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LOCAL GOVERNMENT FINANCE: BUILDING ON THE INITIAL SUCCESSES OF INFORMATION CAMPAIGN FOR LGU BOND ISSUANCE

I. Introduction

The Philippines became one of the first Asian countries to have a law on decentralization when it passed RA 7160 or the Local Government Code of 1991 (LGC). The law devolved vital national government (NG) functions to LGUs (Appendix 1). To finance the performance of these new responsibilities, the law raised LGUs' internal revenue allotments (IRA) share from 20% to 30% in 1992, 35% in 1993 and 40% from 1994 onwards (Appendix 2). It also allowed LGUs to tap private sector funds through private bank loans and bond issuance and to enter into partnership arrangements like build operate and transfer (BOT) and joint venture (JV) schemes (Appendix 3).

A study prepared by Ms. Lydia Orial[1], LGU Guarantee Corporation (LGUGC) Senior Vice President for Operations, showed that despite having various funding options, a large part of LGU revenues still came from IRAs between 1991 and 2000 (Appendix 4). This dependence increased from an average of 56.3% from 1990 to 1995 to 60.2% from 1996 to 2000. According to Mr. Ronald Ignacio of the Bureau of Local Government Finance (BLGF), this reliance is even higher for smaller and less developed LGUs. These LGUs were barely able to finance overhead expenses and therefore had to rely on congressional budget allocations (the so-called pork barrel funds) for their development funding needs.

A study commissioned to the Philippine Institute for Development Studies (PIDS) by the Department of Finance (DoF) in 1998[2] showed that LGUs were dependent on IRAs because of a number of factors including their inability to tap private funds, particularly from the capital market[3]. Consequently, a committee headed by the Financial Executives Institute of the Philippines (FINEX) and the BLGF conducted an information campaign from 2001 to 2003 to stimulate the development of the bond market and encourage LGUs to issue bonds. The committee organized a series of workshops and issued a municipal bond manual in cooperation with the United States Agency for International Development (USAID) through the Accelerating Growth, Investments and Liberalization with Equity (AGILE) project.

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[1] Orial, Lydia. "Local Government Finance and LGU Bond Market Development Philippines". Draft Final Report for the Asian Development Bank, as presented in "Conference on Local Government Finance and Bond Market Financing" on 30 October 2002.
[2] Llanto, Gilbert, et.al. "Local Government Units' Access to the Private Capital Markets". Philippine Institute for Development Studies, 1998.
[3] This is shown by the fact that only ten LGUs floated bonds from 1991 to 2000.

This report evaluates the success of the information campaign in helping in the development of the LGU bond market. It intends to assess the campaign's impact on the levels of demand (from the LGUs) and supply of funds (from the private sector), and on the number of private sector participants in the market. It also evaluates the campaign's effect on the market's level of liquidity and interest rates.

II. Background

The committee organized 11 seminars across the country between 3 August 2001 and 21 March 2003, and issued a manual on municipal bond offering in 2001. The information campaign, which was assisted by the FINEX, BLGF, DoF, Department of Interior and Local Government (DILG) and AGILE, was launched to raise the awareness of LGUs and the private sector on LGU bonds. This campaign was aimed at promoting the development of the LGU bond market by encouraging LGUs to float bonds (thereby raising the level of demand) and the private sector to invest in them (thereby raising the supply of funds). It was also intended to increase the level of liquidity in the LGU bond market and reduce interest rates.

