings with MFIs, MCPI, NATCCO
- Accreditation of conduits & agreement on procedures
- Submitted documentary requirements of DBM for the release of P3 funds



DETAILS OF PILOT TESTS

PARTICULAR	OCC. MINDORO	LEYTE	SARANGANI
LAUNCHING DETAILS			
➤ Area	San Jose	Tacloban City	Alabel
➤ Date	January 27, 2017	January 25, 2017	January 31, 2017
➤ Venue	Gymnasium	Hope Resettlement Village	Provincial Gymnasium
P3 DELIVERY			
➤ Conduits	5 Nat'l; 10 Local – P71.5M	5 Local Conduits – P13M	6 Local Conduits – P23.5M
➤ Direct Borrowers	56 Accounts – P1.72M	26 Accounts – P0.946M	29 Accounts – P0.644M*
PROGRAM LAUNCH			
➤ Conduits	MOA Signing with Conduits	Notice of Accreditation	MOA Signing
➤ Direct Borrowers	Fund Release	Notice of Approval	Release to 1st Batch (12)

*As of 28 February 2017

SMALL BUSINESS CORPORATION
PONDO SA PAGBABAGO AT PAG-ASENSO (P3)
Pilot Implementation
As of 31 March 2017

STATUS REPORT

PARTICULARS		San Jose, Mindoro	Alabel, Sarangani	Tacloban, Leyte	TOTAL
LOAN RELEASES					
Loan Amount (cumulative)	P	2,065,000.00	930,000.00	940,000.00	3,935,000.00
LOAN REPAYMENT	P	1,212,699.00	409,285.00	436,680.00	2,058,664.00
<i>Collections Reflows</i>					
<i>Principal</i>		1,190,415.91	398,803.75	426,426.32	2,015,645.98
<i>Interest</i>		22,283.09	10,481.25	10,253.68	43,018.02
COLLECTIONS DUE	P	1,117,666.79	372,245.00	436,680.00	1,926,591.79
<i>Principal</i>		1,096,184.37	362,495.71	426,426.32	1,885,106.40
<i>Interest</i>		21,482.42	9,749.29	10,253.68	41,485.39
OUTSTANDING BALANCE	P	874,584.09	531,196.25	513,573.68	1,919,354.02
COLLECTION RATE		109%	110%	100%	107%
NO. OF MICRO ACCOUNTS FUNDED					
No. of Market Vendors/Account (unique)		68	41	26	135
NO. OF RE-AVAILMENT		12			
AMOUNT OF RE-AVAILMENT		345,000			345,000
NO. OF FULLY-PAID ACCOUNTS		20	-	-	-

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Noted by:

JOSEFINA P. FLORES
Head PMO

NEXT STEPS

- One billion in 2018 budget, possibly another billion within the year
- P3 bill providing for P16 billion in the next four years
- Review and benchmarking study
 - Pilot experiences
 - Other delivery partners
 - How to deal with federations/umbrella organizations

Ano ang P3?
 Bilang tugon sa direktiba ng Pangulo na matatagip ang MSME sector, itatukha ang Pondo sa Pagbabago at Pag-asenso (P3) ng gobyerno. Ito ay nakatutugang tumulong sa mga madali na negosyo upang makahiram ng pump-loppal para mapabago ang kanilang negosyo. Marami nitong maglalar ng mabilisang pag-proseso ng alternatibong tulong pinatupal na may mababang interes at walang kolateral.

Simple at madali na proseso – mas kaunti ang dokumentong kailangan at masarap magproseso sa loob ng isang araw

Mababang interes – 2.5% kada buwan

May mabilisang pagbayad – araw-araw/linggathen ang hahibayin

Sino ang makikilalang sa P3?
 Tugon ng programang ito ay madali ang mga madali na negosyante tulad ng mga magtutudi, sa pabalang at sari-sari, at ibang owners.

Makikano and pwedeng utangan sa P3?
 Para sa mga nagpatnubai na magpaki ang kanilang negosyo, makakalalaran ng mga P5,000 hanggang P100,000 mula sa programa.

Saan pwedeng lumapit at mag-apply ng P3?
 Maging lumapit sa mga **partner conductors** ng Small Business Corporation (SB Corp) tulad ng CARD, NGO, Caruana Libeller, Radwood& Financing Co. (RFC), Taytay Sa Kawangyari (TSK) at Tayay sa Pag-unlad Inc. (TSPU).

Maaari rin lumapit sa mga accredited na lokal na kooperatiba at organisasyon sa inyong lugar (ang kompletong listahan ay maaaring malabo mula sa mga opisina ng SB Corp at DTI).

Para sa karagdagang impormasyon maaaring lumawag sa SMALL BUSINESS CORPORATION (+632 751-1866) o sa DTI Direct (+632 751-2338.)

Maaari din pumunta sa pinakamalapit na sangay ng SB Corp, DTI at DTI Negosyo Center.

SMALL BUSINESS CORPORATION
 Department of Trade and Industry (DTI)

dti
 Department of Trade and Industry

PLEASE CONTACT [Redacted]



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