

The information contained in this proposal, draws heavily from the livelihood survey conducted for SHaCC and the feedbacks obtained from the people during the validation of the survey findings.

B. Problems/Concerns on Livelihood

What follows is a synthesis of the analysis and findings on the livelihood survey conducted with the SHaCC members as the respondents.

- 1. High Incidence of Unemployment**
 - Employment rate is estimated at a low level of 58 percent averaged for all the SHaCC barangays
 - The number of people with no secure source of income is about 1,771, most of whom are women
 - Level of employability of the working-age population at this time is expected to be quite restricted because of the young age (that indicates level of experience) and the generally low level of educational attainment
 - need for extensive skills training and maybe formal education for adults through available and appropriate means
 - need to develop livelihood activities that are within the immediate capabilities of the people. The target is to get as many people employed as possible in order for household incomes to increase, not necessarily from increased pay of the currently employed members but more from the addition of income with another member contributing to the household coffer.
- 2. Inadequate Household Income**
 - The monthly income of households is estimated at PhP 8,131 per household, average for all the barangays. Average household expenditure, on the other hand is estimated at PhP 8,131 per month. This yields a gap in income of about PhP 50 per month.
 - About 1,079 households are earning income below PhP 8,000 per month, half of whom are earning income below PhP 6,000. These can be the number of household members of the SHaCC who will be unable to pay the cost of a housing program
 - The high rate of dependency ratio due to the young age of the population imply high demand for the physiological needs of child-rearing which can bear pressure on the household's ability to save, even when income is increased
- 3. Inadequate and High Cost of Capital**
 - At present, the total amount of revolving capital being used by existing livelihood endeavors in the community is estimated at PhP 1.3 million. Assuming a rate of return of 15%, this means an earning of about PhP600 per week average per business, or PhP 2,400 per month. Deducting the cost of loan, estimated at 13% per month on the average, this leaves only a little more than PhP 300 returns on equity.
 - The lending organizations operating in the area charge very exorbitant rates on the loans that they issue. Many of the households are at the mercy of loan sharks (5-6), and they pay as high as 25% per month in interest
 - Based on the survey, the respondents will be needing a total of PhP 13.9 million in fresh capital to establish the business that they want to open up. On the other hand, they can only save up a total of a little more than half a million pesos.
- 4. Limited type of livelihood activities that the people want to engage in**
 - More than a third of survey respondents identified sari-sari store as the type of business that they will engage in if capital is available. Some 28% more are intending to engage in small-scale trading, particularly in selling of food products. The livelihood activities are not varied and they are, moreover, low-yielding.
- 5. Inability to meet cost of housing program**
 - The community can raise a total of PhP 76,000 per month for housing amortization. Most of them can raise between PhP 500 to PhP 1,500 per month
 - If the cost of amortization is PhP 3,000 per month, additional amount of 1500 to 2500 will have to be raised somewhere else. If the members can save all the amount they think they can save and invest it on viable livelihood projects after six months, they need to generate a return of 50% on their capital. This many not be feasible. If they can access seed capital, at least 40% financing which is roughly more

PhP200,000 (60% is their equity from the savings), they only need to yield a 15-20% return on investment to be able to meet the gap in amortization.

C. Project Goal and Objectives

C.1 Goal
The goal of the livelihood program is to enable the SHaCC members to attain financial independence through self-help, the mobilization of local capacities and optimum utilization of external resources that the communities can gain access to.

C.2 Project Objectives

To achieve the above project goal, the following shall be aimed for:

C.2.1 To develop the entrepreneurial capabilities of the people and improve their knowledge and appreciation on the value of money and household financial management in general

C.2.2 To mobilize local savings and provide an effective mechanism for its safe-keeping and utilization, particularly for investments in various livelihood activities

C.2.3 To reduce the people's dependence on usurious lending activities in meeting operating capital requirements and household expenses

C.2.4 To ensure that the members can meet the amortization requirements for the housing program

C.2.5 To develop livelihood activities which the people can themselves effectively manage, and which can augment incomes and provide employment in the area.