1. **Bond Floatation Seminars.** The seminars, entitled, "The Making of a Municipal Bond", were attended by representatives from at least 500 LGUs[4] and some national government and private institutions. Most of the LGU representatives came from municipalities because the seminars were primarily meant to reach municipal treasurers. The seminars were held in the following regions from 3 August 2001 to 21 March 2003:

Table 1
LGU Bond Seminar Schedule and Attendance

Venue	Date	Attendees
Region 10 (Northern Mindanao)	August 3, 2001	126
Region 11 (Southern Mindanao)	August 17, 2001	137
Region 7 and Region 8 (Central and Eastern Visayas)	September 1, 2001	140
Region 6 (Western Visayas)	September 14, 2001	102
Region 4 (with the GACPA)	September 20, 2001	49
CAR and Region 1 (Ilocos Region)	June 14, 2002	19
Region 2 (Cagayan Valley)	June 28, 2002	122
Region 3 (Central Luzon)	August 16, 2002	161
Region 5 (Bicol Region)	August 23, 2002	75
Region 13 (Caraga Region)	November 27, 2002	63
Region 4 (Southern Tagalog)	March 21, 2003	158
Total		**1,152**

Source: AGILE

Note: GACPA - Government Association of Certified Public Accountants; CAR - Cordillera Autonomous Region;

[4] The exact number of LGUs represented in the seminars is not available at this time. Seminar organizers handed out exactly one free municipal bond manual per LGU during the event and since 500 free manuals were distributed, it is then inferred that at least 500 LGUs were represented in the seminars. Although unlikely, this number may be understated if any LGU participant failed to get a free copy during the event.

2. **Manual on Municipal Bond Offering.** The committee also published the first Municipal Bonds Manual in 2001. FINEX, DoF, BLGF, DILG and AGILE participated in this project hoping to bring the information on municipal bonds to the regional level. Of the 1,720 manuals published, 745 have already been distributed to LGUs and private institutions during the seminars, and in occasions hosted by FINEX and BLGF. 775 remain with FINEX for further distribution.

III. Impact Assessment

The impact of the information campaign on the LGU bond market is difficult to ascertain because of data constraints. Information gathered from surveys given during the event showed that the seminars might have been successful in generating interest on LGU bonds from the participants, most of whom were municipal treasurers. Four hundred two actively participated in the survey. Of this figure, 384 knew little or nothing about LGU bonds before attending the seminars; 294 intended to learn more about LGU bonds, while 93 planned to actually float bonds after attending the events. It is unclear whether this heightened interest among LGUs has translated to actual bond floatation or if the campaign raised private sector participation in the market. Although anecdotal evidence suggests the presence of such relationship, the committee may still want to verify it through a more detailed survey.

1. **Slightly improving demand for bond financing among LGUs.** Data provided by the Bangko Sentral ng Pilipinas (BSP), BLGF and LGUGC show encouraging signs that demand for bond financing among LGUs has increased after the DoF's information campaign was launched.

   - The number of LGUs floating bonds increased from 10 to 15 after the committee started its campaign in 2001. The issuance of four of these bonds could not have been influenced by the information campaign. Three of them were arranged before the LGUs attended the seminars, while the fourth did not even have any participation. It is encouraging to note, however, that the fifth LGU, the province of Leyte, floated P205 million worth of bonds after attending the Region 8 seminar on 1 September 2001.

   - All prospective LGU bond issues in the BSP and LGUGC pipelines are from regions, which hosted the seminars (Table 2).

Table 2
List of issuers in BSP and LGUGC's pipeline

Issuer	Issue Size (in million pesos)
Participants	
Antipolo, Rizal (Region 3 - 2001 seminar series)	400
Province of Laguna (Region 3 – 2001 seminar series)	200
Binangonan, Rizal (Region 3 – 2001 seminar series)	100
Calatagan, Batangas (Region 3 – 2001 seminar series)	35
Cagayan Province (Region 2 – 2002 seminar series)	205
Tabaco City, Albay (Region 5 – 2002 seminar series)	170
Surigao City, Surigao (CARAGA – 2002 seminar series)	140
Non-Participants	
Taytay, Rizal (Region 3 – 2001 seminar series)	75
Daet, Camarines Norte (Region 5 – 2002 seminar series)	80
Province of Eastern Samar (Region 8 – 2001 seminar series)	200
Total	**1,605**

Source: BSP, BLGF, AGILE

Based on the survey results, it is possible that Leyte and the seven prospective LGU bond issuers benefited from the information campaign. These data may even be understated. Preferred Ventures Corporation (PVC), the leading financial advisor in the LGU bond market claims that it is in the process of arranging several accounts, some of which are for LGUs that have attended the seminars. Information about these bond floats, however, is currently not available.

