

Republic of the Philippines
DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT
Batasan Complex, Constitution Hills, Quezon City

ADMINISTRATIVE ORDER NO: 11
Series 2011

Title: GUIDELINES ON THE IMPLEMENTATION OF THE SUSTAINABLE LIVELIHOOD PROGRAM

I. BACKGROUND

The Self Employment Assistance-Kaunlaran (SEA-K) Program is a capacity building program that consists of skills development, technical assistance and seed capital provision to enable the poor to access opportunities that would build their asset base. Over the last 14 years (1996 to 2010), experiences in providing capital assistance to small entrepreneurs and producers demonstrate that poor people, when given access to responsive and timely financial assistance can repay their loans, and use the proceeds to increase their income and assets. This is not surprising since the most common alternatives for them are to borrow from relatives, neighbors or from the informal market at an interest higher than market rates. Several monitoring and evaluation activities conducted by the Livelihood Unit of Program Management Bureau demonstrate that microenterprise development is an economically viable strategy for improving the income levels and access to basic social services of marginalized groups. However, the evaluation also revealed certain areas for improvement in the design and implementation, which is being addressed by the Sustainable Livelihood Program.

Based on a series of program review and assessment, the SEA-K was enhanced and transformed into a Sustainable Livelihood Program. The DSWD Sustainable Livelihood Program (SLP) is guided by the Framework crafted by the Department for International Development of the Institute for Development Studies, London (see Annex A). The DSWD-SLP adopts a community-based comprehensive family approach wherein the livelihood strategies are informed and rooted in the context of the community in view of improving the welfare and development of marginalized families. The key improvements of the Sustainable Livelihood Program relative to the SEA-K Program are as follows:

1. Access to multiple income sources through the two-track program, which are the Self-Employment Assistance Kaunlaran (SEA-K) Microenterprise Development Track and the Guaranteed Employment Track. This feature seeks to extend income to more than one (1) member of the family.
2. Development of resource-based and market driven ventures to improve the economic viability and profitability of the microenterprises. This component mitigates the possibility of failure and foreclosure of the microenterprises.
3. Promotion of diversified microenterprise ventures by having primary and secondary projects. This will lessen the vulnerability of the household to external factors such as shocks, trends and seasonality.

Given this enhanced livelihood assistance program, DSWD now takes on a facilitative and steering role. Partnership building and market linkaging are the key functions of DSWD in order to leverage socio-economic opportunities for the poor. Previous

experience in the SEA-K program implementation disclosed that supporting enterprise development is not the sole responsibility of DSWD since the program requires the support of other National Government Agencies (NGAs), and private sector organizations, especially from business development service providers and microfinance institutions.

II. RATIONALE

To a large extent, the Self Employment-Kaunlaran Associations (SKAs) become financially viable, self sustaining and integral to the communities where they operate, and if they have the potential to generate more resources and expand services/products to consumers. The success shows through the cumulative repayment capacity of the SKAs of 73% with 65% savings rate as of December 2010. Despite the success of SKAs, not more than five percent (5%) of entrepreneurs are estimated to have an access to formal lending institutions; (CARD Bank, ASKI, and Cooperatives). Although there is a demand for credit by the poor, the financial standing of the SKAs does not qualify them to be clients of MFIs. Given that majority of the SKA projects are conventional which do not ensure stable income, they are very often denied access to formal lending institutions.

Various factors lead to the exclusion of poor families from private financial institutions, which include MFIs. First, most of the families who are not qualified to join MFIs live in hard-to-reach areas with poor infrastructure and limited local economic activities. Second, the entrepreneurial capacity of some poor families is low, which makes it risky for MFIs to provide them with loans. Third, most of the livelihood projects of rural poor families involve farming and fishing activities, which require long gestation periods and are vulnerable to shocks and seasonalities.

Given this context, the DSWD was given the mandate by the National Government to serve poor families who need income sources but do not have access to formal lending institutions through its Livelihood Program, which includes the provision of non-collateral and non-interest capital seed fund. This intervention serves as a bridge program that builds the capacities of the poor to prepare them for accessing private financial products from MFIs and other formal lending institutions. Through the Public – Private Partnership strategy of the DSWD, program participants will be linked to formal lending institutions and business development service (BDS) providers for skills enhancement, technical assistance and additional capital for business enhancement and expansion.

For household members who are not inclined to engage in the microenterprise development track, the guaranteed employment track will be provided to them. This track is for both skilled and unskilled workers. This job referral and network system will link up the program participants to locally available jobs that are appropriate to their skill and competencies. Technical and vocational skills training will also be provided to bridge the gaps in available jobs and current skills of program participants.

The Guaranteed Employment Track partners with National Government Agencies (DPWH, DENR, DAR, etc.) and private sector companies that provide opportunities for informal and formal employment. Also, the possibility of expanding the current DSWD emergency employment through Cash for Work may also be provided to the Pantawid Pamilya beneficiaries for temporary employment.

