Philippines: KALAHI CIDSS National Community-Driven Development Program

Increasing Livelihood and Entrepreneurial Opportunities: Lessons from Select KC-NCDDP Livelihood Subprojects
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For the Department of Social Welfare and Development, Quezon City, Philippines

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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>ACT</td>
<td>Area Coordinating Team</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>BAP</td>
<td>Barangay Action Plan</td>
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<td>BRT</td>
<td>Barangay Representation Team</td>
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<td>BLUFAR</td>
<td>Blumentritt Farmers’ Association</td>
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<td>CCAP</td>
<td>Community Crafts Association of the Philippines</td>
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<td>CDD</td>
<td>Community-Driven Development</td>
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<td>CEAC</td>
<td>Community Empowerment Activity Cycle</td>
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<td>CEF</td>
<td>Community Empowerment Facilitator</td>
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<td>DA</td>
<td>Department of Agriculture</td>
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<td>DOF-BLGF</td>
<td>Department of Finance-Bureau of Local Government Finance</td>
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<td>DOLE</td>
<td>Department of Labor and Employment</td>
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<td>DSWD</td>
<td>Department of Social Welfare and Development</td>
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<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>FGD</td>
<td>Focus Group Discussions</td>
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<td>IRA</td>
<td>Internal Revenue Allotment</td>
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<td>KC-NCCDP</td>
<td>Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services- National Community-Driven Development Program</td>
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<td>L&amp;E</td>
<td>Livelihood and Enterprise</td>
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<td>LCC</td>
<td>Local Counterpart Contribution</td>
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<td>MCC</td>
<td>Millennium Challenge Corporation</td>
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<td>MAT</td>
<td>Municipal Action Team</td>
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<td>MAO</td>
<td>Municipal Agriculture Office</td>
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<td>MCT</td>
<td>Municipal Coordinating Team</td>
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<td>MIBF</td>
<td>Municipal Inter-Barangay Forum</td>
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<td>MLGU</td>
<td>Municipal Local Government Unit</td>
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<td>MSWDO</td>
<td>Municipal Social Welfare and Development Officer</td>
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<td>NGA</td>
<td>National Government Agency</td>
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<td>OTOP</td>
<td>One-Town-One Product</td>
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<td>O&amp;M</td>
<td>Operation and Maintenance</td>
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<td>ODM</td>
<td>Organizational Development and Management</td>
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<td>PSA</td>
<td>Participatory Situational Analysis</td>
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<td>PCC</td>
<td>Philippine Carabao Center</td>
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<td>PDO</td>
<td>Project Development Officer</td>
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<td>RPMO</td>
<td>Regional Program Management Office</td>
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<td>SE</td>
<td>Sustainability Evaluation</td>
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<td>SLP</td>
<td>Sustainable Livelihood Program</td>
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<td>TYMDTF</td>
<td>Typhoon Yolanda Multi-Donor Trust Fund</td>
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EXECUTIVE SUMMARY

Objectives of the L&E Case Study

1. This study aims to document the responsiveness of livelihood subprojects to community needs and identify factors affecting subproject sustainability in select KC-NCDDP communities affected by typhoon Yolanda. Its specific objectives are to: i) assess community processes involved in identification, prioritization, implementation and sustainability of livelihood subprojects; ii) identify benefits (or anticipated/prospective) of the community from the use of subproject/s and efforts to increase their level of productivity and/or incomes; and iii) explore efforts (or plans) and the potential of leveraging initial livelihood gains towards sustainability. It is envisaged to inform program implementers in providing technical assistance, future analytical work and in designing livelihood intervention for poor communities.

2. Key research question is: how has the CDD process led community members and/or contiguous communities to work together and engage in entrepreneurial activities to achieve common economic and/or social benefits?

3. The study was also guided by the following operational research questions: What are the facilitating factors for communities to engage in livelihood subprojects and sustain them? What are the constraining factors in subproject implementation and how were these addressed or resolved? How has the CDD process benefitted communities and has it influenced them to exhibit desire to engage in economic/entrepreneurial activities toward a common social value, if at all? What are the prospects, opportunities and critical constraints in sustaining livelihood subprojects and/or for their economic activities to improve productivity, sell products or services, and income?

Findings

4. The case study covered three (3) livelihood subprojects in Region VI (Western Visayas) involving carabao distribution in Barangay Blumentritt (Mucia, Negros Occidental), livelihood training in Barangay Nauring (Pandan, Antique) and construction of production center in Barangay General Luna (Toboso, Negros Occidental). All subprojects were included in the Barangay Action Plans (BAPs) but were not among the top three (3) priority projects of the barangays.

5. Based on the study, the following are lessons from pursuing livelihood projects:

   (i) **Community enterprises development.** Prior knowledge or engagement in CDD (MCC, KC, and KC-NCDDP) advanced the process of livelihood and enterprise development: (i) the iterative process of social preparation brought together people that are interested in implementing L&E projects; (ii) organizing was not as difficult since the beneficiaries already experienced working together; (iii) trainings on proposal development and subproject implementation also gave more confidence to communities to engage in entrepreneurial activities (as in the case of Murcia); (iv) associations transforming to become community enterprises – or de facto social enterprises – are an effective mechanism towards sustainable livelihood; (v) community enterprises need capacity building to sustain their operations, improve quality of products and link them to better access to markets; and, (vi) existing community organization or association proved to be an advantage in community enterprise development.

   (ii) **Project Identification and Prioritization.** The three (3) livelihood projects were among the identified solutions to address problems on lack of income in the
communities, which were prioritized in accordance with the KC-NCDDP or L&E prioritization process. During concept preparation/proposal preparation, it is important that communities be consulted to generate their livelihood concepts and mechanisms for implementation, preferably with the help of livelihood experts, so communities’ concepts can be refined, and information on initial feasibility, viability and sustainability be provided.

In packaging livelihood projects, it is important to consider the nature of livelihood projects, their various components, availability of skills and materials locally, and marketability of the products.

(iii) Implementation of Livelihood Projects. All three livelihood projects were implemented in accordance with the KC-NCDDP procedures and processes. Common problems include delay in implementation due to procurement-related concerns or delayed delivery of materials due to inclement weather. Facilitation was undertaken by KC-NCDDP area coordinating teams (ACTs) with technical assistance from SLP. L&E subprojects also made possible the convergence of Department of Social Welfare and Development (DSWD) programs at the community level as well as with external agencies. MLGU-MIAC and inter-agency support enhanced the confidence of municipal action team (MAT) in implementing L&E subprojects. The MLGU-MIAC can be further tapped by the associations in addressing technical concerns on enterprise operation and management and also in the design of future livelihood projects.

(iv) Compliance with O&M Guidelines. All three livelihood projects are operated and managed by registered associations composed of subproject beneficiaries. Trainings on the technical aspect of subproject management (i.e., sewing and pattern-making for the Barangay Nauring sewing subproject; dyeing, sewing and design for pandan weaving; and, care and management of carabaos for Murcia) were provided to the three associations. Based on data gathered, it seems that the three associations were not provided with the organizational and financial aspects of the operation and maintenance (O&M) training (except for Barangay General Luna which was provided financial management training by SLP) required by the program. The Organizational Development and Management (ODM) component of the O&M training is designed to promote unity and teamwork among members, and capacitate the members and officers of the associations to undertake their organizational management functions.

Sustainability evaluation was undertaken in the three subprojects. Both subprojects in Barangay General Luna and Barangay Nauring were rated Excellent while the subproject in Blumentritt, Murcia was rated Very Satisfactory. However, it would appear that identified gaps in the sustainability evaluation results were not addressed through capability building interventions and other appropriate assistance.

The livelihood associations are expected to successfully maintain the completed facilities and sustain the enterprises. At the minimum, Training on Operation and Maintenance (including ODM/organizational, technical and financial aspects) should be provided to the O&M groups to prepare them to undertake their functions. Additional/appropriate capability building interventions should also be provided to the O&M groups across cycle to address the gaps identified in the sustainability evaluation. The Guidance Note on Organizational Development Management
Intervention Packages for Operation and Maintenance Groups of KC-NCDDP Subprojects is a useful reference in the provision of capability building interventions to livelihood associations.

(v) **Enhancing operational arrangements.** Barangay General Luna Pandan Weavers Association adds a minimal amount as profit margin to the pandan products being sold by the association. The association should review its pricing scheme to ensure that all expenses (i.e., sewing materials, labor cost, cost of utilities and other overhead costs) are factored into the selling price. At present, the association pays the weavers on a per-piece basis while sewers are paid per-day. The association may want to consider a uniform payment scheme for weavers and sewers which will benefit both workers and the association.

(vi) **Diversification of livelihood enterprise.** In Murcia, carabaos were distributed to individual households as beneficiaries. The nature of carabao care and management does not promote group activity. However, with this enterprise, members of the Blumentritt Farmers’ Association (BLUFAR) have realized the value of having a group activity. As sugarcane workers with the technical know-how, they plan to engage in sugarcane production or rice retailing activities to increase the association’s income. The livelihood served as a trigger for engagement in group enterprise. This will be beneficial to the promotion of cohesion among members.

(vii) **Challenges and opportunities to create an impact at scale.** Limited resources and connectivity/access remain to be a constraining factor in implementing L&E. As in the case of Murcia, their initial concepts were not feasible due to unavailability of resource materials and lack of paved roads. Based on KC experience, communities start to prioritize L&E subproject after basic social services and basic access to infrastructures have been met in previous cycles.

*Samahan ng Mananahi ng Barangay Nauring* faces the challenge of low levels of competitiveness, marketing of products and services, specialization in operation, and maintenance of sewing machines. It needs follow-up support in operating as an enterprise. The associations or community enterprise that received support from L&E would benefit from complementary assistance in packaging, labelling, new design options for weaving, and quality control that are attractive to specific markets to add value to the products.

(viii) **Linkage with local institutions is key to sustainability.** The involvement of the municipal agricultural office in Murcia allowed for inspection, monitoring and provision of agricultural extension services to the recipients of carabao. As such, subprojects that distributed Carabaos (and other animals) should closely work with the Office of the Municipal Agriculture for follow-up and assistance. The SLP Project Development Officer tapped the assistance of Department of Trade and Industry (DTI) to provide training to the Pandan Weavers Association of Barangay General Luna in Toboso; subsequent training on new designs and production efficiency should be introduced in order for the organization to maintain or improve its competitiveness. While the association has developed linkage with Community Crafts Association of the Philippines (CCAP), it should eventually explore further linkages to provincial and regional promotion centers and other expositions to have better access to markets. Future CDD livelihood projects should strengthen collaboration with various government agencies in the Regional/Provincial Inter
Agency Committee by generating the support of head of offices.

Conclusions and Way Forward

6. The select cases – livelihood subprojects – pursued implementation following CDD processes. Livelihood and skills training are a persistent need as identified during barangay assemblies; however, they do not emerge as top priorities in the BAPs. The livelihood subprojects in Toboso and Murcia were supply-driven due to the nature of the L&E additional financing grant facility. While the sewing skills training for women in Barangay Nauring, Pandan – the only regular funded subproject – was not included in the top three (3) priorities in cycle 3 but rather an alternative subproject. SLP complemented the L&E subprojects either by providing technical assistance in preparing the feasibility study and/or complementing infrastructure subprojects with support for soft component activities. Women and Pantawid household beneficiaries were common target beneficiaries of the L&E subprojects.