2. **Private sector participation is beginning to improve.** There were only three major private sector participants in the LGU bond market from the time RA 7160 was enacted in 1991 up to the start of the information campaign in 2001. As shown in Table 3, most of the bonds were underwritten by Rizal Commercial Banking Corporation (RCBC) Capital Corporation (RCC), advised by PVC and had the Philippine National Bank (PNB) as trustee.

Table 3
Financial Management Team of Bonds Issued Before 3 August 2001

Issuer	Underwriter	Financial Advisor	Trustee
Victorias, Negros Occidental	N/A	PVC	PNB
Claveria Misamis Oriental	N/A	PVC	PNB
Sto. Domingo, Nueva Ecija	N/A	PVC	PNB
Legazpi, Albay	MIB	MIB	PNB
Urdaneta	SBC	PVC	PNB
Boracay-Aklan	RCC	PVC	LBP
Puerto Princesa	RCC	PVC	PNB
Tagaytay	RCC	PVC	PNB
Caloocan	RCC / PCC	PVC	PNB
Iloilo	RCC	PVC	PNB

Source: BSP, BLGF, AGILE
Legend: MIB - Multinational Investment Bancorporation; PCC - PCI Capital Corporation; RICE - Rural Integrated Cooperative Enterprise Development Foundation, Inc.; SFI - The Structured Financial Group, Inc.; DBP - Development Bank of the Philippines; LBP - Land Bank of the Philippines; SBC - Solidbank Corporation; EMSI - Escondido Management Services, Inc.

Anecdotal evidence suggests that because of the improvement in the demand for bond financing among LGUs, which is presumably caused by the DoF's information campaign, the number of private sector participants has also increased. Five new financial advisors have just been accredited by the LGUGC, and the PVC is currently negotiating with five new guarantors (Table 4) to guarantee some of its future accounts.

Table 4
New private sector participants

New LGUGC accredited financial advisers	Guarantors other than HGC and LGUGC
Escondido Management Services, Inc.	Philippine Veterans Bank
AYN Resource Management Group	Malayan Insurance Corporation
Allied Pacific Equity Consultants, Inc.	Quedancor
Seed Capital Ventures, Inc.	Possibly Ayala Insurance Holdings Corporation
Deventures	Possibly Prudential Life Insurance Corporation

Source: BLGF, AGILE, PVC

3. **Substantial rise in market liquidity may be expected.** The ten LGUs listed in Table 2 are poised to float a total of P1.61 billion worth of bonds. While still small compared to the estimated P60 billion[5] potential size of the LGU bond market, their issuance would raise liquidity by 70% from P2.28billion (Appendix 5).

4. **It may be too early to expect any impact on interest rates.** Currently available data show that the improvement in the supply and demand situation in the LGU bond market has yet to impact on interest rates. It may be too early to expect any such change however, since market improvements are still at their initial stages.

IV. Some Major Factors that Impede the LGU Bond Market Development

RA 7160 allowed LGUs to issue bonds under two conditions: 1) the funds to be raised should finance self-liquidating and income generating development or livelihood projects, and 2) the projects concerned must be pursuant to the priorities established in the approved local development or the public investment program. According to Mr. Ignacio, although funds from bond issuance are financially less costly than loans [6], LGUs still preferred to acquire funds from banks because of their unfamiliarity with the bond floatation process and their perception that it is logistically taxing[7].

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[5] This is based on the 1995 estimates of Llanto, et.al. Later estimates are not available hence it could be expected that the current potential LGU market size is greater than P60 billion.

