

ANNEX 12

Livelihood Support Component

1. Objectives

Overall, the livelihood support component aims to increase access by the highly vulnerable, disaster-affected households to livelihood and income opportunities including microfinance. It will promote employment- and income-generating activities, facilitate micro-enterprise creation and expansion, encourage development of viable businesses, assist in the development of community-based or group livelihood activities, and provide business development services through partnerships with existing providers. It will ultimately lead to community empowerment and has been envisioned to be a replicable model for the wider urban Metro Manila.

In designing this component, the following were considered: (a) the outcome of the socioeconomic survey conducted on specific barangays in May 2010 (b) results of consultations and dialogues with the LGU, community representatives, and other stakeholders, and (c) desk study and review of literature on Taguig City's local economic initiatives and development.

2. Guiding Principles

The design of the livelihood component was guided by the following principles:

- Respond to the needs of disaster-prone communities as expressed through a participatory process
- Promote partnership with the public and private sector
- Build the capacity of the people, community organisations, and local institutions
- Implement appropriate support and assistance to households coming from both the formal and informal sector
- Ensure the participation of women and assistance to the disabled in reaching their full potential as productive contributors to society

3. Understanding the Economic Context

Based on the 2009 State of Local Development, Electronic Report (e-SLDR)¹ released by the Local Governance Performance Management System (LGPMs), Taguig City measured a Development Index (DI) of **3.25, Fair** (out of a 5-point scale) in terms of economic development. The same report puts the city's state of employment with a DI of "3" and its unemployment rate as within acceptable level. It highlights the major economic activities of Taguig as commercial and service centres. Separate figures obtained from the local government report the employment rate at 82.60%, while the unemployment rate is at 17.40%. The development of the formal and informal economies is vital to creating better conditions for economic growth of the city.

¹ e-SLDR is an approximation of the socioeconomic and environmental development in a locality. The result is based on LGU self-assessment or estimates of key development indicators. National target, average, and expert inference are used as benchmarks. Available online: http://www.blgs.gov.ph/lgpmsv2/appshome/report/rpt_eSLDR.php?frmlDgu=112&frmlDcfCode=6.

3.1 The Formal Sector

In late 2009, Taguig City was cited as the country's Most Business-Friendly City by the World Bank. The recognition was given to Taguig because of the city government's initiatives to develop infrastructure and ensure that investors enjoy the most conducive climate to develop and expand their businesses. This highlights the focus on harnessing and developing businesses for economic growth and employment generation. This may also be reflected in the fact that there are 7,776 registered commercial and industrial establishments in the city. Labor skills are an important dimension of the city's strategy and current initiatives of the LGU show that local human capital and skills-pool are being developed to boost the formal sector through Training and Placement Programs such as:

- Partnership with TESDA for skills training program targeting an initial batch of 2500 individuals.
- Partnership with the Fort Bonifacio Development Corporation (FBDC) which has committed to create 4500 jobs from various construction sites in Fort Bonifacio.
- PESO Taguig, which ties up with private companies for job placement, has employed 2157 (out of 4310) job applicants from the period July to September 2010
- Prioritising Taguig residents. Taguig City has an ordinance that requires business establishments in the city to hire Taguig residents up to at least 70% of their workforce.

3.2 The Informal Sector

The LGU also recognises the informal sector as a major provider of employment, goods and services for lower-income groups. For the informal sector, the new LGU administration has launched programs to promote skills training, develop micro-enterprises among community members, strengthen small and medium businesses,² and support cooperative development. The City is also making provisions for livelihood assistance and establishment of a livelihood training centre for PWDs during the first quarter of 2011. The LGU's initiatives in this segment of the population include:

- Implementation of the Self-Employment Assistance-Kaunlaran (SEA-K)³ project under the Office of Social Welfare and Development.
- Technical assistance and advisory service to boost small businesses or those registered as Barangay Micro Business Enterprises (see Box 1).⁴
- Strengthening the Cooperative Development Office (CDO) as its flagship project with the goal of establishing 50 cooperatives by 2011.

Box 1. Examples of businesses are hardware merchandise, school and learning centre, water station, salon/beauty parlor, bakery, barber shop, junk shop, motor shop, canteen/cafeteria, and mini-groceries.

² In the development context, small businesses may have up to 20 employees, and medium businesses may have up to 50 employees.

³ SEA-K is a capability building program which aims to enhance the socioeconomic skills of poor families through organising community-based associations for entrepreneurial development. It has two components, the SEA-K Level I (SEA-Kaunlaran) and the SEA-K Level II (SEA-Kabayan).

⁴ The entrepreneur assistance program is designed to assist the owners and managers in mapping out a development program that will increase productivity and develop enterprises in the city.

4. Scope and Options for Livelihood Support

The livelihood support subcomponent is framed within the context of the employment generation thrusts of the city government as described earlier. As such, it will also deliver institutional capacity building to enable the City to successfully carry out its initiatives toward job and livelihood creation. The livelihood support subcomponent will make available the following options of support:

4.1 Skills development and job placement

4.1.1 Employment readiness and life skills training

Participants in the training and placement program of the LGU will receive technical assistance in the areas of support services, employment readiness, and life skills training in order to adequately prepare them for entrance into the labor market.