7. Most of the beneficiaries of the L&E projects showed direct economic benefits in terms of increased income ranging from Php 300 to Php 835 from plowing for carabao recipients, and Php 100 to Php 300 per day per pandan weaver/sewer. The members of **Samahan ng Mananahi ng Barangay Nauring** in Pandan, Antique were provided with skills that can be used for earning additional income for the households. Long-term economic benefits and the potential to grow are anticipated gains from the pandan weavers in Barangay General Luna. The community in Barangay Nauring, Pandan needs follow-up capacity building on skills training and to operate as an enterprise.

8. Based on the three (3) cases, future CDD livelihood programs should take the following into consideration:

   (i) **Preparing the program staff in implementing L&E subprojects.** Future CDD programs may include capability building programs on livelihood during the initial phase of implementation to better prepare the staff in providing technical assistance on subproject design, implementation and O&M. Clear guidelines and tools should be issued at the onset.

   (ii) **Preparing the livelihood associations in the O&M of livelihood subprojects.** In future CDD livelihood projects, associations managing the projects should be better prepared to undertake their O&M functions. At the minimum, Training on Operation and Maintenance which includes the organizational, technical and financial aspects of operating and maintaining the subprojects should be provided to them during subproject implementation prior to turnover of the completed subproject. Capability building interventions should include networking, as the program expects the livelihood associations to access technical support from MLGUs and other agencies in relation to O&M, especially after program exit. The KC-NCDDP’s Guidance Notes on ODM Intervention Packages for O&M Groups is a useful reference in identifying the capability building programs during the formation, organization and strengthening of associations. These interventions can be included in the livelihood proposal package, or be provided a separate fund to be conducted as follow-through activities.

   (iii) **CDD strengthens livelihood associations.** Organizing the beneficiaries into an “association” is key in sustaining livelihood subprojects. DOLE is perceived to be the most convenient authority that registers associations. Barangay General Luna which has an existing association appears to be more advanced in operating
and/or planning to function as a community enterprise, compared with those whose associations were initiated only during subproject implementation.

Properly managed existing associations have the potential of growing and being sustained over time to function as community enterprise with a strong sense of ownership among members. The convergence of DSWD programs through the Municipal Action Team (MAT) - KC area coordinators, L&E coordinators, and SLP Project Development Officers - allowed supporting roles both in preparing the technical requirements (i.e., preparation of feasibility studies) and provision of training, resources as well as tapping service providers and linkages with other government agencies. As part of the MAT, the Pantawid Pamilya Municipal Link assigned in Murcia supported the formation and registration of the Blumentritt Farmers’ Association.

(iv) **Knowledge development.** A study may be conducted to analyze the experience of KC-NCDDP and L&E-hired staff to reflect on the experience in implementing livelihood subproject in a broader scope. They can inform future strategies on designing sustainability strategy and the design of a national livelihood program with focus in KC-NCDDP areas and its predecessor programs.

(v) **Policy innovation** may be pursued by strengthening the enabling institutional framework for community enterprises to flourish including registration, private small-and-medium enterprises oriented incentive mechanisms, and correcting the pitfalls of old cooperatives and non-government organizations.

DSWD can initiate policy dialogues with key agencies in designing a national livelihood program in the country anchored on the knowledge from KC-NCDDP and the value of community-based enterprises. A phased approach prioritizing KC-NCDDP areas is the most logical site for intervention. The re-emergence of the social economy through social enterprises or community enterprises provides a new strategy for addressing “underemployment” in the Philippines, which has a direct relationship to the persistent problem of poverty.

(vi) **Reform agenda.** The Department of Agriculture (DA), DTI and DSWD as well as regulatory agencies such as Cooperative Development Authority, DOLE, and Securities and Exchange Commission may consider introducing special programs or windows that will promote the development of new and/or the enhancement of existing community enterprises developed through the CDD approach, and to facilitate securing legal personality for organizations managing such enterprises.
A. INTRODUCTION

1. Overview of KC-NCDDP

1. Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services- National Community-Driven Development Program (KaLahi-CIDSS- NCDDP, or KC-NCDDP) is the Philippine government’s flagship poverty alleviation subproject which focuses on the community driven development approach implemented through the DSWD. The National Economic and Development Authority Board approved KC-NCDDP on 18 January 2013.

2. CDD ensures that poverty-related issues such as low resources to meet basic needs, lack of access to basic services, ownership of assets, capacity of citizens to earn sustained income, and limited participation in community decision-making are addressed at the local level in a participatory, collective, inclusive, and demand-driven manner.

3. KC-NCDDP aims to have “communities in targeted municipalities are empowered to achieve improved access to services and to participate in more inclusive local planning, budgeting and implementation and Disaster Risk Reduction Management” through: (i) implementation of subprojects that address community needs, (ii) strengthening institutional and organizational capacities, and (iii) enhancing program management and Monitoring and Evaluation. The expected outcomes are: (a) improved access to basic services and infrastructure for communities in affected provinces; (b) citizen participation for more inclusive governance; and (c) improved disaster risk reduction and management (DRRM), planning, budgeting, and implementation.

4. Originally, KC-NCDDP was only intended to cover the poorest municipalities in the country. However, the devastation brought about by Typhoon Yolanda (international name: Haiyan) led to the addition of 177 municipalities in the KC-NCDDP coverage. Total program coverage reached 847 municipalities spread in 58 provinces across 14 regions targeted to benefit about 5.3 million households. Each of the 847 municipality may fall under one of three categories: (i) Poor and Yolanda-affected (377 municipalities); (ii) Poor and non-Yolanda affected (293 municipalities); and (iii) Non-poor and Yolanda affected (177 municipalities).

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1 KC-NCDDP is one of the three major social protection programs implemented by the Department of Social Welfare and Development (DSWD). The other two are Pantawid Pamilyang Pilipino Program (4Ps) and Sustainable Livelihood Program (SLP).

Kalahi-CIDSS started in 2003 as the flagship poverty alleviation program of the National Government. It was originally supposed to run until 2010, but owing to the gains it generated in its first phase of implementation (now dubbed as “KC-1”, which was supported through a US$100,000,000.00 loan from the World Bank), more funding came in that same year by way of a loan from the World Bank to expand the coverage of Kalahi-CIDSS (dubbed as KC Additional Financing, or KC AF), amounting to US$ 59,123,937. The following year, 2011, saw the provision of a US$ 120,000,000 grant from the United States of America through the Millennium Challenge Corporation (MCC), which is in turn managed in partnership with the Millennium Challenge Account-Philippines (MCA-P). The scale-up from KALAHI CIDSS to NCDDP was made official on January 18, 2013, when it was approved by the National Economic Development Authority Board. It is funded by the national government and international fund sources, including the World Bank, Asian Development Bank, Millennium Challenge Corporation, the Australian Department of Foreign Affairs and Trade, the Spanish government, and Japan Fund for Poverty Reduction.

2 KC-NCDDP originally covered 670 municipalities, based on the Small Area Estimates (SAE) using the 2009 National Statistical Coordination Board (NSCB) data on poverty incidence.
- 4-6th class municipalities with a poverty incidence of 26.5% or higher
- 1-3rd class municipalities with a poverty incidence of 40% and higher
5. The Asian Development Bank (ADB) provided KC-NCDDP with financial support amounting to US$372.1 million (or 33% of the estimated program cost) as an emergency assistance loan to the Government of the Philippines to support NCDDP implementation. It is intended to restore basic social services and rebuild communities affected by typhoon Yolanda. World Bank and the Philippine government also provided funds amounting to US$479 million and PHP9.3 billion, respectively, for the implementation of the program. The ADB-funded project ran from 2014 to 2018, while that of the World Bank began also in 2014 and will be completed in 2019.

6. KC-NCDDP implemented the Community Empowerment Activity Cycle (CEAC). Through the CEAC, communities discuss their status, issues and concerns; are trained to identify and prioritize development solutions to identified issues; implement and manage community-based projects; monitor the status of their community, projects and progress of their action plan; and, identify lessons to improve implementation of succeeding cycles. Implementation of community subprojects are guided by the KC-NCDDP operation manuals and program guidelines on procurement, finance and infrastructure projects. Program-hired staff at the community level (i.e., the Area Coordinating Team) facilitates each of the activities in the CEAC under the supervision and guidance of the Regional Program Management Office (RPMO) and Sub-Regional Program Management Office (SRPMO). Program staff undertake due diligence on subprojects before funding is committed. This comprises technical, economic, social, and financial viability assessments, including safeguards compliance.

2. Overview of KC-NCDDP Additional Financing for Livelihood and Enterprise

7. The KC-NCDDP Additional Financing of $5 million came from Typhoon Yolanda Multi-Donor Trust Fund (TYMDTF) approved by ADB on 4 March 2016, complemented by additional TA grant of $750,000. The additional financing aimed at restoring livelihood in Yolanda-affected areas by supporting priority livelihood-related CDD subprojects. The TA grant was intended to support community enterprises that have potential for scale, and strengthen the livelihood and entrepreneurship (L&E) of the KC-NCDDP through: (i) refinement of DSWD's policy and procedures to provide sustainable livelihood support under KC-NCDDP; (ii) enhancement of existing operational guidelines to improve the implementation of sustainable livelihood subprojects; (iii) enhancement of the capacity of stakeholders to undertake community-driven development (CDD); and, (iv) selectively fund innovative, sustainable livelihood initiatives such as enterprise training and surveys.

8. Livelihood and economic support subprojects eligible for funding may include subprojects related to food production, skills training for livelihood projects, support infrastructure or shared service facilities that enhance productivity, aggregation of agriculture produce to establish commercial volumes, forward-backward integration of existing or new enterprises to achieve value-addition, and production efficiency, among others. The following items are not eligible for funding under the Additional Financing for L&E: (a) working capital for the enterprise; (b) purchase of land, building, office space, or working area for the enterprise; and, (c) other items that are in the negative list of KC-NCDDP. The following are considerations in the selection of subprojects for funding:

(i) The subproject cannot be funded/supported by another agency.
(ii) The subproject is profitable and has a reliable market (clearly identified in the proposal).
(iii) The subproject will result in an increase in income of beneficiaries.
(iv) There is an entity that can provide the community with the assistance that it will require in sustaining the subproject after the funding.
(v) The subproject can be sustained (the association or group has the capability to implement the succeeding operations without additional support in the future).
9. The Regional Program Management Office (RPMO) of KC-NCDDP is primarily responsible for the effective utilization of the additional funding. It is responsible for selecting the eligible subprojects that will be funded and in preparing the ACTs to facilitate the process of implementing the L&E component.

10. The KC-NCDDP’s L&E component was closely implemented with the SLP\(^3\) to enhance the quality of technical inputs and facilitation by the ACTs. In particular, SLP Project Development Officers (PDOs) assisted in formulating the subproject proposals, particularly in determining financial viability. Whenever possible, SLP resources were made available to support subproject proposals submitted for funding.

11. Whenever possible, the L&E component utilized the personnel, skills and tools of SLP in the different aspects of this initiative. The DSWD also partnered with other government agencies such as the DTI, DA, and Department of Agrarian Reform, among others, in the implementation of the KC-NCDDP Additional Financing for L&E subprojects.