[6] Mr. Ignacio says that even with the additional costs of issuing bonds of about 12% to 14% of the funds raised, the effective interest rate paid to bond holders still comes out lower than the rate charged by banks.

[7] Some LGUs complain about the logistical costs associated with floating bonds i.e. having to come to Manila to get government permits. Before they can issue bonds, LGUs also need to inform, consult or seek permission from the DoF, COA, Department of Budget and Management the BSP and the DILG.

Figure 1 shows the three major players in a bond floatation process: the issuers, the bond issuance teams and the bondholders. The arrows indicate the transaction flow. The issuers represent the demand side of the LGU bond market while the bondholders represent that of supply. The issuance teams represent the financial intermediaries (FIs).

Figure 1
Bond floatation process

Issuers (Borrowers)	→	Bond Issuance Team	→	Bondholders (Lenders)
Provinces Cities Municipalities (Advised my a Financial Advisor (FA)	→	Managing Underwriter Guarantor Trustee Bank Bond Counsel	→	Individual Investors Institutional Investors i.e. Corporations, Financial Institutions, Insurance Companies, Trust Funds

Source: Abbreviated from "Municipal Bonds: A Manual"

Dir. Ozone Azanza of the BOT Center[8] said that the bond floatation process is highly technical that some LGUs prefer to borrow from private banks. LGUs experience the same difficulty in floating bonds as when they enter into BOT and JV arrangements[9]:

1. **LGUs' incapacity to enter into financial arrangements.** LGU managers are seldom capable of preparing project designs, feasibility studies and formulating contracts. The BOT Center was in fact, established in 1996 to address this issue. The DoF realized that most LGUs were neither familiar with the BOT or JV concepts nor technically capable to determine the feasibility of projects.

2. **Unwillingness to charge service fees to bond-financed projects.** As noted earlier, the LGC only allows LGUs to issue bonds if the proceeds would finance self-liquidating and income generating development or livelihood projects. Some LGUs, however, are unwilling to charge user fees. Such a mindset forced these LGUs to either abandon the project at the design phase or subsidize users. The latter made BOT projects unsustainable because of budget constraints.

3. **Limited ability to include credit enhancements.** According to the PIDS report, national development projects done through BOT or JV arrangements only succeed because of the NG's ability to provide incentives such as guarantees and tax exemptions. LGUs, on the other hand, are unable to provide these financial incentives, thereby limiting the scope of their projects.

[8] The BOT Center is an agency under the Department of Trade and Industry (DTI) that assists LGUs in BOT and JV matters. It was established under the auspices of the DoF but was transferred to the DTI to highlight the government's strategy of tapping the private sector in local economic development.
[9] Because of these factors, only four LGU BOT projects worth US$43.7 million have been completed as of 30 June 2003. Five projects worth US$18.1 are still being constructed or are programmed for construction.

On the supply side, most investors are still reluctant to invest in LGU bonds, although private financial institutions (PFIs) are already becoming active in the LGU bond market, because of lack of information, political risk and the absence of a secondary market. Anecdotal evidence suggests that this is particularly true for institutional or large investors, which invest their funds on relatively less risky assets like bonds and treasury bills. This keeps them away from LGU bonds, which are perceived riskier[10].

1. **Lack of information keeps investors from investing in LGU bonds.** Information about the financial stability and paying capacity of LGUs, the LGUs' management ability and the viability of the financed project is not readily available in the market. Ms. Orial observes that this problem could be mitigated by the presence of an independent credit rating agency that has the database and experience to rate LGUs. The LGUGC maintains its own credit ratings as part of its credit guaranty business while Philratings has traditionally been active in the LGU bond rating business, but these institutions' data are limited by the poor quality of financial statistics available in the market.