III. LEGAL BASES

The 1987 Philippine Constitution –Article XII Section I, states that *“the goal of the national economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and, an expanding productivity as the key to raising the quality of life for all, especially the under privileged.”*

Republic Act 5416 – Known as the Social Welfare Act of 1968, *it created the Department of Social Welfare to develop and implement a comprehensive social welfare program:*

- Sec. 3 par. 1, No. 1 *“Prevention and remedial programs and services for individual, families and communities”.*

Presidential Decree No. 442, as amended – Article XII of the Labor Code of the Philippines – it is the policy of the state to a) *promote and maintain a state of full employment through improved manpower training, allocation and utilization* and b) *to facilitate a free choice of available employment by persons seeking work in conformity with the national interest.*

Executive Order No. 221, Series of 2003 Amending Executive Order No. 15, Series of 1998, Entitled *“Redirecting the Functions and Operations of the Department of Social Welfare and Development”*

- Sec. 1. Mandate. Consistent with the provisions of the Administrative Code of 1987 and Republic Act 7160 (Local Government Code), the DSWD is hereby mandated to provide assistance to local government units (LGUs), non-government organizations (NGOs), other national government agencies (NGAs), people's organizations (POs) and members of civil society in effectively implementing programs, projects, and services that will alleviate poverty and empower disadvantaged individuals, families and communities for an improved quality of life as well as implement statutory and specialized programs which are directly lodged with the Department and/or not yet devolved to the LGUs.

IV. OBJECTIVES

General

- To improve the socio-economic capacity of the poor through a capacity building program that will develop the entrepreneurial and technical skills of the poor households identified through the National Household Targeting System for Poverty Reduction (NHTS-PR) by enabling them to manage sustainable microenterprises and linking them to locally-available jobs in order to enhance their access to basic social services and their standard of living.

Specific

1. To facilitate opportunities for the development and management of resource based, culturally sensitive, market driven and economically viable microenterprises.

2. To prepare the program participants for accessing locally available jobs that are appropriate to their skills and capacities.
3. To sustain and expand the socio-economic benefits gained by the Pantawid Pamilya beneficiaries even beyond the five-year intervention of the Conditional Cash Transfer (CCT) intervention through the Sustainable Livelihood Program and Guaranteed Employment Tracks.
4. To link poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries to the support services and programs provided by the partner NGAs, NGOs, CSOs and Private Sector for entrepreneurial advancement and formal employment.
5. To link poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries to micro-insurance providers for security measures brought by external shocks.
6. To continuously build, expand and update the portfolio of public and private sector partners for the job generation needs under the Guaranteed Employment Track.
7. To promote comprehensive family based approach and community participation.

V. DEFINITION OF TERMS

1. **Capital Assistance** – refers to the non-collateral, non-interest capital seed fund provided by DSWD to the program participants to enable them to set-up and enhance their microenterprises.
2. **Guaranteed Employment/Job Network Service** – refers to the intervention for the program participants who are not willing and/or able to enter into entrepreneurial activities thus they will be provided with formal employment programs through the National Government Agencies (NGAs) and private sector.
3. **Microenterprise** – refers to a type of small business, often unregistered, with five (5) or less than 5 employees and requiring initial seed capital of not more than Php10,000.
4. **Micro-Insurance** – refers to membership to a Mutual Benefit Association (MBA) that provides insurance in times of illness, death and disability. This also provides an opportunity for MBA clients to loan from its partner MFIs.
5. **Non-poor** – refers to a segment of the population categorized as self propelling/reliant and actively participating in community activities, and able to meet the basic family needs such as food, shelter, education and health. This group is not eligible to participate in the Sustainable Livelihood Program.
6. **Economically Active Poor** – refers to the segment of the population categorized as poor but who are able to participate in informal economic activities for purposes of generating either main or supplemental income for the household.

7. **Program Participants** – refers to poor households that have qualified to avail of the programs and services of the Sustainable Livelihood Program
8. **Rollback** – refers to the process of returning the capital assistance from members to the Self Employment Kaunlaran Association (SKA), and from SKA to the DSWD Revolving and Settlement Fund Account. This is explained to the program participants as their obligation in order to provide opportunities for other poor households to be organized into SKAs.
9. **Social Case Management** – refers to Social Work case management which is a method of providing services whereby a professional social worker assesses the needs of the client and the client's family, as appropriate, and arranges, coordinates, monitors, evaluates, and advocates for a package of multiple services to meet the specific client's complex needs.

VI. DESCRIPTION OF THE PROJECT

The Sustainable Livelihood Program is a community-based program which provides capacity building to improve the program participants' socio-economic status. First, it supports microenterprises to become organizationally and economically viable. Second, it links participants to employment opportunities.

The participants undergo a broadening of their resource-base by mobilizing savings, accessing capital markets, loaning funds and receiving institutional development support. The qualified participants are assessed based on their financial and social performance to identify the requirements of an enterprise for business growth. Appropriate training activities are continuously provided to the participants for them to improve their existing micro-enterprises. A follow through intervention shall be done by connecting them to non-government organizations and private sector groups that provide business development services such as: (i) product and marketing development, (ii) skills enhancement and business management in preparation for the SKAs' market penetration, and (iii) diversified loan packages for further financial assistance.

