

# **SEED CAPITAL ASSISTANCE THROUGH QUASI-BANK/BANK-LIKE SERVICES**

## **Municipality of Pres. Carlos P. Garcia, Bohol Comprehensive Project Profile**

### **I. PROJECT DESCRIPTION:**

**Project Title : Seed Capital Assistance thru Quasi-Bank/  
Bank-like Services**

**Project Proponent : 2,741 Farmers and Fisher-folk**

**Project Type : Financial Assistance & Technical Assistance**

**Project Components:**

- **Seed Capital Assistance Project** - Farmers/Fisher folks will be provided with seed capital for alternative livelihood activities.
- **Institutional Development** - Poor farmers & fisher folks shall be organized and formed into a very strong development build-up that will eventually develop into Quasi-Bank.

**Project Location : All 23 barangays of the municipality**

### **II. PROJECT STATUS:**

This is a proposed project, aimed at providing seed capital for 2,049 poor families at ₱5,000.00 seed capital for each family. The target beneficiaries of 2,049 poor families have been identified through the LPRAP/PDMS.

### **III. PROJECT JUSTIFICATION:**

**Project Background and Relevance to the Local Poverty Reduction Action Plan (LPRAP)/Poverty Database and Monitoring System (PDMS)**

Municipality of Pres. Carlos P. Garcia

Rank	Barangay	Year	No. of Households	No. of Households below Income Threshold	Percentage of Households below Income Threshold
1	Baud	2004	108	104	96.30 %
2	Tugnao	2004	205	197	96.10 %
3	Bogo	2004	175	168	96.00 %
4	Santo Rosario	2004	78	74	94.87 %
5	Saguise	2004	107	100	93.46 %
6	Gaus	2004	199	185	92.96 %
7	Poblacion	2004	372	345	92.74 %
8	Canmangao	2004	162	149	91.98 %
9	Butan	2004	99	91	91.92 %
10	San Jose	2004	192	174	90.63 %
11	Villa Milagrosa	2004	230	202	87.83 %
12	Basiao	2004	177	149	84.18 %
13	Tugas	2004	131	110	83.97 %
14	Popoo	2004	203	170	83.74 %
15	Campamanog	2004	258	214	82.95 %
16	Kabangkalan	2004	64	53	82.81 %
17	San Vicente	2004	167	133	79.64 %
18	Bonbonon	2004	288	228	79.17 %
19	Lipata	2004	132	103	78.03 %
20	Tilmobo	2004	36	28	77.78 %
21	Aguining	2004	381	231	60.63 %
22	Bayog	2004	57	34	59.65 %
23	Lapinig	2004	188	109	57.98 %
	<b>Total</b>		<b>4009</b>	<b>3351</b>	<b>83.59 %</b>

### Relevance to the Millennium Development Goals (MDGs)

This proposed project directly addresses Goal 1 of the MDGs, which aims to eradicate extreme poverty and hunger, by providing target beneficiaries with opportunities to achieve self-sufficiency in food, as well as for augmenting household income and lift themselves out of poverty. The impact will be measured by the LPRAP/PDMS, the same software and database used to obtain the deprivation indicators shown in the above table.

### Project linkages

Seed Capital Assistance thru Quasi - Banking will cater the marginal requirements for seed micro-enterprise and livelihood projects responsive to poverty, malnutrition, migration and school drop-outs due to hunger and unemployment. Educating the poor as the principle of savings and capacitating them for micro-enterprise and livelihood development and improvement will pave way for an establishment of an establishment of an interest-free lending/banking system managed by local government unit.

## Project Objectives

At the household level, the project aims to improve household production of vegetables, spices and other food materials, to enable them to achieve self-sufficiency in food production, which should also reduce their expenses on food purchases as well as increase their farm production and household income.

At the community level, the project seeks to strengthen the harmonious relationship between households by providing a venue to frequently share farming best practices and other livelihood technologies, discuss issues and concerns and work together on measures to address issues and improve their living conditions.

1. To provide enough small scale capital to 2,741 families living in a hand to mouth existence.
2. To increase income of these 2,741 families by 100% annually.
3. To eradicate 50 ultra poor families annually from the bondage of poverty.
4. To provide employment to 2,741 plain housewives within five (5) years of micro-financing.

## Sectorial Objectives

The project is expected to spur more economic activities at the agricultural sector, solve the shortage of agricultural extension in the barangays, and address the problems of food shortage and malnutrition in every household.