2. **Political uncertainty increases the risk of investing in LGU bonds.** The three-year tenure of local executives prevents most investors from buying LGU bonds. This negative perception is based on the experiences of Cebu bonds and the Puerto Princesa bonds, whereby their new administrations threatened not to honor their responsibilities to bond holders.

3. **Absence of a secondary market limits LGU bonds to long-term investors.** Institutional investors often look for exit mechanisms whenever they make substantial investments. Exit mechanisms ensure investors that they could liquidate or sell their assets whenever the needs arise. For LGU bonds, the existence of a secondary market is often sufficient to satisfy this need. The local LGU bond market lacks a secondary market, however, thereby limiting the number of bond investors.

The development of the LGU bond market also depends on the active participation of financial intermediaries, particularly underwriters, guarantors, trustees and financial advisers. Based on feedback from investment bankers, who represent some of these FIs, their interest to participate in an LGU bond issuance is hampered by the following factors:

1. **Small issue sizes prevent larger PFIs from underwriting LGU bonds.** Financial institutions derive their revenues as a percentage of the bond issue size (see Table 5). Anecdotal evidence suggests that more established PFIs do not find it financially rewarding to underwrite bond issues falling below P1 billion unless there are ready buyers. Underwriting bonds without such buyers allegedly entail syndication with at least two other participating underwriters, which will then share the fees with the lead underwriter.

[10] Even the BSP acknowledges that LGU bonds are riskier than NG bonds. Banks are required to set aside a 50% allowance for probable losses on LGU bonds guaranteed by LGUGC. Such allowance is not required for NG bonds.

Table 5
Indicative Fees Charged by Financial Institutions

Financial Institution	Indicative Fees
Financial Advisor	0.75 to 1.50
Underwriter	2.50 to 3.00
Trustee	0.50 to 1.50
Bond Counsel	0.25 to 0.75
Guarantor	2.50 to 3.50

Source: Municipal Bonds: A Manual

Because of this fee structure, PFIs have little incentive to participate in small LGU bond floatation. RA 7160 limits an LGU's appropriation for debt service to 20% of its regular income. Previous estimates pegged total LGU borrowing capacity at about P60billion. On the average, cities, provinces and municipalities could borrow up to P335.8million, P185.5million and P18.3million, respectively. The variation in the average borrowing capacity within each level of local government is also very pronounced[11]. We can therefore expect that few LGUs have the capacity to borrow at least P1billion.

2. **Inability of LGUs to open trust accounts in private banks.** Regulations pertaining to LGU deposits constrain the growth of the LGU bond market. Commission on Audit (COA) Circular 92-382 and BSP Memorandum Circular (MC) 1115 have kept most PFIs from offering their services to LGUs because the latter were only allowed to maintain deposit accounts (as well as trust accounts) in GFIs. Allowing LGUs to open deposit trust accounts with PFIs would empower them to automatically transfer LGU funds to bondholders in cases of delays in LGUs' periodic payments.

V. Conclusion and Recommendation

The information campaign launched in 2001 has increased LGUs' awareness of bond floatation. While insufficient data makes it difficult to ascertain its impact on the LGU bond market, anecdotal evidence suggests that this could have been instrumental in raising the demand for bond financing among LGUs and encouraging more private financial institutions to participate in the market. The campaign committee led by FINEX and BLGF may want to conduct a survey to verify the relationship between these market improvements and the information campaign to build upon these initial successes and fully develop the LGU bond market in the country.

On the demand side, the committee may also want to build on its success in informing LGUs about the merits and procedures involved in floating bonds by establishing a one-stop assistance center similar to the BOT Center that would cater to LGU bonds. The center would act as an information office that would direct LGUs' queries to appropriate private sector institutions. According to Mr. Ignacio,

[11] Llanto, et.al.

this function is currently being undertaken by the BLGF, although on a limited basis only, because of their agency's resource constraints. Such a center would be particularly helpful to smaller and less technically capable LGUs.