Once the SKAs are engaged with MFIs, continuous provision of technical assistance shall be provided to them through partnerships with organizations that provide services appropriate to the project operation needs of the participants in the area. Partnerships with service and grant providers shall also be accessible in order to extend services/capital assistance to the participants based on the project requirements.

To support the program participants, DSWD constantly advocates for an enabling policy framework that encourages microenterprise development and allows SKAs to operate with a recognized identity in their respective localities. The DSWD also facilitates the transition process from business start-up, incubation and sustainability of the SKAs through a progressive and continuous Capability Building Program package, which includes organization development and entrepreneurship training modules.

Considering that not all poor households, including Pantawid Pamilya beneficiaries are interested to engage in entrepreneurial activities, job opportunities are made accessible to the Sustainable Livelihood program participants. Part of the program package is the guaranteed employment track wherein employable individuals are able to access locally available jobs through public-private partnerships. This also includes skills enhancement

and pre-employment training to adequately prepare the participants for employment. Continuous upgrading of technical skills are provided to the participants in order to equip them to independently search for employment opportunities in the future.

VII. PROJECT STRATEGY

The program design has two tracks/strategies:

- Track 1: Resource-Based and Market-Driven Sustainable Microenterprise Development through Self-Employment Assistance-Kaunlaran Program, and;
- Track 2: Employable Individuals with Access to Locally-Available Jobs through Guaranteed Employment and Job Network Service:

A. Resource-Based and Market-Driven Sustainable Microenterprise Development through Self-Employment Assistance Kaunlaran (SEA-K) Program:

The Resource-Based and Market-Driven Sustainable Microenterprise Development through SEA-K Program is a capacity building program that focuses on **community development, skills enhancement, network building and capital assistance** to poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries in order to improve their opportunities for managing a sustainable microenterprise.

The SEA-K program participants may be organized in any of the following units, depending on the local field implementers' assessment of the most appropriate form:

- Self-Employment Kaunlaran Associations – SKAs
- Self-Employment Kaunlaran Groups – SKGs
- Self-Employment Kaunlaran Individuals – SKIs
- Self-Employment Kaunlaran Family Enterprise
- SEA-KABAYAN,
- Barangay Sub-Project Management Committees-BSPMC manage Common Service Facility potential for community income generation –under KALAHI-CIDSS initiative

One of the outputs of SEA-K is to refer participants to MFIs and other formal lending institutions in order to strengthen the viability of their businesses. This is made possible through a strong linkage with potential institutions and other enterprise development service providers.

However, not all Pantawid Pamilya beneficiaries meet the eligibility requirements of the MFIs or other formal financing institutions. In this case, DSWD will provide capital seed fund to the target participants following the eligibility requirements of the SEA-K program guidelines. In addition, Enterprise Development Organization partners will assist the participants to conduct feasibility studies for microenterprise proposals that can be forwarded to MFIs for possible funding.

To focus on the sustainability of the participants' enterprise, the field implementors (Project Development Officers II and LGU Social Worker assigned as the Livelihood Focal Persons) shall provide efficient and effective delivery of interventions such as:

1. Social preparation, community organizing, and continuous capacity building
2. Organization development to encourage collective action in the identification of entrepreneurial opportunities for starting up small-scale enterprises
3. Partnership building with Business Development Service providers, Microfinance Institutions, National Government Agencies and Private Sector

Given the necessary interventions identified above, the field implementors are expected to serve as process facilitators and partnership builders to generate and bridge opportunities for the program participants.

B. Employable Individuals with Access to Locally-Available Jobs through Guaranteed Employment/Job Network Services

(Reference material: DSWD MC No. 06 "Guidelines in the Implementation of Job Network Services Project for CIU Clients – Moving Clients from Welfare into Development")

The Guaranteed Employment Track provides assistance to unemployed poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries who are seeking for job opportunities. They shall be provided with skills profiling, job matching, occupational guidance and counselling and job referrals.

The DSWD's job matching services will be provided through the assistance of City/Municipal Social Worker designated by the LGU as the Livelihood Focal Person and DSWD Project Development Officer II. The field implementors are tasked to determine the training needs and job qualifications of the participants relative to the existing employment demand in the locality. They are also required to network with existing job placement agencies from both government and private sector.

Partnerships for Guaranteed Employment may be forged from either Central Office level or the Field level. This shall be the flow of engagement for any partnership that will be entered into by DSWD:

1. Technical Working Group (TWG) discussions to be participated in by the DSWD and the interested partner/s to clarify the following items: a) nature of employment (including hiring process and salary arrangements for program participants, skills requirements etc.); b) area/s of operation; c) target number of program participants d) period/duration of employment; e) institutional arrangements; f) budgetary requirements and g) monitoring and evaluation systems.
2. The TWG must conduct consultations and complete the preparatory work based on the initial partnership arrangements and draft Memorandum of Agreement (MOA). The stakeholders, especially the LGU livelihood focal persons, local field implementors and potential program participants must be consulted and oriented

on the initiative. Pre-identification, social preparation and capability enhancement of program participants should also be accomplished during this stage.