12. All subprojects under the additional financing followed the KC-NCDDP CEAC, with the addition of a regional inter-municipal forum that ranked and determined the subprojects that will have to undergo feasibility assessment (see Figure 1). Livelihood subprojects were implemented in accordance with KC-NCDDP’s procedures in subproject development, review and approval, implementation, monitoring, and O&M, through the facilitation of the ACT.

\(^3\) The Sustainable Livelihood Program (SLP) is one of the core programs of DSWD. It is a capability-building program for poor, vulnerable and marginalized families and individuals in acquiring necessary assets to engage in and maintain thriving livelihoods that help socio-economic conditions. SLP endeavors to strengthen the skills, competencies, abilities and resources of poor Filipino families, and create an enabling environment for accessing income-generating opportunities to address basic needs, thereby improving their socio-economic well-being (DSWD SLP, 2017).
3. **Background of the L&E Case Study**

13. Despite the rich experience of KC-NCDDP communities on participatory decision-making and subproject implementation processes, there is little knowledge on whether the program provides a mechanism for poor households or communities to come together and engage (or plan to) in economic and entrepreneurial activities. KC-NCDDP implementation database as of 31 October 2018 indicates some 229 tagged as livelihood subprojects amounting to about Php 215 million in subproject investment. The Asian Development Bank (ADB) has supported 158 livelihood subprojects with a total subproject investment of nearly Php169 million: 58 under regular KC-NCDDP and 100 L&E subprojects under the additional financing.

14. This study aims to document the responsiveness of livelihood subprojects to community needs and identify factors affecting subproject sustainability in select KC-NCDDP communities affected by typhoon Yolanda. Its specific objectives are to: i) assess community processes involved in identification, prioritization, implementation and sustainability of livelihood subprojects; ii) identify benefits (or anticipated/prospective) of the community from the use of subproject/s and efforts to increase their level of productivity and/or incomes; and iii) explore efforts (or plans) and the potential of leveraging initial livelihood gains towards sustainability. It is envisaged to inform program implementers in providing technical assistance, future analytical work, and in designing livelihood intervention for poor communities.

15. To deepen the case analysis, the study explores the extent to which community-driven development (CDD) approach has resulted in the decision to undertake a particular type of livelihood subproject of common value to help community households improve economic activity. Key research question is: how has the CDD process led community members and/or contiguous communities to work together and engage in entrepreneurial activities to achieve common economic and/or social benefits? With select KC-NCDDP communities that implemented livelihood subprojects as empirical phenomena, the study draws key lessons learned from the convergence experience of KC-NCDDP, Pantawid Pamilyang Pilipino Program (“Pantawid”) and SLP as well as identifies policy or program implications for future livelihood interventions.

16. In addition to the key research question stated earlier, the study was guided by the following operational research questions: What are the facilitating factors for communities to engage in livelihood subprojects and sustain them? What are the constraining factors in subproject implementation and how were these addressed or resolved? How has the CDD process benefitted communities and has it influenced them to exhibit desire to engage in economic/entrepreneurial activities toward a common social value, if at all? What are the prospects, opportunities and critical constraints in sustaining livelihood subprojects and/or for their economic activities to improve productivity, sell products or services, and income?

B. **METHODOLOGY AND SELECTION OF CASES**

17. The case study employed a mix of rapid assessment, qualitative, and process-tracing methods. It conducted (i) desk review including program documents like participatory situation analysis results, BAPs, KC-NCDDP implementation database; (ii) focus group discussions (FGDs) and key informant interviews involving beneficiaries, regional and provincial coordinators, area coordinators and members of the area/municipal coordinating teams (ACT/MCT) and municipal action teams (MAT), local governments officials such as municipal mayor, municipal agriculturist, municipal budget officer, barangay captain and association officers; and (iii) actual site visit and observation of livelihood subprojects. It targeted livelihood subprojects in select municipalities and communities in Region VI (Western Visayas) supported by KC-NCDDP and the L&E additional financing of ADB.
18. The selection of cases did not employ a more rigorous sampling technique but rather, a purposive identification of sites/subprojects with high consideration of the size, amount, intended benefits to communities and date of completion. For L&E, recently completed SPs at the time of study were automatically made part of the sample to satisfy the requirement of the study design. Such scoping/selection process and assumptions were developed by the NPMO and cascaded to RPMO VI for execution.

19. This study involved fieldwork in October 2017 in the municipalities of Murcia and Toboso in Negros Occidental, and municipality of Pandan in Antique, specifically in communities that had identified, proposed and implemented L&E subprojects. At that time, the communities were in the process of accessing subproject funds and implementing them. Thus, measuring direct economic benefits in terms of increased income was too early to establish in most L&E subprojects considered in the study. Another field visit was conducted in June 2018 to generate additional data for the study. Table 1 indicates three different types of L&E subprojects as cases for the study, i.e. carabao distribution, livelihood training, and production center construction.

Table 1: Livelihood Subprojects covered by the study

<table>
<thead>
<tr>
<th>Subproject Title</th>
<th>Location</th>
<th>Source of Funding</th>
<th>Subproject Cost</th>
<th>Date Completed</th>
<th>No. of SLP and/or Pantawid Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Production Center with Amenities for the Sustainable Livelihood of General Luna Pandan Weavers</td>
<td>General Luna, Toboso, Negros Occidental</td>
<td>KC-NCDDP Additional Financing for L&amp;E</td>
<td>1,000,000.00 163,500.00 2,500.00 1,166,000.00</td>
<td>Jun-17</td>
<td>50 Pantawid HHs</td>
</tr>
<tr>
<td>Carabao Dispersal Distribution</td>
<td>Blumentritt, Murcia, Negros Occidental</td>
<td>KC-NCDDP Additional Financing for L&amp;E</td>
<td>960,000.00 1,500.00 961,500.00</td>
<td>Jul-17</td>
<td>20 Pantawid HHs</td>
</tr>
<tr>
<td>Livelihood access through community-managed skills training on sewing</td>
<td>Nauing, Pandan, Antique</td>
<td>Regular KC-NCDDP (Cycle 1)</td>
<td>1,000,000.00 10,000.00 1,019,000.00</td>
<td>Sep-16</td>
<td>9 Pantawid HHs</td>
</tr>
</tbody>
</table>

HH = households, L&E=livelihood and enterprise, SLP=sustainable livelihood program. Source: KC-NCDDP Monitoring & Evaluation Unit

C. THE CASES: PANDAN WEAVING, CARABAO DISTRIBUTION AND SEWING

20. This section presents the cases in terms of subproject identification by communities and implementation processes covering facilitation (effectiveness), problems, issues and challenges encountered; innovative solutions to address issues, and case-specific lessons. It also discusses the immediate benefits to direct beneficiaries, and the potential of creating an impact to the wider community. It also relates the sustainability aspect of the subproject within the context of

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4 Initially, the case study covered four subprojects: two livelihood-related subprojects under the regular KC-NCDDP to identify the actual benefits; and two recently completed L&E subprojects under ADB’s additional financing to document the processes and lessons learned as well as present anticipated gains. During fieldwork, the original researcher of the study found that the identified livelihood subproject in Tigum, Buruanga supported an e-learning center (i.e., Providing Quality Education through Construction of E-Learning Center in Tigum, Alegria, Buruanga completed in June 2016 and worth PhP 1,529,309.89) tagged as a livelihood subproject. Instead, the researcher decided to cover Barangay Alegria, which proposed a livelihood subproject under the L&E facility (i.e., Construction of 1 Unit Building for Packaging Facility and Purchase of Multi-Commodity Solar Tunnel Dryer for Fish Drying with Capacity Building Activities and Provision for Vehicle to Enhance Market Access worth PhP 2.9 million). However, the subproject was not funded by the KC-NCDDP AF; the technical documents were not submitted on the cut-off date.
established O&M guidelines and tools of KC-NCDDP and L&E subproject as well as draws lessons from each case that may inform future livelihood program design.

21. The cases on L&E subprojects include (i) construction of production center in Barangay General Luna, Toboso; (ii) Carabao distribution in Barangay Blumentritt, Murcia; and (iii) skills training on sewing and purchase of sewing machines for women in Barangay Naurung, Pandan. The first two cases accessed grants through the KC-NCDDP Additional Financing, while Barangay Naurung in Pandan was supported by KC-NCDDP regular funds.

1. Pandan Weavers in Barangay General Luna, Toboso, Negros Occidental

22. Background. The Municipality of Toboso is a fourth class municipality composed of nine (9) barangays with 31.4% poverty incidence based on 2012 Small Area Estimates (SAE). Farming and fishing are the primary sources of income. The municipality has limited development fund of about Php 20 million and is highly dependent on internal revenue allotment (IRA). The need to implement additional local development solutions led to their enrollment in KC-NCDDP in 2014. Since then, more than Php 47 million worth of community grants have been provided by KC-NCDDP to the municipality, which is equivalent to over twice its 20% development fund. Among the nine (9) barangays, eight (8) have participated and implemented subprojects for all three cycles of KC-NCDDP, while one (1) opted to waive its participation. The municipal government also provided local counterpart contribution (LCC) for all the subprojects.

23. Barangay General Luna (subject site) has a population of 4,702. The barangay also has 331 Pantawid household beneficiaries. It had implemented four subprojects in three cycles of KC-NCDDP including a community center that can also be used as an evacuation center, and a daycare center in separate sitios; two-classroom school building in cycle 2, and another two-classroom school building in cycle 3. The latter replaced the originally proposed health center subproject due to land ownership/donation issue. The health center was funded through the local counterpart provided by the municipal government amounting to Php 1,330,744, after it was not prioritized during the municipal inter-barangay forum (MIBF).

24. The KC-NCDDP additional financing for L&E subprojects funded the construction of a production center with amenities for pandan weaving in Barangay General Luna. The building includes a production area, working area, storage area, and living and display area for the association’s finished products. It is expected to benefit 50 pandan weavers (49 female and 1 male) - all Pantawid Pamilya beneficiaries - who were organized and registered as the Barangay General Luna Pandan Weavers’ Association through the assistance of SLP. The subproject was then turned over to the said association upon its completion.

25. Project Identification and implementation process. Following the release of L&E guidelines and municipal orientation in the Municipality of Toboso in 2016, the ACT reviewed the

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5 Based on 2016 Fiscal Data from DOF-BLGF.
6 Community decided to propose two (2) subprojects (i.e., Construction of Community Center at Sitio Proper and Construction of Day Care Center at Sitio Maaswa with a total project cost of PhP 2,006,940) during the first cycle because they knew that the pre-allocated fund for their barangay is enough to cover both SPs. For all disaster-affected municipalities covered by the program, accelerated CEAC was implemented wherein, all barangays in a covered municipality were allocated with community grants computed based on the following criteria: i) barangay population (using the results of the 2010 census – 20%; ii) poverty incidence (based on NHTS-PR data) – 30%; and iii) damage-affected households – 50%.
7 Community applied the following criteria to prioritize subprojects: benefits, lot acquisition (not a criteria but a program requirement-safeguards), and urgency. The health center had land ownership issue; it was replaced by school building in cycle three. All subprojects were constructed using community force account.
second cycle PSA results of all barangays. It showed that two barangays had previously identified livelihood subprojects – Barangay General(i) production center for women pandan weavers in Barangay General Luna, and (ii) training on sewing for women in Barangay Magtikol. In Barangay General Luna, the residents found that the community center was their most needed social infrastructure, hence the agreement to prioritize such for KC-NCDDDP funding. The two subprojects automatically became the eligible for support under KC-NCDDDP additional financing. The ACT then informed Barangay General Luna during one (1) of its barangay assemblies about the additional funding support from KC-NCDDDP for L&E.

