

National Livelihood Support Fund Profile and Flagship Projects

The NLSF traces its origins to the Kilusang Kabuhayan at Kaunlaran or KKK, created on September 29, 1981 to hasten countryside socio-economic development through the establishment of various livelihood projects nationwide. The KKK has since evolved through subsequent administrations to ultimately become the NLSF. Then, Republic Act 6657 transferred the NLSF under the supervision of the Land Bank of the Philippines which mandated the use of NLSF to support the agrarian reform programs and the projects intended for the farmer-beneficiaries.

Today, it actively pursues a package of livelihood and enterprise development programs and interventions to significantly widen its geographical outreach and make itself more accessible primarily to small farmers and other marginalized households in the agrarian reform communities (ARCs). These sectors at the bottom rung of the economic ladder are served by NLSF, not only by making financing available to them but also by engaging them in capability-building programs. The apparent objective is to spawn a flurry of livelihood activities and enterprises of productive people contributing to the development of their communities.

A) LIVELIHOOD CREDIT ASSISTANCE PROGRAM (LCAP)

Program Objective: To provide livelihood and enterprise development assistance to small farmer beneficiaries in the agrarian reform communities (ARCs) and members of the marginalized sectors by providing access to micro credit through accredited NLSF program partners/conduits, supported by capability building/institutional development interventions.

Eligible Borrowers

Program Partners/Conduits

- Rural Financial Institutions (RFIs)
- Cooperatives
- Non-Government Organizations

End Borrowers

- Agrarian reform beneficiaries/small farmers and their wives/dependents in the ARCs
- Other non-farmer and marginalized households in the ARCs and Kalahi zones

Financing Windows

Revolving Credit Line - funds for relending to finance the livelihood project requirements of end borrowers

Developmental Loan - Loan amount shall be to a maximum of 10% of the Conduit's total loan outstanding. At least 50% of the credit line should have been utilized before it can be availed. The loan is to be used specifically for the following purposes:

- For the conduct of capability-building/training of staff of the conduit handling NLSF livelihood credit program and the conduct of social preparation activities for the end borrowers.
- For logistic support expenses as allowed by NLSF and depending on its assessment of the needs of the client.

B) LIVELIHOOD DEVELOPMENT PROGRAM FOR OVERSEAS FILIPINO WORKERS (LDPO), program of the OWWA and NLSF

Program Objective: To help OFWs and their families start or sustain their own business through access to credit, capability building, market linking and other forms of livelihood or entrepreneurial assistance.

Eligible Borrowers:

- All active and former member-OFWs of the Overseas Workers Welfare Administration (OWWA)
- OFWs' immediate family members (but only one family member per OFW can avail).
 - For married OFWs: spouse or children of legal age
 - For single OFWs: parents or children of legal age
- Former OWWA LDPO borrowers with good records of repayment

Loan Purposes and Repayment Period

For short-term operating capital of new or existing business: 2 year revolving credit line to be availed via 30 to 180 days promissory notes

For permanent working capital for purchase of stock inventory or cost of franchise: 3 years repayment including one year grace period on the principal

For asset acquisition or construction (except for purchase of land): payable in 3 to 5 years including 1 year grace period on the principal

C) INSTITUTIONAL DEVELOPMENT SERVICES

NLSF capability-building interventions such as institutional and enterprise development trainings and exposure trips to model practices for microfinance players are provided in three levels:

- Institutional/MFI Level
- Farmer or Center Leader Level
- End-Client Level

Technical assistance and mentoring are focused to promote institutional viability of Program Partners, marketing of sound business ideas, and the enhancement of existing livelihood projects of microentrepreneurs in the ARCs and marginalized sectors.

The NLSF also facilitates complementation of development activities among business groups, LGUs, NGOs, NGAs and other relevant organizations.

D) KAPAKANAN Program

Program of NLSF and the DSWD to provide microfinancing services to identified areas without or limited access to financing institutions.

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