3. Signing of Memorandum of Agreement based on the TWG agreements and preparatory work. The Terms of Reference should be attached to the MOA in order to identify the operational details of the partnership. The following groups must have a notarized copy of the signed MOA: a) DSWD Central Office – Livelihood Unit; b) DSWD Field Office – Regional Director and Livelihood Unit; c) LGU MSWDO – Livelihood Focal Person; d) Respective organizations involved in the particular Guaranteed Employment partnership.
4. Formal hiring of the program participants should take place not more than two (2) weeks after the MOA signing.
5. Program participants must continue to join the regular group meetings for continuous values formation and capability building.
6. Regular joint monitoring and evaluation activities as stipulated in the TOR must be conducted.

The following are the primary NGA partners for the Guaranteed Employment Track: a) DOLE; b) DPWH; c) MMDA; d) DAR; e) DA; f) DENR; and g) TESDA. At the same time, DSWD must actively seek for private sector partners in coordination with the LGU Public Employment Service Office (PESO) and the DSWD Bureaus and staff involved in Public-Private Partnerships.

VIII. TARGET PARTICIPANTS

The Sustainable Livelihood Program participants should meet the following eligibility requirements:

1. Belong to poor households as identified through the National Household Targeting System for Poverty Reduction (NHTS-PR), prioritizing Pantawid Pamilya beneficiaries.
2. For Micro-enterprise, a beneficiary of DSWD's social protection programs and services who has limited or no access to formal credit facilities (microfinance, banks, cooperatives, formal lending investors, pawnshops, and other formally registered credit entities).
3. For guaranteed employment/job network services, a beneficiary of DSWD's social protection programs and services with labor skills but no formal employment or unemployed.
4. Willing to reside in the community for succeeding two years
5. Show positive relationships within the family and community and demonstrate positive work attitudes, and aspiration for economic advancement using the household assessment and profiling, intake sheet and means test to be conducted by the City/Municipal Social Welfare Development Officer (C/MSWDO) or Local government Livelihood Focal Person and DSWD Project Development Officer (PDO) assigned in the area.
6. Preferably a beneficiary of the Pantawid Pamilya Pilipino Program for at least 2 years wherein the Social Welfare Indicators (SWI) show an improvement in

standard of living and readiness participate in the Sustainable Livelihood Program.

IX. PROJECT COMPONENTS:

A. Resource-Based and Market-Driven Sustainable Micro-enterprise Development through Self-Employment Assistance Kaunlaran Program:

This track has three major (3) components, which includes Social Preparation; Capacity Building; and Accessing of Other Social Services:

A. Social Preparation

This involves the process of raising community awareness through participatory situational analyses involving the program participants and other target groups in the conduct of data gathering, identification of priority needs and problems, and appraisal of community resources using the community driven approach. This must lead to the identification of group and/or individual microenterprise ventures that will improve the income levels of the households and develop the community.

Social Preparation for SEA-K include the following activities but not limited to:

- i. Values and leadership formation
- ii. Community organizing and development
- iii. Responsible financial management / savings mobilization
- iv. Building an entrepreneurial mindset

B. Capacity Building

This involves the conduct of training activities and other related sessions such as entrepreneurial development activities. It will equip the participants in terms of knowledge, attitude, and skills in basic business management training and technical advancement in product and marketing development.

The areas to be covered in this component include the following:

1. Training and Technical Assistance for Business Management and Productivity

This refers to the provision of trainings and technical assistance to benefit the SEA-K members in business development with focus on business start-up and incubation, product and market identification, and simple bookkeeping for business financial management system.

A follow through effort shall be done by accessing them to NGOs and private sector that provide business development services on product and marketing development, skills enhancement, and advanced business management to ensure the sustainability and growth of enterprises.

The provision of technical assistance will serve as the mechanism that will lead the participants' micro-enterprise to provide measures to ensure upgrading of their short and long term business timetable considering their productivity mechanism and technological advancement.

2. Capital Assistance for Micro-enterprise

This involves the provision of capital seed fund to SEA-K participants as part of the capability building process to enhance their capacity in managing businesses. Organized groups and associations shall invest these financial resources to establish a feasible micro-enterprise that would generate income from sustainable livelihoods.

A one-time provision of capital assistance shall be provided to the SEA-K participants as part of the business cycle to enable them to engage in hands-on entrepreneurial skills training through start-up business operations. Additional capital for business expansion shall be under the formal lending institutions - MFIs, and Rural Banks, among others to be accessed by the SEA-K Associations.

A possible capital seed fund renewal shall be made through the SEA-KABAYAN project following the policy standard provided under Department Order No. 17, Series of 1997 entitled, Policies for Self-Employment Assistance Integrated Program-Level II."

3. Savings Mobilizations and Assistance

This involves a savings mobilization and capital build-up which aims to ensure the project sustainability in the course of managing the microenterprise until the full return of seed capital investment. In case of default rollback of the SKA seed capital to the DSWD, the SKA savings shall be used as rollback fund to DSWD-RSF account to ensure funding of newly organized SKAs.

