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ADMINISTRATIVE ORDER NO. 142

POLICY AND IMPLEMENTING GUIDELINES GOVERNING LIVELIHOOD
PROGRAMS AND PROJECTS

Pursuant to the powers vested in me by law, I, CORAZON
C. AQUINO, President of the Philippines, do hereby order:

1. The Policy Guidelines Governing Livelihood Programs and Projects as contained in Cabinet Resolution No. 29 (November 9, 1988), as amended, as approved and adopted by the President and the Cabinet are hereby reiterated. Cabinet Resolution No. 29, "Approving a Set of Policy Guidelines Governing Livelihood Programs and Projects", as amended, is attached hereto and made an integral part hereof.

2. Pursuant to Cabinet Resolution No. 29, the following implementing guidelines, which were approved in principle by the President and the Cabinet per Cabinet Resolution No. 26, Series of 1989 (July 26, 1989), are hereby issued:

A. OBJECTIVE

(1) To rationalize and coordinate all livelihood development programs and projects undertaken by the government in order to focus properly government activities and resources towards the smooth and cost-effective implementation of these programs and projects.

B. COVERAGE

These implementing guidelines shall apply to all government agencies and instrumentalities undertaking livelihood programs and projects consistent with their principal mandates and functions. Programs funded by contributions from members are not covered.

C. DEFINITION OF TERMS

(1) Livelihood Programs and Projects - Livelihood programs and projects include all those schemes which aim to create employment opportunities through the provision of a

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package of integrated services, i.e. Technical, financial and other assistance that promote the establishment of income-generating activities for poverty/marginal groups. These schemes can either be directly providing livelihood assistance, or indirectly implementing livelihood programs as part of the bigger programs undertaken by government agencies in line with their principal mandates. Specifically, the basic elements of a livelihood program/project are:

- a. by target clientele - the welfare and marginal sector such as the disadvantaged, poverty and non bankable groups;
- b. by type of project - based on an economic activity that generates a product or service for which a market exists and is expected to realize a positive net-income;
- c. by type of assistance - provision of an integrated package of financial, technical, management, marketing or training assistance based on beneficiaries' needs. If required assistance component can not be provided by the agency, the same agency shall refer the beneficiaries to other agencies providing such assistance; and
- d. by end-result - enables end-beneficiaries to be employed or to engage in income-generating activities on their own.

(2) Non-Government Organizations (NGOs) - Non-Government Organizations are private, non-profit, voluntary organizations that are committed to the task of socio-economic development and established primarily for service. Cooperatives shall be considered as NGOs for purposes of this definition.

(3) Micro enterprises - enterprises with total assets of P50,000 or less before financing.

- (4) Cottage enterprises - enterprises with total assets of more than P50,000 but not more than P500,000 before financing.
- (5) Accredited financial institutions - government and private financial institutions performing lending services which have been accredited by the government, e.g. the Central Bank, the Land Bank and the Development Bank of the Philippines.
- (6) Disadvantaged, poverty and non-bankable groups - those who can not seek wage employment either because they are uneducated, unskilled, or lack the necessary qualifications to compete in the formal labor market and those who can not put up their own business concerns because they lack either the financial capital, the borrowing/credit capability required by lending institutions, and/or the entrepreneurial ability - such as disabled persons, cultural minorities, upland farmers, municipal fishermen, and landless workers.

D. TARGET BENEFICIARIES

- (1) The primary program beneficiaries shall be the unemployed and underemployed in the marginalized sector.
- (2) Livelihood programs and project assistance should primarily cater to eligible micro and cottage enterprises, both existing and proposed to be established.

E. AREA FOCUS

Priority shall be given to poverty-stricken areas or areas where a large number of unemployed and underemployed are located.

F. PRIVATE SECTOR PARTICIPATION

- (1) Non-government organizations' participation shall be subject to the Guidelines For Government Organization And Non-Government

Organization (GO-NGO) Collaboration as provided in NEDA Board Resolution No. 2 (S. 1989).

- (2) In the implementation of lending programs assisted by accredited financial institutions and/or NGOs, financing institutions/NGOs should be involved in all stages of program development.
- (3) Only accredited NGOs which met the eligibility requirements of the agencies concerned will be tapped as conduits of government agency funds.