4.1.2 LGU Strengthening for Training and Placement Program

Training and placement programs will be designed using up-to-date market data and projections of labor market needs in order to create a strong link between skills training and demand. This entails increasing the capacity of LGU to conduct an assessment of labor market demand—identifying labor needs, sectors with employment opportunities and skill sets required to compete for such opportunities.

4.2 Supporting enterprise-based livelihood and microfinance intervention

This involves providing capacity building activities and training to improve the skills of community members with prior experience as entrepreneurs or those who are interested to becoming one. The goal is to develop profitable micro-enterprises for community members and to provide them with services such as access to microfinance.

4.2.1 Skills Training and Upgrading

This will be in the form of assistance to develop and upgrade the livelihood skills of qualified household beneficiaries. The selection of appropriate skills (either basic or to upgrade their existing skills) will be based on the existence of demand for the products or services for which the skills will eventually be used.

4.2.2 Training for start-up micro-enterprises

A series of training will be provided to beneficiaries with skills and tools to start and run small businesses. They will also be assisted in accessing financial services through training in credit norms and procedures and savings discipline. A modest seed grant will be considered to cover the start-up costs of qualified beneficiaries.

4.2.3 Business Development Services

This package of assistance will help entrepreneurs increase their potential for success in their business endeavors. The activities may include business training, financial literacy, technical and marketing assistance, market linkages, access to technology, advocacy, and advice and mentoring.

4.2.4 Accessing microfinance products and services

This will provide assistance to household beneficiaries, specifically those engaged in micro-enterprise activities, in accessing financial and non-financial services of microfinance institutions.

4.3 Supporting cooperative development

4.3.1 Creation of community-based livelihood or group enterprises

Technical assistance and support will be provided to the Cooperative Development Office (CDO) to facilitate the establishment of a community-based or group livelihood activity in the socialised housing site which will operate as a cooperative. This is in line with RA 7279 which encourages the household beneficiaries to organise themselves and undertake self-help cooperative housing and other livelihood activities.

4.3.2 CDO capacity building

This will strengthen the systems within and the capacity of the CDO to generate more livelihood projects, mobilise resources, and ensure the viability of the cooperatives through training in governance and cooperative management.

5. Cost Estimates and Financing Arrangements

The livelihood subcomponent is estimated to cost PhP13.9 million and is expected to be fully financed by the AusAID grant. The livelihood support activities will be undertaken in close coordination with the concerned local government agencies and NGOs especially those experienced in microfinance.

6. Sample Training/Capacity Building Modules

Module	Description	Target Participants
Skills Training and Job Placement		
Employment readiness training such as: <ul style="list-style-type: none"> instilling appropriate work behaviors, such as professional demeanor, workplace norms and interview skills; and development of communication 	Training for vulnerable groups and others who may require preparation in order to compete in the labor market and employ occupational skills that may have been gained in training and apprenticeship programs.	Individuals undergoing or interested in participating in the Training and Placement Program of the LGU.

Module	Description	Target Participants
<p>skills that will help participants to follow instruction and work in a team environment.</p> <p>Life skills training:</p> <ul style="list-style-type: none"> Covering various issues like environmental sustainability, personal safety, gender, reconciliation, civic responsibility, etc. 	<p>A complementary service for particularly vulnerable groups to prepare them for their participation in society and success in the labor market. Equipping participants with transferable life skills builds their personal and social assets which can help them endure shocks and secure long-term, sustainable employment in the future</p>	<p>Individuals undergoing or interested in participating in the Training and Placement Program of the LGU.</p>
<p>Training on Monitoring & Evaluation</p>	<p>Upgrade capacity of LGU to monitor training and placement programs to identify any potential negative social or economic impacts, possible changes in the economy that affect market demands and whether there is a need to modify programs for effectiveness.</p>	<p>LGU</p>
<p>Training on Market and Skills Assessment</p>	<p>Increase capacity of LGU to conduct an assessment of labor market demand that identifies labor needs, sectors with employment opportunities and skill sets required to compete for those opportunities.</p>	<p>LGU</p>
<p>Enterprise-based livelihoods and microfinance intervention</p>		
<p>Start-Improve Your Business with Simple Management Tools</p>	<p>Series of training to provide people with skills and tools to start and run small businesses.</p>	<p>Residents with the interest and potential for enterprise development</p>
<p>Advance Entrepreneurial Skills</p>	<p>Specific skills in enterprise development such as financial management, product development, and marketing, etc.</p>	<p>Existing entrepreneurs</p>
<p>Business skills training and product development</p>	<p>Enhance business skills of the micro-entrepreneurs on selected community enterprises. Transfer of technology and business skills of successful businessmen to other people in the communities</p>	<p>Existing entrepreneurs</p>
<p>Marketing for micro-entrepreneurs</p>	<p>Help entrepreneurs understand and appreciate marketing functions, and gain knowledge and skills on how to market their products.</p>	<p>Existing entrepreneurs</p>
<p>Supporting cooperative development</p>		
<p>Capacity building for the Cooperative Development Office of the LGU</p>	<p>Capacity Building for the Cooperative Development Office of the LGU</p>	<p>CDO</p>