The SKA members can only withdraw their savings after the one year operation of the SKA. This is to ensure that the SKA can engage in lending activity during the first year of operations. All savings shall be deposited to the SKA account upon collection of the SKA treasurer within 24 hours upon receipt of the same.

C. Accessing of Other Social Services

Groups and association members shall be trained on how they can access other services based on their needs. Existing partners from the NGAs, LGUs, private sector, and NGOs shall be involved to establish a systematic provision of active networking at the community level.

- i. Plan and strategize in accessing SKAs to MFIs
- ii. Access to micro-insurance and other insurances
- iii. Strengthen group and microenterprise
 - PhilHealth, SSS, micro-insurance

- Business permit, licensing and product certification from SEC, DTI, BFAD, etc.
- SKAs as community-based credit facility

B. Employable Individuals with Access to Locally-Available Jobs through Guaranteed Employment/Job Network Services:

This track has three major (3) components, which includes Social Preparation; Accessing and Provision of Other Support Services; and Data Banking:

A. Social Preparation

This involves the identification and preparation of participants for employment. It begins with a skills profiling and occupational guidance (career counselling) to coach the participant on the type of jobs that are most ideal for him/her.

As a preparatory activity, this component also focuses on matching the participant's abilities with existing job opportunities that are accessible from the community of the participant. Upon matching, the participant is provided with continuous values formation and capability building. Referrals to other pre-employment government services are also done. extensive project orientation once found qualified to the project, highlighting services to be provided and participants responsibilities.

B. Accessing and Provision of Other Support Services:

This involves referral to training institutions such as TESDA whenever necessary; It also includes the following preparatory activities: bio-data writing and obtaining government certifications (Community Tax Certificate, NBI Clearance, Barangay Clearance, etc.).

C. Data Banking:

The Guaranteed Employment and Job Network System are supported by a Management Information System (MIS) that is regularly updated with new job vacancies from partner organizations. The same MIS is meant to be used as the mechanism for identifying eligible program participants for available job opportunities depending on their geographical and skills profile. It is also meant to function as a monitoring tool to identify the participants who have been successfully placed in specific job items for a fixed period. Thus, this MIS must be integrated into the complete and basic database of all the Sustainable Livelihood program participants, including the target participants from the NHTS list and the Pantawid Pamilya list of beneficiaries.

This system facilitates the labor supply and demand based on the profile of the participants' skills.

X. OPERATIONAL PROCEDURES

A. Identification of Project Location

Priority shall be given to depressed low income communities or barangays included in the NHTS-PR database that have existing or potential local economic activities ideal for entrepreneurial activities and employment generation. The DSWD criteria (Municipal Assessment Tool for environmental scanning) shall be used in the identification and selection of these communities based on the DSWD Planning Parameters/Guidelines. In areas with KALAHI-CIDSS implementation, the resource maps, and participatory situational/problem analyses will serve as additional references.

Once future project sites have been shortlisted, the DSWD Field Office shall coordinate with the concerned LGU chief executive and barangay officials to conduct an orientation regarding the project scheme. In the orientation, it must be clarified that the SEA-K and Guaranteed Employment Tracks are under one program, which is the Sustainable Livelihood Program. In this case, each program participant (representing one family) is eligible to avail of the services from both Tracks. This preparatory work should also include a levelling off in terms of the institutional arrangements between DSWD and LGU, which will be formalized through a Memorandum of Agreement (MOA) between DSWD and the concerned LGU.

B. Identification of Project Participants

When the project site has been selected, the LGU worker assigned to the project and the DSWD PDO II shall gather a community profile using the Household Profiling System tool to establish baseline information. This profile must be presented to the community members during a community assembly where the Sustainable Livelihood Program will also be presented. Interested families/individuals shall be encouraged to signify interest to participate in the program instead of community members themselves to identify potential participants.

The LGU worker and the PDO II shall exert all efforts to validate the eligibility of the beneficiaries and signify interest to participate in the program through proper completion of intake sheets, home visits, interview, etc. Moreover, the potential member of the SKA should pass the Means Test (to determine family income and assets). Once the eligibility of the potential members had been validated and completely satisfied, they shall be convened and formally recognized.

There is a need to determine the “potential” vs. “eligible” family participants to prioritize who will be eligible for the program. The eligible participants either for microenterprise and/or employment will be prioritized as the first batch to assistance from the program. Participants identified as potential will undergo capacity building and skills enhancement activities for further development. The potential participants will be recommended for capital assistance and/or employment upon the positive assessment of the social case worker and PDO.

X.1 Resource-Based and Market-Driven Sustainable Micro-enterprise through Self-Employment Assistance Kaunlaran Program

1. Group Formation

Having convened the potential members, the LGU worker and the PDO II shall proceed to formally organize the group. Three to six groups with five members each shall be formed. SKA Form 2 shall be accomplished and the other members of the group shall signify their concurrence to their group's membership by signing on the Form. The reason for this is to allow synergy within the group.