D. Program Components and Activities

D.1 Community Formation and Action Planning at the Chapter Level
In order to ensure ownership of the plans and activities on livelihood, the people shall themselves be mobilized to undertake detailed planning in which they themselves will ascertain where and how to start with the livelihood program. The SHEC shall serve to guide and facilitate this action planning and shall link the people with resource where and when required. The SHaCC structure shall be utilized as the planning and organizing framework. Mobilization will take place mainly at the Bukluran level, in small groups. From the Bukluran, core groups or livelihood committees shall be organized to lead and work with the SHEC in coming up with specific action plans and how these will be pursued.

The main activities will be:

- ◆ Conduct of meetings and small group discussions at the Chapter and Bukluran levels
- ◆ Organization of the Committees on Livelihood at the Chapter and Bukluran levels
- ◆ Actual action planning at the Chapter and Bukluran levels
- ◆ Setting up the structures and processes for the operation and management of livelihood activities

D.2 Value Formation and Skills Training
One of the key ingredients to developing the people's abilities to achieve financial independence is to break mind-sets and attitudes that hamper them from effectively managing household and business finances. This includes poor appreciation of financial planning and programming and the real value of money; lack of knowledge on investments and decision-making on business ventures whether small-scale or otherwise; excessive risk-taking and a come-what-may attitude in spending money, i.e., gambling, etc; and the long experience of dole-outs that weakened the people's initiatives.

Skills training will also be provided for livelihood activities that require production and or processing, where these activities will be found profitable for the people.

The activities will include:

- ◆ Conduct of seminars on, but not limited to:
 - Value of money
 - Household Financial Planning
 - Savings mobilization
 - Entrepreneurship
 - Alternative schemes and structures in operating and managing peoples' organization on livelihood (e.g., cooperatives, grameen, etc)
- ◆ Conduct of training needs assessment (TNA) to determine specific gaps in skills and competencies related to desired production and processing activities
- ◆ Conduct of actual trainings based on the results of the TNA

D.3 Savings

Mobilization </p> <p>The savings of the people shall be used as the first source of capitalization for the livelihood ventures to be established. While part of the savings will be kept as mandatory savings for housing, an appropriate portion of it will be invested to earn income and provide additional financing for the households in the area.</p> <p>The structures and processes should be established to tap into the savings potential of the communities, which according to the survey can total to half a million per month. If this amount can effectively be saved, in six months, a total of PhP more than 3 million in savings can be generated, part of which can be used as capital for the enterprises that will be developed for the community. An important element to doing this is to ensure the credibility of the collection mechanism</p>

<p>To make this possible, the following activities will be undertaken
 ♦
Intensive values formation on the value of savings & use of loans
 ♦ Conduct of seminars on various schemes of savings collection and mobilization
 ♦ Conduct of intensive small group discussions and planning at the Bukluran level
 ♦ Consultation with ♦experts♦ on credit and grassroots livelihood development and conduct of exposure activities to credit/livelihood organizations/programs in other areas that have shown success and credible tract record
 ♦ Establishing the structure and the processes based on the discussions, action planning and other community preparation and mobilization activities</p>

<p>D.4 Provision of Seed-Capital</p> <p>To bridge the gap in savings and capital requirement, outside financing should be secured to augment the investment resources for the livelihood activities. The SHEC can serve as the financier or can by itself secure financing from other sources. This will make SHEC a partner to SHaCC in income generating activities, and the former♦s financial exposure will have to be secured through a formal written agreement with the SHaCC, defining the terms of partnership.</p> <p>If the basis for estimating the required seed capital is the information on potential savings derived from the survey results, the required amount will be about PhP 3.8 million. This is equal to the three-month projected accumulated savings of the people.</p>

<p>D.5 Networking and Linking Up Resources</p> <p>The SHEC (with the SHaCC) shall regularly undertake advocacy and networking with external agencies and resource centers to continually upgrade its capability to facilitate and assist the SHaCC in all its community development initiatives. Networking can include fund sourcing, job referrals for the people in the community, obtaining expertise for human resource development, and updating of knowledge and information relevant to livelihood development and its other programs</p>

<p>D.6 Regular Monitoring and Evaluation of Progress of Livelihood Activities</p> <p>The following activities will be undertaken
 ♦ Regular meetings with the concerned SHaCC units
 ♦ Monthly, quarterly and annual assessment meetings
 ♦ Preparation of monitoring and evaluation reports</p>

<p>E. Time Frame and Schedule of Activities</p><p> </p><p align="center">F. Project Cost </p><p align="center">♦</p><p align="center"> </p><p>Prepared by:</p>

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