G. AGENCY RESPONSIBILITIES

- (1) The Department of Agriculture (DA), Department of Education, Culture and Sports (DECS), Department of Labor and Employment (DOLE), Department of Trade and Industry (DTI), Department of Agrarian Reform (DAR), Department of Local Government (DLG), Department of Environment and Natural Resources (DENR) and Department of Social Welfare and Development (DSWD) and the Office of the President (OP) are designated as primary agencies responsible for the execution of livelihood programs and projects. Other agencies not mentioned are not allowed to implement their own livelihood programs and projects. However, their on-going livelihood programs and projects shall be allowed to continue but only up to December 31, 1989. From then on, they shall work through any of the nine primary agencies to ensure non-duplication and equitable distribution of services to priority areas.
- (2) The extent of agency responsibility over livelihood programs and projects shall involve the provision of a package of integrated services which includes financial, technical, and other assistance. Each agency shall primarily cater to the following target beneficiaries, namely:
 - a. Department of Agriculture - farmers and fishermen;

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- b. Department of Education, Culture and Sports - unemployed and underemployed out-of-school youth;
- c. Department of Labor and Employment - out-of-school youth, unemployed, underemployed, returning overseas workers and self-employed workers;
- d. Department of Trade and Industry - micro and cottage entrepreneurs;
- e. Department of Agrarian Reform - agrarian reform beneficiaries;
- f. Department of Local Government through the Local Government Units (LGUs) - marginal groups in depressed localities;
- g. Department of Environment and Natural Resources - kaingineros, upland farmers and small-scale miners;
- h. Department of Social Welfare and Development - socially disadvantaged family heads, women, disabled persons, elderly and youth who do not have access to and are not eligible for any livelihood assistance of other agencies, or need social work intervention prior to and during their engagement in income generating activities; and
- i. Office of the President - marginal producers, farmers, small entrepreneurs (micro-entrepreneurs), and other sectors whom the President wishes to prioritize consistent with her social development agenda.

While agencies may have the same target beneficiaries, there shall be no duplication in terms of program location and/or assistance whenever possible, to ensure the equitable distribution of livelihood opportunities.

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- (3) The implementing government agencies should initiate programs and projects for sustained capability-building for NGO participants and target beneficiaries in the management of livelihood programs and projects.
- (4) The implementing agencies at the various levels of government should be made responsible for selecting accredited financial institutions and NGOs participating as conduits of government lending activities.
- (5) Information centers of livelihood programs and projects should be set up with the implementing agencies and information exchange among government agencies should be continuously improved.
- (6) Extension services should be provided until beneficiaries are on their own.

H. GOVERNMENT LENDING

- (1) Government agencies shall not be involved in direct (retail) lending activities except the Department of Social Welfare and Development. All other government agencies should wind up their direct lending activities by 31 December 1989. Their subsequent lending activities should be extended through accredited financial institutions and/or NGOs subject to the implementing agencies' mandates and existing lending guidelines.
- (2) Lending programs should be self-sufficient and self-sustaining. The relevant parameters to be considered are the repayment rate, the interest rate, and the administrative cost of loan provision, among others.
- (3) Credit arrangements for government livelihood programs and projects shall be governed by specific agency guidelines. Terms of lending such as equity contribution, collateral, interest rate to be charged and other borrowing requirements shall be subject to negotiations between the implementing agency and the accredited PFI/NGO.

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- (4) Whenever applicable, accredited financial institutions and/or NGOs participating as conduits in the project must share a portion of the funding requirements and/or the risks involved in the project.
 - (5) Costs related to institution/capacity building such as training, fund-handling, management, and other related activities, shall be borne by the concerned government agency.

I. COORDINATING MECHANISMS

- (1) The NEDA Board's Committee on Social Development (SDC) Secretariat, the Regional Development Councils, the Provincial Development Councils, and the Municipal Development Councils are designated as the coordinating mechanisms for livelihood development programs and projects at the national, regional, provincial and municipal levels, respectively. They shall be tasked to recommend appropriate policies and guidelines to further rationalize and coordinate livelihood programs and projects.
- (2) The nine major implementing agencies responsible for the execution of livelihood programs/projects should coordinate with other concerned government agencies in their respective sectors.
- (3) The implementing agencies shall coordinate all the activities pertaining to the implementation of their livelihood programs and projects.

J. REPORTING, MONITORING AND EVALUATION

- (1) The NEDA Board's Committee on Social Development, Regional Development Councils, Provincial Development Councils and Municipal Development Councils shall be responsible for the monitoring and evaluation of the livelihood programs and projects to the national, regional, provincial and municipal sub-regional levels, respectively.

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- (2) Implementing agencies at the national level shall report to the Committee on Social Development on a quarterly basis. Simultaneously, field offices of implementing agencies at the national level shall report to the appropriate social development committee/council also on quarterly basis. The Committee on Social Development, in turn, shall consolidate the national, regional and sub-regional inputs for submission to the President and the Cabinet on a semestral basis.
- (3) The relevant monitoring parameters shall include the number of project beneficiaries, location of the project, number of jobs generated, type of assistance given, among others.

3. This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 9th day of October, in the year of Our Lord, nineteen hundred and eighty-nine.



By the President:



CATALINO MACARAIG, JR.
Executive Secretary