The three to six groups will then attend a three-day mandatory training to ensure that potential members understand the principles, philosophy, procedures, rules and regulations of the SEA-Kaunlaran Integrated Program before being accepted as participants. For groups that cannot be formed into an association for lack of membership (less than 3 groups), the members must attend the Compulsory Group Training (CGT) to be held for one (1) hour per day at a time and place decided by the group for seven consecutive days. This is to ensure that the participants understand the principles, philosophy, procedures, rules and regulations of the SEA-Kaunlaran Program.

After the completion of the three-day mandatory training, the initial weekly meetings/assemblies of the association will commence focusing on the formulation and ratification of the Constitution and By-Laws and the election of SKA officers. It is only after the ratification of the Constitution and By-Laws and the election of officers shall the SKA be formally recognized.

Included in the organizational structure of the SKA shall be the microenterprise committee which will monitor closely the individual microenterprises.

The SKA shall then open its savings account with the authorized depository bank using the membership fees as initial deposit. Even prior to the release of the capital assistance of the members, each member is encouraged to pledge and deposit to the SKA a minimum weekly savings of Php 20.00. After the release of the capital assistance, the weekly savings would be based on a percentage (50%) of his weekly amortization payment.

2. Provision of Capital Assistance

a. Project Proposal Preparation

After the training, the SKA shall conduct their pre-operation activities for four consecutive weekly meetings and assemblies. These meetings are structured to meet the following goals: mastery of SKA credo; review of the topics given during the three-day mandatory training and/or CGT; enhance the skills in the loan processes/financial transactions and the use of appropriate forms; provide channels of communication; strengthen group cohesiveness; and prepare each member's individual loan proposals. On the final week, the individual loan proposals shall have been finalized (reviewed and assessed for feasibility by the group

members and other SKA members) and submitted to the LGU worker and PDO II for final assessment and recommendation.

Each member shall pay to the SKA a capital assistance processing fee the amount of which shall be agreed upon by its members. The amount collected from the processing fees shall form part of the operating fund of the association.

Based on the individual project proposals of its members, the SKA shall prepare its project proposal, with the assistance of the PDO II and LGU focal person for seed capital assistance and submit the same to DSWD Field Office using the prescribed format.

Given some adjustments, special individual participants (for individuals or groups) shall also undergo the aforementioned pre-funding process.

Release of Seed Capital Assistance

After the DSWD Field Office Livelihood Unit has processed the SKA request, a corresponding check payable to the respective SKA shall be prepared using the approved list of SKAs as basis. The check will be issued to the SKA or its nominee, as the case maybe. The respective SKAs will then deposit its seed capital assistance in its savings account.

The release of the individual loans by the SKA shall be done simultaneously (officers and members) during weekly meetings. The SKA has a responsibility to ensure regularity of the rollback of the SKA members until such time that the amortization has been fully settled.

Capital Assistance Utilization Check

Within three days but not exceeding one week upon the loan release, the group chairman and the SKA president must monitor the utilization of the capital assistance. The LGU worker and the DSWD PDO II should conduct their own monitoring independently. The purpose of the Loan Utilization Check is to determine the efficient utilization of capital and the action to be taken to maximize utilization of the program participants' capital.

A. Weekly Meetings/Assemblies

The SKAs shall hold weekly meetings and assemblies on a regular basis at a time and place agreed upon by all the members during and beyond the duration of the project term. Attendance in all these meetings and assemblies is mandatory and shall be a disciplinary measure for the member of the SKA.

In the meetings/assemblies, the agenda are as follows: reporting of individual/group project status, fund utilization, rollback compliance, savings mobilization; problems/issues/concerns of each member or group and the action taken or shall be taken; the needed assistance of the SKA either from the LGU, NGOs, Private Sector or the DSWD; and the activities that the SKA will undertake for the community.

B. Revolving Fund Recovery

Revolving fund recovery refers to two modes: SKA members to their respective association and SKA to the DSWD;

SKA members to its Association

During the SKA weekly meetings, each member shall rollback the agreed amortization within one (1) year to the association through their group chairman. The group chairman shall in turn remit the rollback of the members to the SKA Treasurer for onward deposit to the SKA account.

The required savings for the equity capital build-up (ECBU) is equivalent to 50% of the weekly loan repayment. In addition, the participants are also expected to contribute to the following: 1) emergency fund (EF) based on agreed amount by the members and; 2) operational funds (OF) which is equivalent to 10% of weekly rollback. The SKA president or treasurer shall in turn deposit the weekly rollback to the SKA savings account. The SKA member shall ensure that the rollback has evidence of payment through record in their individual SKA member's passbook duly acknowledged by the group secretary.

SKA to DSWD

Every month, the SKA shall deposit its monthly rollback to the DSWD Revolving and Settlement Fund Account through inter-branch deposit scheme. In each instance, the SKA shall ensure that their rollback payments are fully authenticated and that they have proof of these payments through an authenticated bank deposit slip.

At the end of each month, the SKA shall submit to the DSWD Field Office its monthly financial reports together with a copy of the deposit slips of its rollback to DSWD SEA Revolving and Settlement Fund. This report shall be consolidated by the PDO III in its SEA-Kaunlaran Project reports for submission to the Central Office.