The committee may also want to ask the government to study the feasibility of reducing the tax on LGU bonds to allow LGUs to offer credit enhancements. At the moment, bond interest income is subject to final tax while issuers are levied documentary stamps on the primary sale of the bonds. Ms. Orial states that these taxes make LGU bonds uncompetitive vis-a-vis treasury bills, which are guaranteed by the NG.

On the supply side, the committee may want to encourage the government to find more ways of increasing the accessibility of financial information of LGUs. This will increase confidence that bonds will be paid. The government has already started this effort by mandating the use of the statement of income and expenditures (SIE) reporting system, but one could not expect the impact of this effort to come until LGUs have adjusted to the new reporting system. To minimize the risk of investing in LGU bonds, the committee may also want to seek the amendment of COA Circular 92-382 and BSP MC 1115 to allow LGUs to deposit their funds in PFIs. This would enable the PFIs to transfer LGU funds to bondholders in cases of default.

The committee may also want to review the 20% borrowing cap imposed on LGUs. This cap not only limits the fund raising capacity of LGUs but also skews the bond issuance towards the more developed LGUs. Mr. Jesus Tirona, president and CEO of the LGUGC notes in the Cagayan De Oro seminar that the credit worthiness of an LGU does not entirely rest on their borrowing capacity. He noted a 5th or 4th class municipality called Alfonso Lista passed the investment grade rating because the LGU officials were good managers. This implies that, a credit worthy but underdeveloped LGU would most probably be allowed to borrow funds far less than what their credit worthiness could allow due to the 20% cap - a situation which further limits the economic potential of the LGU.

Appendix 1: Functions devolved from the national government to LGUs

Sector	Devolved / Expanded Responsibilities	Previously Responsible Department / Agency
Agriculture	Provision of basic agricultural support services, including the establishment of agricultural facilities.	Department of Agriculture (DA)
Environment and Natural Resources	Government institutions have been mandated to consult with LGUs as regards projects affecting the environment, prior to their implementation.	
Health	Implementation of primary health programs and those involving access to secondary and tertiary health services, and purchase of medical supplies.	Department of Health field units
Public Works	Implementation of infrastructure programs, except those funded by the national government.	Department of Public Works and Highways
Education	Constructing, rehabilitating, repairing and maintaining public school buildings except those funded by the national government.	Department of Education
Social Welfare and Development	Implementation of the regional and municipal social welfare programs of the Department of Social Welfare and Development (DSWD).	DSWD
Tourism	Local tourism development and promotion, including the power to regulate tourism establishments and tourist facilities and attractions.	Department of Tourism and the Philippine Tourism Authority.
Telecommunications	Provision of telecommunication services, subject to national policy guidelines.	Department of Transportation and Communication

Source: Orial, Lydia. "Local Government Finance and LGU Bond Market Development Philippines".

Appendix 2: IRA distribution

Share per LGU Level	Share (%)
Provinces	23
Cities	23
Municipalities	34
Barangays	20
Factors Considered in Share Allocation Among Same LGU Level	**Share (%)**
Population	50
Land Area	25
Equal Sharing	25

Source: Local Government Code

Appendix 3: Financing Alternatives for LGUs

Traditional			Non Traditional
Internally Sourced	**Externally Sourced**	**Borrowings**	**Private Sector Partnership**
Tax Revenues • Real Property Tax • Business Tax	IRA Share in National Wealth	Direct Loans • MDFO • GFIs • PFIs	Build-Operate-Transfer (BOT) Joint Venture (JV)
Non-Tax Revenues • Receipts from Economic Enterprises • Fees and Charges	Local /Foreign grants, aids and/or donations	Bond Issuance	

Source: Orial, Lydia. "Local Government Finance and LGU Bond Market Development Philippines".

