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Supporting Smallholder  
Farmers in Asia and Pacific  
Islands Region through  
Strengthened Agricultural  
Advisory Services  
(SAAS Project)

# BEST PRACTICE NOTES



## CHARMP2: LIVELIHOOD ASSISTANCE FUND

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### 5 Key Points

#### 1. Challenges and constraints

- Damages from typhoon
- Infestation of pest and diseases
- Dole-out mentality

#### 2. Objective

The LAF aimed to empower small non-formal groups to pursue livelihood opportunities by providing financial and technical assistance.

#### 3. Methodology

- Organization of Livelihood Interest Groups
- Review of business plans
- Utilization of Livelihood Assistance Fund
- Turnover of Livelihood Assistance Fund

#### 4. Highlight of result

17,231 individuals benefited from the program with Php 60.7 million financial grant provided in total.

#### 5. Highlight recommendation

- All the stakeholders must be involved in the whole process of the program.
- It should be tailor-fit to the needs and preferences of the target beneficiaries.

### Introduction

- The Livelihood Assistance Fund (LAF) of the Second Cordillera Highland Agricultural Resource Management Project is an external fund to help finance livelihood opportunities for local communities in the Cordillera Administrative Region.
- Under the Agribusiness, Agriculture and Income Generating Activities, this grant improves bankability of small farmer groups using Community Financial Institutions (CFI) as fund conduit.
- This allowed non-formal groups who lack minimum formal credit requirements to pursue their business plans through the support of LAF.
- A total of 17,231 individuals (6,205 males and 11,026 females) or 644 Livelihood Interest Groups (LIG) benefited from the LAF program. The beneficiaries were poor but productive individuals who have potential for agricultural opportunities.
- LAF was implemented in 170 barangays (villages) in six provinces in the said region. Some of these far-flung communities could only be reached by 2-7 hours of hiking and even one by paddling a boat for 5-7 hours.
- This region in the north of the Philippines has a recorded poverty incidence of 17.5 in 2012 making it difficult for communities to improve their income generating activities.
- Moreover, the agricultural nature of the subprojects and the lack of technology in the communities made it hard for them to avoid damages from typhoon, calamities, pests, and diseases.
- As a result, 5.9% or 38 LIGs had partial to no payment of LAF back to the CFIs.
- Nonetheless, the LAF proved to a success as it provided financial assistance to 644 LIGs which empowered them to pursue livelihood opportunities that were otherwise restricted to those with formal credit requirements.