26. The community considered the idea of proposing a specific subproject that would benefit Pantawid Pamilya beneficiaries. With the abundance of pandan plants in the locality, the awareness of pandan weaving as a source of livelihood in the barangay through generations, the Pantawid households’ capacity and weaving skills, the presence of an informal organization actively engaged in pandan weaving, and the marketability of the association’s current products, the community members decided to put forward their proposal to construct a production center for Pandan Weavers Association of Barangay General Luna. The community knew that the association members are capable of producing quality products, thus, putting up a production center would help them expand their current network and market.

27. Through the ACT facilitation and technical assistance from the SLP Project Development Officer (PDO), the required microenterprise development plan, along with other required documents, was prepared and attached to the subproject proposal. The BLGU formally donated a portion of its land to the association through a barangay resolution upon learning that there was no available land for donation by private citizens.

28. Because of the technical quality of the proposal, readiness and high potential for sustainability of the proposed production center at Barangay General Luna, the subproject gained the support of community members during the special MIBF, leading to its prioritization.

29. The subproject was implemented through community force account, which involved fifteen (15) persons to finish the subproject on time. These comprised a foreman, skilled and unskilled laborers (approximately 10 wherein, 7 were Pantawid beneficiaries), who were paid about Php 400, Php 300 and Php 250 per day, respectively. The community members knew that working in the construction of production center would definitely yield additional income and greater impact on the poorest households. Hence, the community agreed on rotation of workers, i.e., a group of unskilled workers is replaced with another group after two (2) weeks.
30. The Committee on Infrastructure of Barangay General Luna helped out in monitoring the delivery of materials and progress of subproject construction. The Barangay Captain, whose house is near the site, also exerted effort in ensuring that construction materials would not be stolen. The construction encountered slight delay due to the difficulty of procuring materials from nearby suppliers and the unfavorable weather conditions. The whole duration of construction lasted for almost 3 months; subproject was completed in June 2017. The SLP provided eight (8) high-speed and two (2) manual sewing machines to the association to complement the subproject.

31. Prior to the L&E fund support for Barangay General Luna, the municipal government and partner national government agencies (NGAs) were already providing assistance to the barangay to enhance the skills of residents on pandan weaving. The Department of Labor and Employment (DOLE) and the DTI for example, have provided training sessions on sewing and new designs to 20 members of the association. DTI also provided separate training sessions on techniques to dye weaved products like basket, bags, wallets and decorative items. The municipal government, on the other hand, through its Municipal Social Welfare and Development Office (MSWDO), lent four sewing machines to the association while waiting for the sewing machines from SLP. It has also provided additional training on design/pattern-making, weaving and sewing. As the organizer of the association, the SLP also provided the members with skills training on sewing, pattern-making and designing of pandan bags as well as training on product pricing and financial management.

32. Now that the production center is functional, with enough number of equipment, the association is assured of producing higher number of pandan-weaved products of better quality and an additional profit for their group and families.

33. **Operation and maintenance.** The Barangay General Luna Pandan Weavers’ Association operates and maintains the completed subproject, including the production facility.

34. The association is an existing informal organization. It was organized in 2015 by the DSWD’s SLP with 50 Pantawid households as initial members when the municipality of Toboso received Php 500,000.00 from Bottom-up Budgeting – Self Employment Assistance-Kaunlaran (BUB-SEA-K) Program intended for the construction of production center and as seed capital. In line with its mandate, the SLP provided Php 5,000 start-up capitalization to each of the individual Pantawid members of the association, as well as Php 250,000 seed money to the association to sustain its business and operations.

35. With the KC-NCDDP additional financing, the association decided to propose the construction of production center instead of using the BUB-SEAK funds. Half of the BUB-SEAK amount was allocated for capital assistance while the remaining half remained in the association’s bank account as reserve fund.

36. The association is registered with the DOLE. The SLP Project Development Officer (PDO) facilitated the formulation of the association’s vision and mission statements, revision of constitution and by-laws, and preparation of other documents required for registration. The PDO also ensured that documents were properly accomplished and filed according to the desired format and arrangement of DOLE, and assisted the association’s officer during their interview at DOLE.

37. The association has a complete set of officers, with a three-year term in office (until 2021). The president, who also serves as the operations manager, was a former community volunteer that headed the Bids and Awards Committee for the KC-NCDDP L&E subproject in the barangay.
Members’ meeting is scheduled every last Friday of the month and officers’ meeting is every first Monday of the month. Members paid Php 20.00 membership fee and pay monthly dues of Php 5.00.

38. Of the 50 association members, 34 are pandan weavers while the rest are sewers. Gathering of pandan raw materials are done by weavers themselves or their family members. In some cases, if there is a high demand for pandan products, raw materials are bought from any community member who planted pandan in their backyard.

39. Their system of production works like an assembly line – weavers whose products require linings, zipper and handles will pass their woven product to the sewing members to complete the product. The weavers get paid on a per-item basis depending on the product completed. For example, Php 70.00 is paid to make one small/simple product like pouch/wallets. The association adds a minimal amount to the selling price as profit margin.

40. As there are only 8 high-speed sewing machines, two sewers are assigned to operate one machine. The first sewer has to finish the product first before the other sewer can use the machine. Each of the 16 sewers usually work for 4 hours only from 10:00 am to 2:00 pm to enable them to attend to their children who go to school and housework. When there is huge amount of order for bags, such as when they had to produce more than 100 bags to be delivered to Iloilo, sewers work long hours such as 9:00 am to 12:00 midnight. Each member earns an average of Php 100 per day based on the number of bags produced daily. The master sewer who works fast earns about Php 200 to Php 300 per day.

41. The association serves as the buyer of individual members’ products. It is also responsible for marketing and scouting of potential buyers. Finished products are displayed in the association’s display area for sale to tourists and visitors, or displayed to sell at events. Some were sold through the Community Crafts Association of the Philippines (CCAP). The Barangay Representation Team (BRT) Chair, who is also a member of Pandan Weavers Association, serves as a link to the CCAP as she represents the association in the said organization. Through CCAP, the association has established a connection with potential buyers. The association received an order of (i) 20 sets of indo; (ii) 20 pieces of bags with wood handle; and (iii) 10 pouch wallets in February 2018 and additional 10 sets of indo and (20) bags with wood handle in June 2018. The association was also invited to a 3-day exhibit organized by Child Fund at the April 2018 Panaad Festival. They showcased their products and also sold some items. Presently, the association produces weaved products on order basis.

42. The association maintains two bank accounts: the first account (main) opened with Chinabank in San Carlos City required lesser documentary requirements. When the association was ready with the required documents, it opened a second account with Producer’s Bank in Escalante, where earnings from sale of pandan products are deposited.

43. In May 2017, additional trainings on Design, Pattern Making and Sewing were provided to the association by other entities/programs like SLP. The SLP also provided the association training on business and financial management as well as marketing strategies. It also provided 10 sewing machines, materials, and supplies needed in bag-making to increase production.

44. In the initial phase of operation, the association encountered an issue with the electrical wiring in the center, which was not anticipated with the heavy electricity requirement of the eight (8) high-speed sewing machines, all operating at the same time. The association had the issue fixed by an electrician sent by the municipal government, and spent about Php 700 for the cost of labor and materials.
45. In accordance with O&M requirements, the barangay allocated Php 45,000 for the maintenance of all KC projects in CY 2018. The association, however, has yet to access the funds for O&M of the production center. Based on the consultation with the barangay officials in June 2018, the barangay plans on allocating a certain amount for maintenance for next year.

46. Improvements to promote the safety of facilities have been implemented with the construction of fencing around the multi-purpose hall and the production center worth Php160,000 provided by the municipal LGU. The municipal LGU, through the MIAC, has assured KC-NCDDP that it will provide support for the issuance of building and business permits. It also plans on creating an office dedicated to special projects, learning from their experiences in KC-NCDDP implementation. In terms of sustaining the subproject, the Multi-Stakeholders Inspectorate Team (MSIT) was formed through a municipal Executive Order. The MSIT is tasked to monitor the utilization/functionality and sustainability of subprojects funded through KC-NCDDP. The production center subproject is already eligible for evaluation in December 2017 since its completion in June 2018. The MPDO claimed that they have conducted sustainability evaluation for the KC-NCDDP subprojects but he was not able to show a copy of the results during the interview.

47. On the sustainability of sewing machines, the association includes a member who is a technician. One of his assigned functions is ensuring the functionality of all sewing machines and maintaining their good condition. As part of the daily maintenance activities, sewers take care of the sewing machines by cleaning and lubricating them daily after use. At the time of the visit in June 2018, not one has encountered any problem.

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8 Although the MPDO has not yet seen the document.
9 Per O&M guidelines, SET shall be conducted six months after completion of the subproject, and every year thereafter.
48. **Immediate/anticipated benefits.** The community volunteers who participated in discussions in June 2018 said that the production center is really a great help to the association members and to their families as well. In the past, the women worked individually in their house or inside a cave. Sometimes when they get bulk orders, the group also occupies the community center beside the production center (less than 10 meters away) that is conducive enough for weaving raw pandan strands. Finished products are stored in their homes, which are sometimes exposed to rain. The weavers and sewers now have a communal space for weaving and assembling various pandan products.

49. The association members confirmed the benefits of the subproject. They said that the production and display center is a big help to the association in terms of consolidating the products and safeguarding the assets and bags from potential effects of natural hazards.

50. In the past, the women worked individually to produce simple chair pad and other products not requiring sewing like fruit baskets or bayong. Middlemen purchased these from individual households at lower price. With the sewing machines provided by SLP, the association no longer out-sources the sewing of linings, zippers and handles. After the association was formed and training conducted, the women can make more quality-finished products and collectively sell them to generate larger profit.

51. In December 2017, the association members discussed and agreed to distribute a small amount of dividend in the form of food (one loaf bread and 1.5 liter of soda) among themselves, which they shared with their family at New Year’s Eve. The association intends to share the profits with its members annually.

52. Members of the **Pandan Weavers’ Livelihood Association** of Barangay General Luna are optimistic that their individual incomes will likely increase on a regular basis, operations will be sustained, and create wider impact to the community and nearby barangays.

53. **Innovations and future plans.** Pandan weaving is a traditional activity of Barangay General Luna in Toboso municipality, which the community members decided to develop and become a source of livelihood for women in a more organized manner. The municipality
recognizes the potential of this activity, and extends support to the community. In fact, it now considers branding and supporting pandan weaving as a One-Town-One Product (OTOP) initiative of the Municipality of Toboso.

54. The association members have a collective goal of expanding their operations and entrepreneurial activities. They appear to operate as a community enterprise with strong fundamentals of CDD – participatory and inclusive, community ownership, and accountability. With the revision of its constitution and by-laws in April 2018, the association plans on expanding its membership by including non-Pantawid members and allocating some specific budget for maintenance or repair. It also plans on installing a grievance box inside the center following the withdrawal of one member who did not give any reason.

