

Program Name	LGU Investment Program
Duration	2006-2010
Objectives	To increase Land Bank of the Philippines' (LBP) capacity to provide long-term credits to local government units (LGUs) to contribute to the quantitative and qualitative improvement of local infrastructure.
Eligible sub- projects	<p>Funds shall be used by LGUs for the financing of the following:</p> <ul style="list-style-type: none"> ▪ Local roads and bridges; ▪ Sanitation, drainage and flood control; ▪ Water supply, including projects of water districts; ▪ Public markets and bus terminals; ▪ Rehabilitation or construction of public facilities, excluding municipal buildings; ▪ Small hydro-electric power projects; ▪ Purchase of equipment for environmental monitoring; ▪ Local telecommunication and information technology; ▪ Ports; ▪ Feasibility studies for the abovementioned projects; and, ▪ Other income generating projects except solid waste management projects.
Total Program Loan Amount	EUR 15 million
Funding Source	German government – KfW Development Bank
Terms and Conditions	<p>The sub-loans shall have the following terms and conditions:</p> <ul style="list-style-type: none"> ▪ Maximum sub-loan ceiling shall be EUR 1.5 million (approximately PhP 95 million) ▪ Interest rates shall be according to Philippine interest conditions (market-oriented) ▪ Maturity shall be adapted to the type of project to be financed, but shall not exceed 15 years with a maximum grace period of 3 years. ▪ Minimum maturity of the sub-loans shall be 3 years
Location/Target Areas	Nationwide
Implementing Agency	Land Bank of the Philippines
Cost-sharing Arrangements	80% of the project costs/sub-loan amount can be financed under the Program, while the remaining 20% from LGU equity and/or LBP funds.