

[ADMINISTRATIVE ORDER NO. 142, October 29, 1989]

POLICY AND IMPLEMENTING GUIDELINES GOVERNING LIVELIHOOD AND PROJECTS

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

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

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

A. OBJECTIVE

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

B. COVERAGE

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

C. DEFINITION OF TERMS

(1) Livelihood Programs and Projects – Livelihood programs and projects include all those schemes which aim to create employment opportunities through the provision of a package of integrated services, i.e. Technical, financial and other assistance that promote the establishment of income-generating activities for poverty/marginal groups. These schemes can either be directly providing livelihood assistance, or indirectly implementing livelihood programs as part of the bigger programs undertaken by government agencies in line with their principal mandates. Specifically, the basic elements of a livelihood program/project are:

a. by target clientele – the welfare and marginal sector such as the disadvantaged, poverty and non bankable groups;

b. by type of project – based on an economic activity that generates a product or service for which a market exists and is expected to realize a positive net-income;

c. by type of assistance – provision of an integrated, package of financial, technical, management, marketing or training assistance based on beneficiaries' needs. If required assistance component can not be provided by the agency, the same agency shall refer the beneficiaries to other agencies providing such assistance; and

d. by end-result – enables end-beneficiaries to be employed or to engage in income-generating activities on their own.

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

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

(4) Cottage enterprises – enterprises with total assets of more than P50,000 but not more than P500,000 before financing,

(5) Accredited financial institutions – government and private financial institutions performing lending services which, have been accredited by the government, e.g. the Central Bank, the Land Bank and the Development Bank of the Philippines.

(6) Disadvantaged, poverty and non—bankable groups — those who can not seek wage employment either because they are uneducated, unskilled, or lack the necessary qualifications to compete in the formal labor market and those who can not put up their own business concerns because they lack either the financial capital, the borrowing/credit capability required by lending institutions, and/or the entrepreneurial ability – such as disabled persons, cultural minorities, upland farmers, municipal fishermen, and landless workers.

D. TARGET BENEFICIARIES

(1) The primary program beneficiaries shall be the unemployed and underemployed in the marginalized sector.

(2) Livelihood programs and project assistance should primarily cater to eligible micro and cottage enterprises, both existing and proposed to be established.

E. AREA FOCUS

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

F. PRIVATE SECTOR PARTICIPATION

(1) Non-government organizations' participation shall be subject to the Guidelines For Government Organization And Non-Government Organization (GO-NGO) Collaboration as provided in NEDA Board Resolution No. 2 (S. 1989).

(2) Lu the Implementation of lending program assisted by accredited financial institutions and/or NGOs, financing institutions/NGOs should be involved in all stages of program development.

(3) Only accredited BFGQs which met the eligibility requirements of the agencies concerned will be tapped as conduits of government agency funds.

G. AGENCY RESPONSIBILITIES

(1) The Department of Agriculture (DA), Department of Education, Culture and Sports (DECS), Department of Labor and Employment (DOLE), Department of Trade and Industry (DTI), Department of Agrarian Reform (DAR), Department of Local Government (DLG), Department of Environment and Natural Resources (DENR) and Department of Social Welfare and Development (DSWD) and the Office of the President (OP) are designated as primary agencies responsible for the execution of livelihood programs and projects. Other agencies not mentioned are not allowed to implement their own livelihood programs and projects. However, their ongoing livelihood programs and projects shall be allowed to continue but only up to December 31, 1989. From then on, they shall work through any of the nine primary agencies to ensure non-duplication and equitable distribution, of services to priority areas.

(2) The extent of agency responsibility over livelihood programs and projects shall involve the provision of a package of integrated services which includes financial, technical, and other assistance. Each agency shall primarily cater to the following target beneficiaries, namely:

- a. Department of Agriculture — farmers and fishermen:
- b. Department of Education, Culture and Sports – unemployed and underemployed out-of-school youth;
- c. Department of Labor and Employment – out-of-school youth, unemployed, underemployed, returning overseas workers and self-employed workers;