The term of rollback schedule from the members to the SKA shall be based on the production cycles and profitability of each individual projects as shown in the feasibility study but in no case should it be more than two years. However, the seed capital assistance extended to the SKA shall be returned to DSWD within a maximum period of 24 months exclusive of a one (1) month grace period.

Note: The process of revolving fund recovery is part of the capability building process which inculcates the sense of obligation to the program participants. The amount extended to SKA is not considered as a microcredit product. Rather, it is part of the program package under capability building in order to teach the participants to help one another by returning the capital assistance they have received for possible availment of newly organized SKAs.

C. SKA Registration and Accessing to Other Services

After one year of continued operation, the SKAs shall be encouraged to register with the concerned government agencies such as SEC, DTI, etc. This will reinforce the goal of the Project to sustain the SKA operations and institutionalize its presence in the community. This transition phase is achievable through accessing SKAs to the following:

- Graduation of SKA level I to SEA-Kabayan (level II)
- PhilHealth, SSS, micro-insurance for security purposes
- Business permit, licensing and product certification from SEC, DTI, BFAD, etc. for formal business operations and expansion
- SKAs as community-based credit facility to reach out to community members
- Accessing to MFIs and other financial institutions for additional capitalization
- Other social services, enterprise development and business development services

D. Fund Management

Capitalization shall be based on the project requirements proposed by the participants, duly assessed and reviewed by the Project Development Officer, with maximum capital assistance worth Ten Thousand Pesos (Php10, 000) per member (note that 1 member refers to a family).

The capital assistance extended to the families shall be returned to the DSWD within two (2) years of project operation as part of their obligation for the purpose of rolling on to the newly organized SKAs. A possible expansion may be availed by the members with good credit and social standing through SEA-KABAYAN or Microfinance Institutions for project expansion/growth.

Note: For the availment of SEA-KABAYAN (Level II), Department Order No. 17 Series of 1997 "Policies for Self-Employment Assistance (SEA) Kaunlaran Integrated Program Level II, and the Administrative Order 13 Series 2010 "Amendment to DO 45 and 17" shall be applied.

E. Monitoring and Evaluation

The LGU worker shall attend the SKA weekly meetings/assemblies during the first year of operations and at least twice a month thereafter. The PDO II shall visit the SKA at least twice a month. A monthly report using the prescribed forms shall be made by the PDO II and submitted to the DSWD Field Office for review/assessment and consolidation of the PDO III. The Organizational Development Checklist shall be accomplished by the community-based worker/social worker every month to be consolidated at the Field Office by the Social Welfare Specialist. These consolidated reports shall in turn be submitted to the Livelihood Unit under Program Management Bureau. An annual Project (clarify is Sustainable Livelihood is a Program or a Project and use consistently) Implementation Review (PIR) shall also be conducted to identify issues and gaps in project implementation.

X.2 Employable Individuals with Access to Locally-Available Jobs through Guaranteed Employment/Job Network Service:

A. Initial Assessment by the C/MSWDO

Only the current participants of the Sustainable Livelihood Program may be able to access the services and benefits of the Guaranteed Employment Track given that the employment package is only one of the components of the Sustainable Livelihood Program (See program eligibility requirements above Section VIII).

Upon inclusion in the Sustainable Livelihood Program, participants are all encouraged and trained to organize their own microenterprises. Participants may avail of the Guaranteed Employment Track in any of the following scenarios:

1. The participant is a recipient of the SEA-K program with capital assistance, and still finds the need for additional income sources. A member of the participant's family is then referred to the field implementor for Guaranteed Employment.
2. The participant refuses to join the SEA-K program, and signifies an intent to avail of the Guaranteed Employment Track.

B. Assessment by the Project Development Officer II hired by DSWD

Potential employees who are family members of the program participant, or who may be the participant herself shall be oriented about the Guaranteed Employment/Job Network Service. Using the result of the Household assessment, the PDO II shall evaluate whether the client is eligible for employment or not. The PDO II shall categorize the potential employee's capacity as skilled or unskilled.

C. Needs Assessment

Further information about the potential employee particularly about his/her family, employment skills, assistance needed, and working experiences shall be collected. If in case the economic skill of the potential employee does not match with the list of job vacancies primarily due to lack of skills, the PDO II will identify the appropriate learning/training programmes to be provided to the client so that his/her skills will be developed for eventual employment.

D. Skills Training

This refers to capability building activities in partnership with training institutions such as TESDA. Trainings include, among others, the following: a) Experiential learning: Personality development to build up self confidence and skills during job interview, resume and application letter preparations, and job searching techniques; and b) Vocational: Short term vocational courses such as welding, automotives services, refrigerator/aircon repair, carpentry, cut and sew apparel, cooking, etc.

E. Job Matching

This includes job matching of the participants to the employment offered by National Government Agencies and private sector. Available job opportunities per district and/or municipality shall be consolidated by the PDO II as a guide to the matching of participants' skills to the labor required by the employers. A profile of the participants shall be forwarded to the NGAs or private sector for interview and job placement.

F. Provision of Other Support Services

The participants will continue to have an access to other support social welfare services to be extended by the Department. He/she will also be referred to, LGUs, GOs, and NGOs to respond to other needs such as medical, legal assistance and micro-enterprise services.