55. With the additional sewing machines, materials and supplies provided by SLP, it is expected that production efficiency will increase resulting in increased production of weaved pandan products. Increase in income, both for the association and its individual members, may result if the association maintains its current markets and develops new ones.

2. Carabao distribution in Barangay Blumentritt, Murcia, Negros Occidental

56. **Background.** The Municipality of Murcia is a first-class municipality composed of 23 barangays with a poverty incidence of 24.9%. It has an IRA of about Php 159 million based on the 2016 Fiscal Data from DOF-BLGF. Twelve of its 23 barangays have Pantawid Pamilya beneficiaries.

57. The Municipality of Murcia was first covered by the KALAHI-CIDSS-World Bank Additional Financing in 2013. It was a recipient of 10 subprojects worth about Php 9.9 million. In 2014, KC-NCDDP covered the municipality as one of the Yolanda-affected areas. All of the 23 barangays participated in KC-NCDDP, and implemented a total of 38 priority projects worth almost Php 61 million, including the carabao distribution subproject for L&E. The municipal government provided local counterpart contribution (LCC) for all the subprojects.

58. Barangay Blumentritt (L&E subproject site) has a total population of 12,141 based on the 2015 Census, of which 400 are Pantawid beneficiaries. It is one of the largest barangays in the municipality. Barangay Blumentritt is predominantly an agricultural area, with almost 60% of its land area planted to sugarcane and 10% of the land area planted to rice. The barangay participated in all of the KC-NCDDP cycles. It is a recipient of a construction of spillway subproject in 2014, which was completed in May 2016.

59. KC-NCDDP additional financing funded Barangay Blumentritt’s carabao distribution with plowing set and artificial insemination subproject. The subproject provided one carabao each to 20 Pantawid households as beneficiaries selected through draw lots. The subproject was handed over to Blumentritt Farmers’ (BLUFAR) Association in July 2017.

60. **Project Identification and implementation process.** The barangay PSA results in 2015 identified the absence of work opportunity and low income as a problem affecting almost 80% of the population. Most women in the community do not have a source of livelihood. In the barangay action plan, the community proposed three livelihood subprojects, namely: hollow blocks making, tri-sikad (bicycle with passenger side-car), and distribution of carabao.

61. The first priority subproject was hollow blocks-making but was found not feasible. Upon validation, there is no quarry near the barangay so getting the materials would be difficult. The second priority was tri-sikad but due to the bad condition of roads, the community residents were
discouraged to propose the *tri-sikad* since they would probably spend a lot of money on maintenance. Considering the technical and financial viability, the KC-NCDDP Additional Financing funded Barangay Blumentritt’s carabao distribution, a third priority livelihood subproject. The subproject includes the distribution of 20 female carabaos with vitamins, plowing set and artificial insemination. The beneficiaries shall be responsible for the carabao shed and its proper maintenance.

62. The KC-NCDDP area coordinator informed the Barangay Captain of available grant facility for L&E. The distribution of carabao was suggested to support farming activities - for plowing and hauling of produce – of poor members in the barangay, which effectively targeted all 400 Pantawid households. Most of the households are sugarcane plantation workers. Having a carabao to help in farming activities would allow them to get additional pay as the carabao is also being paid for its services. As part of crop management, sugarcane fields are subjected to plowing at certain times to loosen the earth to promote sugarcane growth. Carabaos are preferred at these times as they can easily navigate in between the planted sugarcane.

63. During the barangay assembly, the community agreed to choose the 20 beneficiaries (out of 400 Pantawid beneficiaries) through draw lots by parent leaders. Twenty *Pantawid* beneficiaries—17 women and 3 men—were selected. The women are wives of sugarcane plantation or construction workers, who stay at home to take care of their children. The number of beneficiaries was determined based on the given grant amount, unit cost of carabao with costs of amenities and services (i.e., Php40,000) and cost of plowing set (i.e., about Php5,000). The barangay staff and Parent Leaders subsequently screened and visited households to check if they can comply with the requirements to maintain the carabao, e.g., shelter and source of food. All 20 target beneficiaries passed the screening, and were subsequently provided with carabao. The KC-NCDDP ACT facilitated the barangay assembly and the SLP-PDO provided technical support during the discussion of the proposed subproject.

64. After the identification of beneficiaries, the KC-NCDDP community empowerment facilitator (CEF) facilitated the formation of target beneficiaries into an association, election of its officers and crafting of by-laws. The SLP-PDO provided technical assistance during the election of officers.

65. During their first meeting, the 20 beneficiaries elected officers and agreed to officially register the association with the appropriate government agency. A series of meetings were subsequently conducted to craft the Constitution and By-Laws. They also agreed to collect Php70.00 per member for the registration fee. The Blumentritt Farmers’ (BLUFAR) Association was registered with the Department of Labor and Employment (DOLE) on May 29, 2017.

66. The association President processed the registration. According to the President, the process of registration was not easy. She had to go to Bacolod four times to comply with the requirements. The expenses incurred in the registration was shouldered by the association from the registration fees. The DSWD Pantawid Municipal Link supported the association formation and the process to register the association.

67. During the procurement stage, the Procurement Team invited three possible suppliers to submit quotation for the subproject. These suppliers are from Candon and La Carlota, Negros Occidental and Cebu Province. Carabao price and quality were the major considerations in the selection of suppliers. It took almost one (1) month to issue the request for quotation.
68. To ensure that the business/transaction is legitimate, the suppliers were required to submit certain documents that are indicated in the Procurement Manual. The contract was awarded to the supplier from Cebu.

69. During distribution of carabaos in accordance with the draw-lots list, one (1) was relatively aggressive compared to the others. The community returned it to the supplier. The dealer was able to replace the carabao a week after. Months after, the community eventually confirmed one (1) infertile carabao. Considering that the infertile carabao has already grown in size, the supplier replaced the livestock with two (2) carabaos (one male and one female) whose qualities meet the specifications indicated in the procurement documents for the delivered carabaos in 2017.

70. Prior to turnover, seminar/training on how to take care of the carabaos was provided to the beneficiaries by the Philippine Carabao Center (PCC) in partnership with the municipal LGU. The PCC provided training on carabao care and management such as feeding, identifying common diseases, and calving. The technician from the Municipal Agriculture Office (MAO) provided technical support on how to take care of the carabaos including artificial insemination and examination. The MLGU also provided the venue and food of the participants.

71. BLUFAR members are all farmers and are relatively competent in taking care of carabaos. Nonetheless, members claimed to have learned something new from the seminar/training, such as: (i) management of draft animals; (ii) artificial insemination; (iii) calving; (iv) health management, including identifying common diseases and bathing of carabaos; (v) feeding management; and, (vi) milking procedures and management.

72. The MLGU specifically assigned one (1) personnel from the Municipal Coordinating Team (MCT) to barangay Blumentritt who is in charge of monitoring and implementation of L&E. The subproject was handed over to the BLUFAR Association in July 2017.

Focus group discussion at Barangay Blumentritt, Murcia

73. Operations and maintenance. Blumentritt Farmers’ (BLUFAR) Association serves as the O&M group for the carabao distribution subproject. It was organized specifically for the L&E subproject. BLUFAR is composed of the 20 Pantawid households that are recipients of one (1)

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10 Suppliers were required to submit the following documents, among others, as indicated in the KC-NCCDP Procurement Manual: (i) dealer name; (ii) business permit; (iii) registration permit/certificate; and (iv) Mayor’s permit.
carabao each. All of the 20 members are sugarcane farmers with an average household income that ranges from Php 5,000 to Php 9,000 per month. Based on their constitution and by-laws (CBL), the association will only accept as new members future beneficiaries of their carabao distribution subproject.

74. The association is managed by six elected officers composed of President, Vice-President, Secretary, Treasurer, Business Manager and Information Officer. The association regularly holds a meeting every last Friday of the month, to discuss its financial status and the condition of carabaos.

75. As agreed during the first meeting, the members pay a monthly association dues of Php 80.00; Php 30.00 is earmarked for carabao care (i.e., purchase of medicines and vaccines) while the remaining Php 50.00 is for the association’s capital build-up. Some members do not observe monthly payment of dues. However, they pay all past-due association dues when the Pantawid cash grants are released.

76. As of June 2018, two carabaos died due to sickness. One (1) of the carabaos got sick due to dehydration. The community asked help from the KC staff and escalated the concern to the municipal office. They then called the Provincial Veterinarian. The veterinarian provided the carabaos with medicine (antibiotic) and vitamins. But eventually the carabao died. In another instance, the owner of the carabao who got sick bought the medicines and later reimbursed by the association (around Php800). Necropsy was conducted by the Municipal Veterinarian. Owners of these carabaos were dropped from the association in accordance with its policy.

77. Of the 19 healthy carabaos, 15 were subjected to AI using L&E funds. Nine (9) of the carabaos have been impregnated. The remaining six carabaos will continue to be subjected to AI until they are successfully impregnated. With the end of ADB assistance to KC-NCDDP in July 2018, the four households whose carabaos were not yet ready for insemination have agreed to shoulder the corresponding cost.

78. BLUFAR has already developed policies for the next round of distribution (Box 1). Based on the June 2018 fieldwork, the association has already identified the next-in-line beneficiaries through draw-lots. Once a carabao successfully delivers a calf, it would take at least one (1) year before it can be given to the qualified beneficiary selected through raffle as indicated in their by-laws.

Three (3) years after, the carabao is safe to undergo AI or even natural fertilization. It takes 12

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Box 1: BLUFAR Carabao Distribution Policies

1. Each recipient will give back to the association the first (female) offspring of carabao for raffling to the next qualified recipient; subsequent offspring will belong to the owner of carabao.
2. Once a carabao successfully delivers a calf, the carabao owner shall take care of the offspring for at least one (1) year, until it can be given to the next qualified beneficiary.
3. If the calf is male, the option is to trade it in with a female carabao to maintain the sequence of distribution.
4. If a member’s carabao dies, the member will be automatically excluded/dropped from the association.
5. New recipients of carabao shall comply with the following requirements: (a) pay registration fee, (b) provide carabao shed, and (c) ensure proper care and management of carabao.
6. Participating households shall pass-on knowledge, skills and values acquired from the project to the next-in-line recipient or other members of the group either through training, mentoring or coaching.
7. At breeding stage, the distributed stocks will be required to breed first through AI by an authorized AI technician. The semen must be of Riverine type sire for continuous genetic improvement.
months for a carabao to complete the gestation cycle. But every year, a carabao can be impregnated.

79. Meanwhile, the association needs to craft policies on issues related to absences during meetings and delayed payment of monthly dues (usually from 1 to 3 months, which gets paid usually every quarter when the Pantawid cash grants are released). The members also need to further discuss and agree on the maximum reimbursable amount per recipient in cases when their carabaos get sick.

80. The association does not have a bank account yet but they plan to have one. The money from registration fees and monthly dues is with the Treasurer. They said that the treasurer reports the financial status during meeting. At the time of data collection, the association has around Php 10,000 cash on hand.