## IV. PROJECT FINANCING:

### Funds Needed:

Year 1- For Lending = 5,000,00 x 410 FB =	2,050,000.00
Year 2- For relending = 5,000.00 x 410 FB =	2,050,000.00
Year 3- For relending = 5,000.00 x 410 FB =	2,050,000.00
Year 4- For relending = 5,000.00 x 410 FB =	2,050,000.00
Year 5- For relending = 5,000.00 x 410 FB =	<u>2,050,000.00</u>
<b>TOTAL</b>	<b>10,250,000.00</b>
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**Project Financing:**

Year 1	Credit Line Funds - Lending	2,050,000.00
	Wages-LGU personnel (2)	73,920.00
		2,123,920.00
		x 5 yrs. Operation
	<b>TOTAL</b>	<b>10,619,600.00</b>
	<b>Php</b>	

**Funding Source:**

Provincial Government	=	1,000,000.00
National Government	=	1,000,000.00
Municipal Government	=	369,600.00

**Counterpart Fund:**

Barangay Government	=	50,000.00
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**Financial Viability:**

## a. Income Statement for 3 years operation:

Particulars:	Year 1	Year 2	Year 3
Prov'l Fund	1,000,000.00	0	0
Nat'l. Fund	1,000,000.00	0	0
Mun. Fund	73,920.00	73,920.00	73,920.00
Barangay Fund	50,000.00	50,000.00	50,000.00
Flowback repayment	1,000,000.00	1,000,000.00	1,000,000.00
Stakeholder CBU	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>
	3,123,920.00	1,623,920.00	1,623,920.00

## Less: b. Expenses

Wages = 140/day x 22 x 12	73,920.00	73,920.00	73,920.00
Miscellaneous	50,000.00	50,000.00	50,000.00
Loan release(Self-Pera)	2,000,000.00	1,000,000.00	1,000,000.00
<b>Total</b>	<u>2,123,920.00</u>	<u>1,123,920.00</u>	<u>1,123,920.00</u>
<b>Net Income</b>	<b>Php 1,000,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>

## **V. PROJECT BENEFITS AND COST:**

### **Beneficiaries:**

Direct beneficiaries = 140 poor families at 8 barangays per year coverage.

### **Social Benefits:**

The expected increase of income of the farmers and fisher folks thru seed capital assistance will eventually result to good health, proper nutrition poverty reduction, access to education and participation to governance most specially the next generation.

### **Economic Benefits:**

The provision of seed capital assistance thru SELF-PERA program will pave way for livelihood formation that will give rise to small scale entrepreneurship at the local level resulting to marginal employment opportunities to sons and daughters and other family members. In so doing, it is not only poverty that is reduced but also the unemployment rate of the municipality.

#### **5.d. Social Cost:**

No social cost involved nor undergo because the project is a mere financial augmentation to improve the poor's purchasing power in order to increase income and solve his/her family problems.

#### **5.e. Economic Cost:**

Economic cost will only occur when access to natural resources is not governed by laws. But in the case of President Carlos P. Garcia, access to resources is governed by Resources Management Code. Instead, capacitating the poor will improve and enhanced resources management.

## **VI. PROJECT IMPLEMENTATION**

### **6.a. Responsible Agencies:**

The proponents of this SELF-PERA program are the 2,749 poor families of Pres. C.P. Garcia, Bohol covering 23 barangays municipal wide. The Municipal Agriculture Office thru the Mun. Agricultural Officer shall prepare a comprehensive family profile and

comprehensive group project profile and at the same time prepares a detailed supervision and monitoring mechanism of the project.

In return, the Municipal Planning and Development Office thru the Mun. Planning and Development Coordinator recommends, monitor and evaluate the project. The Office of the Sangguniang Bayan shall formulate/improve lending policies conclusive to rural development.

6.b Implementation Schedule:

ACTIVITY	IMPLEMENTATION PHYSICAL	TARGET FINANCIAL	TIME TABLE
1. Proposal submission to Prov. Gov't.	1	1,000,000.00	Last wk Sept. 2006
To Nat'l. Gov't.	1	1,000,000.00	Last wk Sept. 2006
To Mun. Gov't.	1	73,920.00/annu.	Last wk Sept. 2006
To Brgy. Gov't.	1	50,000.00/annu.	Last wk Sept. 2006
2. Preparation of various loan documents			
- loan application	450 pcs./ann	5,000.00	After fund prep Release
- Promissory Note	450 pcs./ann	5,000.00	-do-
- loan ledger(I.L.)	450 pcs./ann	5,000.00	-do-
- member passbook	450 pcs./ann	5,000.00	-do-
3. PO Financial Mgt. Training	23 POs	23,000.00	-do-
4. Loan releases	400 Beneficiaries	2,000,000.00	Attend Fund release
5. Weekly collection/weekly meeting/weekly supervision monitoring	400 Beneficiaries	200.00/day	2 weekly-one month after fund release
6. Monthly Mgt. Meeting	5 LGU Staff	0	Every 1 <sup>st</sup> Monday of the Month

6.c. Administrative Feasibility:

The Office of the MAO has the management skills to manage the project. The members of the peoples organizations membered by farmers and fisher folks shall be equipped w/technical capability in running and managing the Bank-like Services of the Quasi-Bank.

6.d. Legal and Political Feasibility

No legal and political impediments conceive on the project because it is people driven.

6.e. Environmental Clearance

No Environmental Clearance is required it is a mere seed capital assistance on existing livelihood activities.

6.f. Social Acceptability

All barangays of the municipality have been demanding livelihood assistance to respond poverty.

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