



WATER REVOLVING FUND: A memorandum of understanding (MoU) seeking to establish a Philippines Water Revolving Fund (PWRF) was signed recently by the Development Bank of the Philippines (DBP), the Municipal Development Fund Office (MDFO), LGU Guarantee Corp. (LGUGC), the Japan Bank for International Corporation (JBIC), and the United States Agency for International Development (USAID) The MoU formalizes the agreement of all parties to work collaboratively to set up PWRF within 2007. The PWRF is a proposed financing mechanism for water supply and sanitation projects that blends official development assistance (ODA), particularly JBIC funds re-lent by DBP, with resources from private financing institutions (PFI) under a co-financing arrangement. Credit enhancements to PFI lending will be provided by LGUGC, USAID's Development Credit Authority (DCA), and by MDFO for local government unit (LGU) loans. *Photo shows (from left): LGU Guarantee Corp. officer-in-charge Lydia N. Oriol; USAID/Philippines deputy mission director Francis Donovan; DBP president and chief executive officer Reynaldo David; and JBIC representative Jin Wakabayashi.*