81. As part of O&M activities, beneficiaries undertake proper care and management of the carabaos ensuring that they are bathed daily and taken to the field for grazing. Supplemental feeding is made in accordance with proper feeding discussed during the seminar. The association, on the other hand, shoulders the cost of vaccines and medicines and coordinates with the office of the municipal agriculturist when they need the services of a veterinarian/technician. Status of the carabaos is regularly discussed during the association’s monthly meetings or during the family development sessions of Pantawid.

82. As a sustainability mechanism, the association has included a monitoring system in its by-laws. Pantawid parent leaders were tasked to monitor how the association’s household members granted with carabaos take care of their livestock. The number of households to be monitored by each parent leader depends on the distance of their house to the house of household beneficiaries. The parent leaders report issues such as on carabao’s health to the association, which in turn uses its funds, if needed, to purchase medicines or vitamins. Interventions from the veterinarian are being requested as needed, as he or she does not do regular visit.

83. The MLGU has programs that can assist to maintain the good health of carabaos. The Agriculture Office of the municipality also provided medicines on top of the Php 3 million allotment of the municipality for agricultural needs. Additionally, the MLGU provides monthly training on AI to barangay residents who are interested to gain more knowledge about the technology. They just have to list their names and the MLGU will schedule a seminar for them.

84. The municipal agricultural technician provides technical support to the association related to animal health, production, or management. However, the technician cannot make regular visits to the carabaos due to limited time. He also provides technical support to the recipients of the MLGU-implemented livestock distribution projects. The Municipal Agriculture Office has open communication lines with the farmers. The carabao owners, including those L&E beneficiaries can just send a text message or even call the veterinarian for help in case the need arises. Once a report reaches the agriculture office, the technician ensures that these concern is addressed accordingly e.g. the need for medicines, vitamins and vaccines. Ideally, carabao vaccines should be given once every quarter as well as deworming. But given the issue mentioned above, the agriculture office is not able to regularly provide vaccines and vitamins but is doing its best to immediately attend to all requests received from the community.

85. BLGU officials have also provided assistance to the association. In one instance, the association asked for assistance from the BLGU after a carabao was turned-over to the association by a member who left the barangay to live in another town. She left the carabao because the area where her family is moving in does not have space for carabao shed. The BLGU
and association held a meeting to discuss the matter and finally select qualified replacement household - they both agreed to have it done through raffle. It happened two (2) weeks after the issue was reported.

86. Based on the June 2018 interview, the MLGU has conducted Sustainability Evaluation in March 2018 through the DA personnel, CEF and draftsman. The subproject was rated Very Satisfactory.

87. **Immediate and expected benefits.** As indicated in the proposal, the carabaos are intended to help beneficiaries in their farming activities. In June 2018, there were 19 healthy carabaos. Ten were already earning from tilling and plowing services. Through the carabao, the recipients’ husbands were able to finish more area with lesser time. The payment is usually through “pakyaw” basis at Php835 per hectare. Services for sugarcane plantation are usually from July to October. During off-season, the beneficiaries have the carabao rented by rice and corn farmers. They charge Php100/hectare for this. On the average, beneficiaries earnPhp 3,000.00 per month from tilling and plowing during peak season, and Php 2,000.00 per month on lean months.

88. Once the first offspring is given to the association, the carabaos will be entirely owned by the beneficiaries. As they intend to sell the succeeding calves, the households have the potential to earn a minimum of Php 25,000 to Php 35,000 per year, or an average of Php 2,500 to Php 3,500 for the 10-month gestation period.

89. Box 2 narrates the story of Mary Grace – how she participated in the L&E process and the expected benefits of having been a beneficiary of the subproject.

90. **Future plans.** The association intends to maintain the subproject even after the end of ADB assistance in the municipality. Members have expressed their willingness to shoulder the cost of insemination even if the offspring will be given away to honor the association’s agreement.

91. The association also plans to venture into other livelihood projects. They intend to raise about Php 15,000.00 to Php 30,000.00 by renting a sugarcane land for them to plow and plant sugarcane to increase the association’s income. Since members are experienced sugarcane farmers, the association has the capacity to engage in this venture. They are also considering running a business like a Bigasan (retail of rice) or rice milling.

92. The association recognizes that it has to address the issues on absence of bank account and policies on defaulting members, non-participation and/or poor attendance during meetings. The association addresses this through revision of policies.
Box 2: Mary Grace tells her story

(Mary Grace is the treasurer of Blumentritt Farmer’s Association that was created to manage the livelihood subproject. She shared her happiness and gratitude with tears during the focus group discussion in the barangay on 9 June 2018)

Mary Grace, 47 years old, is one of the 20 Pantawid beneficiaries who received a carabao from the Carabao Distribution Program supported by the KALAHI CIDSS additional financing from Typhoon Yolanda Multi-Donor Trust Fund. As a Pantawid beneficiary, her family receives a total of Php 1,300 for herself and two of her four children in elementary and high school. Her husband is a farmer who tills 5 small parcels of land that her parents-in-law passed on to them. The farm land is owned by a rich family in the municipality, and produces only 7 sacks of palay or about 3 sacks of rice per harvest season, which is barely enough for her family’s consumption. In 2016, Mary Grace put up a small sari-sari store using the money she saved from Pantawid to augment their income. However, their income can hardly support the daily needs of the family especially those of her children, one of whom is a college student. Her eldest who finished an automotive course and has work in Bacolod City helps by occasionally sharing Php 300 to the weekly family budget for food.

Mary Grace learned about the livelihood subproject when the KALAHI-CIDSS conducted a barangay assembly in May 2017 and all Pantawid beneficiaries were gathered at the barangay multipurpose hall. Closely working with the KC-NCDDP community empowerment facilitator in Barangay Blumentritt, the Pantawid’s municipal link facilitated the decision that the carabaos be distributed to 20 Pantawid beneficiaries by raffle. Only those Pantawid beneficiaries whose names were drawn and were present during the assembly would receive a carabao. During the raffle, Mary Grace’s name was not drawn, which made her really sad. One day, she got surprised when her neighbor who received a four-year-old carabao, approached her to say that the latter could not take care of the carabao because her husband works as an electrician and she has 5 kids to look after. Her neighbor also knew that Mary Grace and her husband can take care of the carabao since they have been farming in a long time.

Mary Grace and her husband were so happy when they received the carabao since they would have one that they could call their own. The carabao was named “Mutya” connoting that it is a precious possession. To them, Mutya is a productive asset that will help them alleviate their economic plight. Her husband used to rent a carabao from her brother-in-law for Php 350 pesos per planting season, which they could hardly afford to pay on time sometimes. Now that they have their own carabao, they don’t have to rent one.

Mary Grace, together with other beneficiaries, attended the training provided by the municipal agriculture office. They were trained on how to take care of and administer medicines to a sick carabao. Mary Grace’s husband trained Mutya to plow, and the latter has helped in the farm thrice since she was turned over to the family in August 2017.

Mutya is now 6 months pregnant through the artificial insemination conducted by the municipal agriculture office. Mutya could only work twice a week given her condition and would soon stop perhaps on her 9th month of pregnancy, three months before she gives birth.

Mary Grace looks forward to turning over the young animal to the association six months after birth when it is weaned, to be raffled off and benefit another Pantawid family.

*Story by and photo credit: DSWD*
3. Community-managed skills training on sewing, Barangay Nauring, Pandan, Antique

93. **Background.** The Municipality of Pandan is a 4th class municipality composed of 34 barangays and has 23.6% poverty incidence based on 2012 SAE. The municipality has an IRA of about Php 82 million based on the 2016 fiscal data from DOF-Bureau of Local Government Finance.

94. The municipality was first covered by KALAHI-CIDSS in 2013 under the KC-Millennium Challenge Corporation (KC-MCC). KC-MCC investment in the municipality amounted to more than Php 43 million with 39 subprojects. As one of the poor municipalities affected by Typhoon Yolanda, it had become one of the eligible areas of KC-NCDDP. The Municipality of Pandan participated in three cycles of KC-NCDDP implementation. It is a recipient of 55 subprojects with a total investment cost of about Php 62 million. Under KC-NCDDP, the Municipality of Pandan, Antique, implemented an accelerated CEAC\(^\text{11}\) in Cycle 1 and regular CEAC in the subsequent cycles.

95. Barangay Nauring (study site) has a population of 2,018. The barangay also has Pantawid household beneficiaries and a recipient of one subproject worth Php 1 million. Barangay Nauring implemented the Skills Training and Purchase of Sewing Machines subproject, a livelihood subproject for women in Cycle 1 using the regular KC-NCDDP grant. The subproject benefits about 28 women with nine (9) Pantawid beneficiaries, who were organized into *Samahan ng Mananahi ng Barangay Nauring*.

96. **Project Identification and implementation process.** The focus group discussions and review of BAPs revealed that the top three priority subprojects were *footpath, daycare, and evacuation center* during the third cycle. However, due to difficulty in accessing a deed of donation and a public land, the community members decided to pursue a livelihood subproject for the women of Barangay Nauring, i.e., skills training and purchase of sewing machines. The subproject involves training on sewing, and provision of 15 manual and five high-speed electric sewing machines and one machine for edging.

97. The KC-NCDDP area coordinator facilitated the process that led to the community’s decision to engage in sewing subproject to hone the skills of women, with the motivation of helping their spouses and augmenting household income. Most of the *Samahan ng Mananahi ng Barangay Nauring* member-beneficiaries served as community volunteers during the KC-MCC implementation in 2014, and had no jobs. They received training on sewing garments such as school uniforms, curtains, basketball sports uniform and sports shirt. SLP provided follow-up skills training to the association.

98. **Operation and maintenance.** The *Samahan ng Mananahi ng Barangay Nauring* serves as the O&M group that maintains the subproject. It is registered with the Department of Labor and Employment.

\(^{11}\) KC-NCDDP re-designed its Community Empowerment Activity Cycle (CEAC) to hasten rehabilitation and recovery of communities from the effects of Typhoon Yolanda. Referred to as Accelerated CEAC, each stage is fast-tracked, some activities and sub-activities were waived or modified to hasten the process of subproject identification, approval and implementation. In the Accelerated CEAC, all barangays in a covered municipality were allocated with community grants computed based on the following criteria: i) barangay population (using the results of the 2010 census – 20%; ii) poverty incidence (based on NHTS-PR data) – 30%; and iii) damage-affected households – 50%.
99. The individual members work at a given job order. Each machine is assigned to two members, who take turns in using and are responsible for maintaining it. Each member has to complete a sewing job such as repairs or making dress or curtain, before her partner can use the machine. Due to limited space at the back of the barangay hall, the members cannot use all the machines at the same time. The machines are lumped in a small room in the barangay hall, making it difficult to operate them in full capacity. The members have to borrow chairs from the barangay hall every time they need to sew.

100. Some sewing machines are malfunctioning and there is no clear maintenance arrangements and available technician in the community. These make it more challenging for the association to operate and generate revenues.

101. There is so much enthusiasm among members to sustain the operation of the association. However, they are facing challenges to operate at scale. The skills level, production efficiency and regular demand for products and services remain low. More often, members accept orders for production and repairs individually. Requests for production and services in bulk are linked to seasonal needs such as school uniform for students, jersey for basketball tournaments, and local festivities. However, there is no systematic process whereby the association can function as one producing higher quantity orders on demand. Unless addressed, the sustainability of the subproject is at risk.