G. Monitoring and Evaluation

The Project Development Officer II shall maintain an updated data bank of the following, so as to facilitate referral and monitoring:

1. List/directory of possible employment agencies
2. Training Centers offering short term vocational/training courses
3. Profile of clients served by the program

Field Monitoring shall be done on a monthly basis, while regional report submission shall be done on a quarterly basis. The status of employment of the participants will be monitored through assessment of the weekly report submitted by the participants, which shall be validated through telephone calls to concerned employers and training centers. A home visit shall be done by the C/MSWDO or focal person hired by the LGU if necessary. To facilitate monitoring, individual case folder shall be maintained at the LGU level, which will be encoded in the Sustainable Livelihood Program Management Information System.

XI. SUSTAINABILITY:

The SKAs shall formulate a sustainability plan for the operations and maintenance of their respective microenterprise projects as a guide to the objectives of the program. The plan should include the expansion/growth of the project and extension of services to other members of the community, and plan to utilize the income for sustainable livelihood development.

To ensure the sustainability of the project, the Department and other partner agencies, together with the concerned LGUs and members of the Private Sector shall partner in the provision of services (*technical assistance, funding/resource mobilization, monitoring, technical trainings, and employment*) to effectively bridge participants from subsistence to self-reliance.

The monitoring activity shall be done jointly by the DSWD Social Worker and Project Development Officer IIs and IIIs with the LGUs, NGOs, and other stakeholders to continuously provide technical assistance to the program participants to ensure the

achievement of the Department's societal goal of empowering and improving the participants' quality of life.

Thus, the following activities to be undertaken are:

- To develop a work plan and timeline leading to project sustainability
- To formulate operational and administrative policies: Financial Management Systems (FMS), re-lending scheme, assessment tool on the organizational and financial development for SEA-K program.
- To provide continuous technical assistance and support services to both SEA-K and Guaranteed Employment participants.
- To establish linkages with other organizations and institutions for the support services to be provided to the participants.
- To formulate pre- and post-evaluation to determine the program effectiveness

XII. INSTITUTIONAL ARRANGEMENTS

1. Department of Social Welfare and Development (DSWD) – Program Management Bureau (PMB) Livelihood Unit

- Continuously develop and enhance the guidelines, training modules, assessment tools, monitoring tools, and procedural forms for the Sustainable Livelihood Program.
- Provide technical assistance to the Field Offices on program implementation.
- Act as resource person in project-related trainings/workshops/seminars, as appropriate.
- Conduct semestral monitoring and assessment on the program status, in coordination with the DSWD Field Offices.
- Institutionalize the Sustainable Livelihood Program Information system and database to support the efficient conduct of monitoring and evaluation.
- Provide recommendations for the enhancement of the program in achieving its objectives/goals and ensuring its responsiveness.
- To formulate pre- and post-evaluation tools to determine the sustainability of the project
- To actively expand the portfolio of partners from the public and private sector for business development, market penetration and employment generation
- To create strategies and interventions that would increase the sales and enlarge the markets of SEA-K products through developing value chain models in partnership with established microenterprise development organizations

2. DSWD Field Offices

- Forge Memorandum of Agreement (MOA) with the LGUs (City/Municipal Level) where the projects will be implemented.
- Encourage and motivate eligible target beneficiaries to participate in the Sustainable Livelihood Program DSWD Social Workers

implementing community based programs will advocate on the participation of their eligible clientele families for possible participation to the program.

- Conduct regular monitoring of the program and the progress of the enterprises and employment status and ensure close coordination with other partner agencies/organizations (NGAs, NGOs, MFIs, and other potential partners) and LGUs in the implementation of the program to ensure sustainability.
- Provide technical assistance and capability building to LGUs and program beneficiaries.
- Actively engage enterprise and employment development partners for Sustainable Livelihood Program.
- Mapping of potential BDS, MFIs, and Local Employment partners
- Conduct forum for the potential partners in the implementation of the program

3. Local Government Units (LGUs)

- Identify and assess the level of preparedness of the potential participants to engage in Sustainable Livelihood Program (SEA-K or Guaranteed Employment)
- Facilitate provision of other support services to the family to ensure that they will graduate from poverty level.
- Provide logistics support and livelihood focal person counterpart in the implementation of the program.

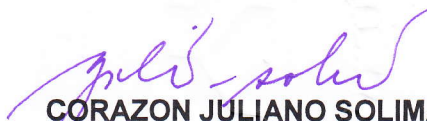
4. Other NGAs including government-owned and controlled corporations, government financial institutions and Private Sectors

- Coordinate with the DSWD in the implementation of the program specific to the services being provided by them.
- Extend appropriate services (training, capital assistance, manpower, skills enhancement, etc.) for business advancement and/or expansion and for competitive labor skills for employment.
- Extend other forms of services for the development of the program participants as indicated.

XIII. EFFECTIVITY

This Administrative Order shall take effect immediately and rescinds Orders or Issuances contrary to it.

Issued in Quezon City this 28th day of June, 2011.


CORAZON JULIANO SOLIMAN
Secretary