Appendix 4: LGU Dependence on IRA

Average Percentage Share of IRAs to Total Externally-Sourced Revenues			
	1991 – 1995	1996 – 2000	1991 – 2000
Provinces	94.8	97.5	96.1
Cities	99.0	99.3	99.2
Municipalities	96.6	98.3	97.4
A + B + C	96.7	98.3	97.5
Average Percentage Share of IRAs to Total Revenues			
	1991 – 1995	1996 – 2000	1991 – 2000
Provinces	69.0	75.4	72.2
Cities	45.9	42.5	44.2
Municipalities	58.0	69.1	63.5
A + B + C	56.3	60.2	58.2

Source: Orial, Lydia. "Local Government Finance and LGU Bond Market Development Philippines".

1. **Provinces depended on IRAs the most.** IRAs comprised 72% of revenues during the period – the highest among LGUs. Provinces are apparently not getting enough funds from tax and non-tax sources, which jointly grew at a compounded annual growth rate (CAGR) of 12.1%, compared to 21.6% for total revenues.

2. **Real property and business taxes mitigated cities' reliance on IRAs.** Cities were the least dependent on IRAs where they generated only 44% of their funds. Being economic centers, business and real estate taxes supplied 36.7% of city funds while other local sources added an average of 18.7% during the period.

3. **Municipalities were becoming increasingly dependent on IRAs.** From 43.6% in 1991 municipalities' IRAs share to total revenues rose to 71% in 2000 because of decreasing tax revenues and their inability to tap non-traditional sources of funds. Unlike cities, which sourced an average of 5.6% of revenues from loans from 1991 to 2000, municipalities only got 1.5% during the period.

Appendix 5: BSP Report on Bond Issues (as of 15 September 2003)

LGU	Date of MB Memo	Issue Date	Financial Advisor	Amount Requested	Amount Floated	Term (years)	Purpose of the Issue
Victorias, Negros Occidental	18-Jul-94	NA	PVC	8	8	2	Housing Project
Claveria Misamis Oriental	18-Nov-94	NA	PVC	20	20	5	Potable Water and Housing Project
Legazpi, Albay	16-Nov-94	NA	MIB	26	26	2	Housing Project
Sto. Domingo, Nueva Ecija	09-Oct-96	NA	PVC	10	0	3	Housing Project
Urdaneta, Pangasinan	30-Jan-98	26-May-99	PVC	25	25	5	Abattoir upgrading project
Province of Aklan	16-Jun-97	01-Jul-99	PVC	40	40	7	Jetty port and Port Terminal
Puerto Princesa City	29-Oct-99	24-Feb-00	PVC	400	320	7	To finance a housing project, city abattoir project and potable water system project
Caloocan City	01-Dec-00	05-Dec-00	PVC	625	620	7	To finance the following projects: Poblacion Public Market, Caloocan City Hall Park with Commercial Center & Toll Parking and Caloocan City General Hospital.
Tagaytay City	01-Dec-00	12-Mar-01	PVC	300	220	7	To finance the construction of the Tagaytay City Int'l Convention Center & Lodging Facilities
Passi City, Iloilo	16-Feb-01	20-Apr-01	PVC	130	130	3	To finance the following projects: Renovation of public market, construction of slaughter house, construction of bus terminal, housing project, public cemetery and solid waste management project.
Daraga, Albay	22-May-02	30-May-02	PVC	75	75	7	Development of public market
Bayambang, Pangasinan	22-May-02	09-Aug-02	RICE	42	42	7	Construction of public market
Masbate City, Masbate	22-May-02	28-Jan-03	PVC	160	160	7	To finance the following projects: Construction of cold storage facilities and ice plant, construction of a transportation terminal and city port, construction of food processing plant and construction of a housing project.
Leyte Province	01-Oct-02	06-Mar-03	SFGI	430	205	7	Construction of the Leyte Academic Center
San Juan, Metro Manila	11-Feb-03	31-Jul-03	EMS	390	390	7	Construction of a multi-purpose gymnasium, commercial and toll parking complex.
Total				**2,681**	**2,281**		

Source: BSP