102. **Immediate Benefits.** Prior to the conduct of training, only a few of these women had skills in sewing – one is a known mananahi or seamstress in the community while two others previously worked at a garment factory in Metro Manila.

103. The association members earn additional income from accepting job requests such as repairs, curtain making, basketball jersey and school uniforms.

104. **Future plans and Issues.** The association is faced with organizational and operational issues that, unless addressed, threaten the sustainability of the subproject. It needs to systematically organize its business operations, capitalization, production, marketing and

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12 The products and services mentioned include curtains, basketball jersey, school uniform and sport shirts, and occasional repairs. However, there is no systematic approach yet for the association to grow and generate more revenues for its members.
managing sales and profit sharing among its members. This requires additional capacity building and training support from external actors including KC-NCDDP, SLP, Barangay Nauring, the Municipality of Pandan and other players such as DTI.

_Sana magkaroon ng maraming kostomer at tuloy tuloy ang pananahì…at may magandang lugar na panahìan_ [we wish that we could have more customers to continue operations…and a better location]. – Gemma Danque

**D. CDD AND LIVELIHOOD AND ENTERPRISES: LESSONS LEARNED**

105. The case study draws the following lessons from the processes of implementing L&E subprojects, categorized into: (i) community enterprises development, (ii) subproject identification and prioritization, (iii) implementation of livelihood projects, (iv) compliance with O&M guidelines, (v) enhancing operational arrangements, (vi) diversification of livelihood projects, (vii) challenges and opportunities to create an impact at scale, and (viii) linkage with local institutions is key to sustainability.

106. **Community enterprises development.** Prior knowledge or engagement in CDD (MCC, KC, and KC-NCDDP) advanced the process of livelihood and enterprise development. Based on the focused group discussions (FGDs), the iterative process of social preparation brought together people who are interested in implementing L&E projects. Organizing was not as difficult since the beneficiaries already experienced working together. Trainings on proposal development and subproject implementation also gave more confidence to communities to engage in entrepreneurial activities (as in the case of Murcia).

107. **Decision-making processes for L&E subprojects in select communities in Panay Island** provide evidence to support the view that associations transforming to become community enterprises – or _de facto_ social enterprises – are an effective mechanism towards sustainable livelihood. Community enterprises need capacity building to sustain their operations, improve quality of products and link them to better access to markets.

108. Existing community organizations or associations proved to be an advantage in community enterprise development. In such cases, the organizations have had time to build their capacities in various organizational development and management competencies; norms and standards in the conduct of various activities have been developed; principles and procedures for achieving results have been established; and members have trust and openness, with decisions usually arrived at through consensus. Thus, the organizations can focus their attention to learning new sets of skills or expanding or diversifying their projects. This does not mean, however, that newly formed organizations cannot be recipients of livelihood projects. It just means that more investments are needed to strengthen and capacitate the new organizations to handle their expected functions.

109. **Project Identification and Prioritization.** The three livelihood projects were among the identified solutions to address problems on lack of income in the communities, which were prioritized in accordance with the KC-NCDDP or L&E prioritization process. Once the need for livelihood subproject is determined, it is important that communities be consulted to generate their livelihood concepts and mechanisms for implementation. It would be good if during the concept development, livelihood experts are present to refine the communities’ concepts by providing

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13 Community/ social enterprise may be defined as dynamic organizations that produce, sell/ trade or deliver goods and/or services with explicit social mission or benefit to the community where it operates.
information on initial feasibility, viability and sustainability.

110. In packaging livelihood projects, it is important to consider the following: nature of livelihood projects, components, availability of skills and materials locally, and marketability of products.

111. **Nature of Livelihood and Enterprise Subprojects.** Resource investments that target distribution of carabao or other production-related projects, are not expected to immediately provide measurable economic benefits and increase income. One has to wait for the crops to grow or livestock to mature before households can earn income from sale of harvests or calves. In the case of Murcia, the carabaos were rented out as farm animals so households can earn through plowing of sugarcane plantations or rice fields. Once the carabao gets pregnant, they cannot be used for farming anymore as a precaution. For the next 10 months, the households will not get income from farm animal services, but will potentially earn about Php 25,000 to Php 35,000 from sale of calves. For production-related projects, “waiting period” for crops or livestock to grow or mature is a natural part of the cycle. During this period, households cannot expect to realize income so they must have alternative sources.

112. The care and management of the carabao does not necessitate the coming together of members. The absence of a common economic activity to bring them together may be one of the reasons why BLUFAR is experiencing challenges on beneficiaries’ full commitment through payments of dues and participation in follow up meetings. This poses some risks on whether they will continue to cooperate in the association.

113. The subproject in Barangay Naurung, Pandan involved learning a new skill. Member-beneficiaries should continuously practice sewing to hone their newly-acquired skill. They should also upgrade their skills and be pro-active in keeping track of developments in design and techniques. The association should actively seek regular sewing orders/jobs for its members for the continuity of the livelihood subproject.

114. **Multi-component Subprojects.** As packaged, the livelihood projects include the provision of capability building, facilities or livestock, and “starter” kits. The kits include materials for use during the training and initial operations. KC-NCDDP L&E funded all the components in the case of the carabao distribution in Murcia. The Municipal Government of Murcia supported the training by shouldering the participants’ food and providing the venue. The SLP complemented the production facility for pandan weaving in Toboso municipality through the provision of operating capital, sewing machines and training designed to improve organizational capacity in operating the business and upgrade existing skills on pandan weaving. The DTI also provided training to upgrade the skills of pandan weavers.

115. **Harnessing Locally Available Skills and Materials.** Pandan weaving is an existing skill in Barangay General Luna, handed down to the weavers from their great grandparents. The members of the Pandan Weavers Association of Barangay General Luna are experienced pandan weavers whose skills have been upgraded by trainings provided by DTI and DOLE. The implementation of the L&E subproject in the municipality provided a communal area which will allow year-round production. It also protects the materials and finished products from the effects of natural hazards. SLP complemented the subproject by providing the association with sewing machines and further upgrading of organizational and weaving skills in order to compete with other pandan-based product players in the market.

116. Pandan plants are abundant in Barangay General Luna, which makes it cheaper. This contributes to lower operating costs which will allow the association to compete with other weaved
pandan products in terms of pricing. To ensure the continuity of supply, the association has instructed its members to cultivate the plants in their backyards.

117. In Murcia, sugarcane farming is the predominant source of livelihood. As farmers, they are also relatively competent in taking care of farm animals. Thus, the carabao distribution was proposed to complement the farming activities of target beneficiaries who are sugarcane plantation workers. With the carabao, the farm workers become more efficient in crop management.

118. **Implementation of Livelihood Projects.** All three livelihood projects were implemented in accordance with the KC-NCDDP procedures and processes. Common problems include delay in implementation due to procurement-related concerns or delayed delivery of materials due to inclement weather. Facilitation was undertaken by KC-NCDDP ACTs with technical assistance from SLP. L&E subproject also made possible the convergence of DSWD programs at the community level as well as with external agencies.

119. **L&E Subprojects Promote Convergence with Pantawid and SLP.** The cases showed that the ACTs facilitated the process of pursuing livelihood subprojects under CEAC. As designed, SLP PDOs provided technical assistance/support to the ACT in preparing the required feasibility studies or micro-enterprise development plans under the L&E, which could have been more challenging without them. The Municipal Links assisted the organizations during registration.

120. Convergence efforts of DSWD at the community level was evident with the implementation of the KC-NCDDP additional financing for L&E. The CDD processes paved the way for the participation of Pantawid households as beneficiaries in the three livelihood projects. CDD also enabled the complementation of resources between KC-NCDDP and SLP as well as with MLGUs and other government agencies which provided support to the associations managing the livelihood projects.

121. For instance, through the CDD process the community decided to build a production center for pandan weaving in Barangay General Luna, while SLP provided the start-up capital, sewing machines and training for all members of the association, benefitting all. Now Barangay General Luna Pandan Weavers’ Association functions as a community enterprise whose membership is open for expansion to include Pantawid and non-Pantawid households in the community.

122. **MLGU-MIAC and Inter-agency Support.** The community and Municipal Action Team (MAT) have more confidence in implementing L&E subprojects with the help of MIAC and other agencies. In Murcia, MAO technicians gave technical assistance on proper care of carabaos and the Provincial Veterinarian also attended to a sick carabao. DTI has helped the Pandan Weavers Association with improving their designs. These agencies can be further tapped by the associations in addressing technical concerns on enterprise operation and management and also in the design of future livelihood projects. For future CDD livelihood projects, the RPMO should strengthen collaboration with various government agencies in the Regional/Provincial Inter-Agency Committee by generating the support of its respective head of offices thru the Regional Development Council.

123. **Compliance with O&M Guidelines.** All three livelihood projects are operated and managed by registered associations composed of subproject beneficiaries. Trainings on the technical aspect of subproject management (i.e., sewing and pattern-making for the Barangay Nauring sewing subproject; dyeing, sewing and design for pandan weaving; and, care and management of carabaos for Murcia) were provided to the three associations. Based on data
gathered, it seems that the three associations were not provided with the organizational and financial aspects of the O&M training required by the program (except for Barangay General Luna which was provided financial management training by SLP). The Organizational Development and Management (ODM) component of the O&M training is designed to promote unity and teamwork among officers and members, and capacitate them to undertake their organizational management functions.

124. Using SE results, capability building interventions should have been provided to the associations to address the identified gaps.

125. **Organizing Livelihood Project Beneficiaries into Groups for Sustainability.** This case study supports the view that livelihood subproject investments managed through livelihood associations at the community level are more effective—and seemingly more sustainable—through the CDD process. The activities are led by women who would like to augment their household income by engaging in income generating or economic activities. These are evident in the cases of Barangay General Luna Pandan Weavers’ Association in Toboso and to some extent the *Samahan ng mga Manananahali ng Barangay Nauring* in Pandan. Organizing the beneficiaries into groups facilitates monitoring and sustaining operations through additional assistance.

126. **Conduct of Sustainability Evaluation.** In line with its commitment to sustain the subprojects it has implemented, KC-NCDDP developed the sustainability evaluation as a mechanism to assess the status and actual utilization of the completed subprojects, and determine proper assistance to the O&M organizations/communities to enable them to operate the subproject in a sustainable manner. Program guidelines indicate that completed subprojects should be subjected to sustainability six months after completion, and every year thereafter. The enhanced sustainability evaluation guidelines issued by the KC-NCDDP in January 2017 included a tool for livelihood subprojects.

127. Sustainability evaluation was undertaken in the three subprojects. Both subprojects in Barangay General Luna, Toboso and Barangay Nauring, Pandan were rated excellent while the subproject in Barangay Blumentritt, Murcia was rated very satisfactory. However, it would appear that identified gaps in the sustainability evaluation results were not addressed through capability building interventions and other appropriate assistance.

128. **Capacity building of livelihood associations for sustainability.** KC-NCDDP commits to “preserve the gains of CDD principles and processes, and the subprojects it has funded to continuously address community needs.” O&M groups are formed and capacitated to undertake the O&M of subprojects. Under the KC-NCDDP Additional Financing, the livelihood associations are expected to successfully maintain the completed facilities and sustain the enterprises. At the minimum, training on operation and maintenance (including ODM/organizational, technical and financial aspects) should be provided to the O&M groups to prepare them to undertake their functions. Additional/appropriate capability building interventions should also be provided to the O&M groups across cycle to address the gaps identified in the sustainability evaluation.

129. The Guidance Note on Organizational Development Management (ODM) Intervention Packages for Operation and Maintenance (O&M) Groups of KC-NCDDP Subprojects is a useful

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15 The Guidance Note on Organizational Development Management (ODM) Intervention Packages for Operation and Maintenance (O&M) Groups of KC-NCDDP Subprojects was issued by KC-NCDDP to provide technical direction in the preparation of packages of proposals relative to the formation, organization and strengthening of the O&M groups to be funded from regular KC-NCDDP and other available funds. The interventions are intended to address the issue on poorly maintained subprojects due to lack of preparedness/capacity of the groups to undertake their responsibilities of managing their organizations and operating and maintaining the subprojects entrusted to them.
reference in the provision of capability building interventions to livelihood associations. The ODM packages include various capability building interventions for members, officers and leaders that address the group’s capacities at various stages of group development, which can be funded from regular KC-NCDDP or other available funds. It can be customized based on the actual needs of the organizations.

130. The Samahan ng Mananahi ng Barangay Nauring is a newly formed organization. It is also managing a livelihood subproject which involves newly acquired skills by majority of the members. It will take time for the officers to become adept at managing their organization, and for the members to become fully skilled sewers. The learning process could have been supported by the provision of appropriate capability building activities.

131. Enhancing operational arrangements. The Pandan Weavers Association of Barangay General Luna adds a minimal profit margin to the pandan products being sold by the association. The association should review its pricing scheme to ensure that all expenses (i.e., sewing materials, labor cost, cost of utilities and other overhead expenses) are factored into the selling price.

132. At present, the association pays the weavers on a per-piece basis while sewers are paid per-day. It may want to consider a uniform payment scheme for weavers and sewers which will benefit both workers and the association.

133. Diversification of livelihood enterprise. Carabao distribution in Murcia was distributed to individual households as beneficiaries. The nature of carabao care and management does not promote group activity. However, with this enterprise, members of the BLUFAR have realized the value of having a group activity by planning to engage in sugarcane production or rice retailing activities. The livelihood served as a trigger for engagement in group enterprise. This will be beneficial to the promotion of cohesion among members.

134. Challenges and opportunities to create an impact at scale. Limited resources and connectivity/access remain to be a constraint in implementing L&E subprojects. As in the case of Murcia, their initial concepts were not feasible due to unavailability of resource materials and lack of paved roads. Based on KC experience, communities start to prioritize L&E subproject after basic social services and basic access to infrastructures have been met in previous cycles.

135. The Samahan ng Mananahi ng Barangay Nauring faces the challenge of low levels of competitiveness, marketing of products and services, specialization in operation, and maintenance of sewing machines. It needs follow-up support in operating as an enterprise. The associations or community enterprise that received support from L&E would benefit from complementary assistance in packaging, labelling, new design options for weaving, and quality control that are attractive to specific markets to add value to the products.

136. Linkage with local institutions is key to sustainability. The involvement of the municipal agricultural office in Murcia allowed for inspection, monitoring and provision of agricultural extension services to the beneficiaries of the carabao distribution subproject. As such, subprojects that distributed carabaos (and other animals) should closely work with the Municipal Agriculture Office for follow-up and assistance. The SLP Project Development Officer tapped the assistance of DTI to provide training for the Pandan Weavers Association of Barangay General Luna; subsequent training on new designs and production efficiency should be introduced in order for the organization to maintain or improve its competitiveness. While the association has developed linkage with CCAP, it should eventually explore further linkages to provincial and regional promotion centers and other expositions to have better access to markets.
E. CONCLUSIONS AND WAY FORWARD

137. The select cases – livelihood subprojects – pursued implementation following CDD processes. Livelihood and skills training are a persistent need as identified during barangay assemblies; however, they do not emerge as top priorities in the BAPs. The livelihood subprojects in Toboso and Murcia were supply-driven due to the nature of the L&E additional financing grant facility. While the sewing skills training for women in Barangay Nauring, Pandan – the only regular funded subproject – was not included in the three (3) priorities in cycle 3 but rather an alternative subproject. SLP complemented the L&E subprojects either by providing technical assistance in preparing the feasibility study and/or complementing infrastructure subprojects with support for soft component activities. Women and Pantawid household beneficiaries were common target beneficiaries of the L&E subprojects.

138. Most of the beneficiaries of the L&E projects showed direct economic benefits in terms of increased income ranging from Php 300 to Php 835 from plowing for carabao recipients, and Php 100 to Php 300 per day for pandan weavers/sewers. The members of Samahan ng Mananahi ng Barangay Nauring in Pandan were provided with skills that can be used for earning additional income for the households. Long-term economic benefits and the potential to grow are anticipated gains from the pandan weavers in Barangay General Luna. The community in Barangay Nauring, Pandan needs follow-up capacity building on skills training and to operate as an enterprise.

139. CDD towards sustainable livelihood. CDD provides the mechanism to have a strong community-based association engaging in a common economic interest undertaking to benefit individual members in particular and the community in general. Convergence activities of facilitators and coordinators, i.e., the municipal action team, of various programs of DSWD–KC-NCDDP, Pantawid and SLP—and the expanded municipal convergence committee at the municipality worked well. Perhaps this could further be enhanced to leverage the potential of empowered communities under KC-NCDDP to work together and engage in economic activities at a larger scale. CDD offers prospects for livelihood and community enterprises development towards social innovation and sustainable development.

140. It must be noted that the type of livelihood that the community should engage in need not be new, sophisticated and technologically advanced; rather should build on local institutions, community traditions and practices (e.g., pandan weaving), existing resources available in the community, absorptive capacity, and availability of and connecting to markets for goods and services.

141. Preparing the program staff in implementing L&E subprojects. Future CDD programs may want to include capability building programs on livelihood during the initial phase of implementation to better prepare the staff in providing technical assistance on subproject design, implementation and O&M.

142. As reported by respondents, available subproject designs were mostly intended for infrastructure subprojects of KC-NCDDP, which are not aligned with livelihood subprojects. The ODM Assessment conducted in June 2017 supported this finding. Based on the focused group discussion, program staff cited the difficulty encountered and delays due to the unavailable design for livelihood projects such as boats. Program guidelines should explicitly indicate that the RPMO

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16 Conversations with regional and provincial coordinators of L&E and the municipal area coordinators of KC-NCDDP revealed that they were not prepared to provide support in maintaining and sustaining livelihood subprojects. Thus, the technical assistance was also limited.
are expected to spearhead coordination with concerned agencies to facilitate completion of
appropriate subproject designs.

143. Livelihood Coordinators were deployed by the program to provide technical assistance
during subproject implementation. The program may consider deploying these coordinators as
early as the social preparation stage so they can provide the needed technical guidance in
subproject identification, design/development, implementation, crafting the O&M plan and O&M
implementation.

144. The procedures and tools for livelihood projects have been put in place. The SE tools have
been enhanced to include livelihood projects; communities can use this in assessing the
sustainability of their livelihood projects and to determine areas for improvement. The O&M
plan/program was also enhanced as one of the outputs of the KC-NCDDP L&E additional
financing to provide detailed O&M activities which can be used as reference by communities in
crafting or revising their O&M plan for livelihood projects. Future CDD programs implementing
livelihood projects can benefit from these tools.

145. **Preparing the livelihood associations in the O&M of livelihood subprojects.** In future
CDD livelihood projects, associations managing the projects should be better prepared to
undertake their O&M functions. At the minimum, Training on Operation and Maintenance which
includes the organizational, technical and financial aspects of operating and maintaining the
subprojects should be provided them during subproject implementation prior to turnover of the
completed subproject. Capability building interventions should include networking, as the program
expects the livelihood associations to access technical support from MLGUs and other agencies
in relation to O&M especially after program exit. The KC-NCDDP’s Guidance Notes on ODM
Intervention Packages for O&M Groups is a useful reference in identifying the capability building
programs during the formation, organization and strengthening of associations. These
interventions can be included in the livelihood proposal package, or be provided a separate
fund to be conducted as follow-through activities.

146. **CDD strengthens livelihood associations.** Organizing the beneficiaries into an
“association” is key in sustaining livelihood subprojects. The ACT facilitated their organization and
supported formalizing the associations through registration with a government authority. DOLE is
perceived to be the most convenient authority that registers associations. Communities with
existing associations (such as in the case of Barangay General Luna, Toboso) appear to be more
advanced in operating and/or planning to function as a community enterprise, compared with
those whose associations were initiated only during subproject implementation like in the case of
Barangay Blumentritt, Murcia and Barangay Nauring, Pandan. As an existing informal
organization, the Barangay General Luna Pandan Weavers Association was a recipient of various
technical, organizational and financial management-related capability building interventions which
ably prepared the officers and members in undertaking their responsibilities on production,
operation, management and subproject sustainability. Initial operational and organizational
 systems have been put in place, and only needed enhancements with the introduction of the L&E
assistance. Properly managed existing associations have the potential of growing and being
sustained over time to function as community enterprise with a strong sense of ownership
among members.

17 Without follow-up activities and continuing assistance for newly created associations, it is unlikely for them to scale
up and sustain operations well. Linkage should be established with municipal government and other local
organization that can support them in maintaining and sustaining the subproject.

18 Here community enterprise is used to denote an advanced degree of association among members; going beyond
the formal registration either in DOLE or DSWD as directed by project implementers.
147. The convergence of DSWD programs through the Municipal Action Team–KC area coordinators, L&E coordinators, and SLP Project Development Officers–allowed for supporting roles both in preparing the technical requirements (i.e., preparation of feasibility studies) and provision of training, resources as well as tapping service providers and linkages with other government agencies such as the departments of trade and industry, agriculture, science and technology, and even tourism. As part of the MAT, the *Pantawid Pamilya* Municipal Link assigned in Murcia supported the formation and registration of the Blumentritt Farmers’ Association.

148. **Knowledge development, policy innovation and reform agenda.** A study may be conducted to analyze the experience of KC-NCDDP and L&E hired staff to reflect on the experience in implementing livelihood subproject in a broader scope. They are a source of information not only to assess DSWD’s program and build on them including attempts at engaging in enterprises development. They can inform future strategies on designing sustainability strategy and the design of a national livelihood program with focus in KC-NCDDP areas and its predecessor programs.

149. Policy innovation may be pursued by strengthening the enabling institutional framework for community enterprises to flourish including registration, private small-and-medium enterprises oriented incentive mechanisms, and correcting the pitfalls of old cooperatives and non-government organizations.

150. DSWD can initiate policy dialogues with key agencies in designing a national livelihood program in the country anchored on the knowledge from KC-NCDDP and the value of community-based enterprises. A phased approach prioritizing KC-NCDDP areas is the most logical site for intervention. The re-emergence of the social economy through social enterprises or community enterprises provides a new strategy for addressing “unemployment” in the Philippines, which has a direct relationship to the persistent problem of poverty.

151. The DA, DTI and DSWD as well as regulatory agencies such as Cooperative Development Authority, DOLE, and Securities and Exchange Commission may consider introducing special programs or windows that will promote the development of new and/or enhancement of existing community enterprises developed through the CDD approach, and to facilitate securing legal personality for organizations managing such enterprises.
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