

## **[ DOLE DEPARTMENT ORDER NO. 8, April 16, 1996 ]**

### **REVISED IMPLEMENTING GUIDELINES FOR THE WORKING YOUTH CENTER (WYC) PROGRAM CREDIT AND LIVELIHOOD ASSISTANCE**

In the interest of the service and in conjunction with the Commission on Audit (COA) Circular No. 95-003, dated February 15, 1995 (Accounting and Auditing Guidelines on the Release of Fund Assistance to Non-Governmental Organizations/People's Organizations), the following revised implementing guidelines for the WYC credit and livelihood assistance (WYC-CLA) are hereby promulgated and issued for the guidance of all concerned.

#### **I**

##### **Program Concept**

The Working Youth Center—Credit and Livelihood Assistance (WYC-CLA) is intended to assist working youth organizations in funding their feasible livelihood/income generating projects with the end view of augmenting their income. In view of the new COA rules, the WYC-CLA Guidelines has to be updated focusing primarily on the limits of allowable loan amount to the Accredited Co-Partners (ACPs)/beneficiaries and setting additional terms and conditions in the course of program availment by the ACPs and beneficiaries as required by COA Circular No. 95-003.

##### **A. Financial Assistance**

Funds shall be released to the DOLE-RO in accordance with the Bureau of Women and Young Workers (BWYW) approved and recommended fund allocation schedule.

The WYC Credit and Livelihood Assistance shall be extended to beneficiaries through Accredited Co-Partners (ACPs)/Non-Government Organizations. The ACPs shall submit a program proposal to the DOLE Regional Office (DOLE-RO) for assessment and evaluation. Upon approval of said proposal, funds shall be drawn-out from the WYC-RO loan outlay allotment and shall be loaned out to the concerned ACP for relending to qualified WYC program beneficiaries.

##### **B. Supervision and Monitoring**

The BWYW shall conduct regular monitoring visits and performance audit including but not limited to the disbursement/utilization of funds by the DOLE-RO and ACPs. The DOLE-RO, as overall implementor shall be responsible for the credit scheme information dissemination, inter-agency linkages and all actions pertaining to loan collections/repayments but not limited to actions in the cases of default payments, fortuitous events and force majeure.

### C. Program Assistance Flow

#### 1. Program allocates/lends to ACP borrowers

☐ Maximum of P250,000.00 per ACP

☐ 6% interest rate per annum

☐ Payable up to 2 1/2 years inclusive of 6 months grace period from the full release of the loan.

☐ Collateral free

#### 2. ACP borrowers relend to WYClub/Individual Member

☐ Maximum of P50,000.00 per group of 20 members or P2,500.00 per individual

☐ Maximum of 18% interest rate per annum

☐ Collateral free

## II

### Program Mechanics

#### A. Area Coverage

Said Scheme shall be implemented nationwide. The allocation or release of funds will depend on the yearly approved budget of the Working Youth Center (WYC).

#### B. Eligibility

##### 1. For the Livelihood Project

a. SOCIALLY DESIRABLE AND RELEVANT/ DEVELOPMENT-ORIENTED (25 Points) — the main effect of the project should bring about necessary changes in lifestyles, status and/or work habits/attitudes of the participants. Thus, as a whole it shall, to a greater extent uplift the welfare of young workers.

The indirect and tangible effects of the project include the examination or a test of techniques, strategies and/or combination of interventions for young workers development.

b. FEASIBLE AND/OR VIABLE (20 Points) — Must be workable in the areas of organization, management, marketing, technical and financial as shown in the business plan and/or project proposal.

c. WORKING YOUTH SECTORS (15 Points) — assistance shall solely be focused on WYC program's target beneficiaries. Working youth should be more adequately involved in the project not only because of equity

considerations but also because their participation is almost always a necessary condition for greater success of the project.

d. **RESPONSIVENESS TO NEEDS OF BENEFICIARIES (15 Points)** — The project must respond to the felt needs of young workers in the community based on the need's analysis conducted by the DOLE-RO and ACP.

e. **SUSTAINABLE (15 Points)** — Must generate capital build-up adequate to self-sustain project at the full payment of the loan.

f. **LOCALLY ADAPTIVE AND RESOURCE-BASED (10 Points)** — Development and mobilization of indigenous resources deserve top priority because any effective strategy must be anchored on what a community has on hand or can develop as its own. Development is largely an internal process. Hence, it is best to start with built-in locally available resources.

A minimum rating of eighty (80) points is required to merit endorsement of the proposal for approval.

## 2. For Accredited Co-Partner (ACP)

[ ] An ACP could be a Non-Government Organization (NGO)/People's Organization which is duly registered with the Securities and Exchange Commission (SEC), DOLE, Cooperative Development Authority (CDA) or other appropriate agency. The ACP's legal personality must be evidenced by its Certificate of Registration.

[ ] Must submit the following requirements:

a. A detailed project proposal or business plan which include a description of the project, its location or venue, the time table for its implementation, and an itemized listing of projected expenses and its schedule. Should the project consist of phases, the schedule of implementation and the corresponding cost of each phase must likewise be presented.

b. An undertaking to put up equity of at least 10% of the project cost, accompanied by a description or evaluation of the property, service, activity or item of expenditure which constitute such equity.

c. Xerox Copy of the Certificate of Registration from the above concerned agencies.

d. Profile of the organization consisting of a list of the Governing Board Members, Executive Officers and their addresses and who are based in or accessible to the community where the project shall be implemented and the profile of the Officers and Members of the Project Management Team or project coordinator who shall be directly responsible in the implementation of the project.

e. Financial statement or annual status report for the last three (3) years. If less than three (3) years of operation, latest financial statement or annual status report plus a certificate from DOLE, other competent government agency or authority or a duly registered non-government organization that the applicant is legally operating in the area.

[ ] A Resolution signed by the appropriate Executive Board consistent with the ACPs Constitution and By-Laws authorizing the organization to participate in the program.

[ ] WYClubs/Federations which qualify under the above-set minimum requirements may be accredited.

### 3. For Client Groups/Beneficiaries

[ ] The WYClub should constitute a well defined organizational structure and or capable of managing/sustaining the proposed livelihood projects.

[ ] Group must adopt a well defined project management structure, operational and financial management systems and procedures.

[ ] Members must be 15-24 years of age and employed/underemployed/self-employed. In case the applicant is below 18 years old, he or she must be represented by his/her parents or legal guardian.

[ ] Members must be willing to attend preparatory skills training requirements.

[ ] Members must be able to render actual work contribution in the project.

[ ] Members must not be related by blood to the third degree to any officer or employee involved with the program.

C.

### Obligations

#### 1.) For Accredited Co-Partner (ACP)

[ ] Utilization of loaned amount exclusively for the establishment of livelihood/income generating projects of WYC clientele and in accordance with the terms of the approved program proposal. No deviation from the approved project proposal shall be allowed except upon prior written application by the ACP and approval by the DOLE-RO, in which case the MOA shall be amended accordingly.

[ ] Establishment of systematic record keeping and accounting records of financial transactions. The book of accounts must be available for performance and financial audit-inspection by any DOLE authorized personnel and the COA representative.

☐ Must abide to pay the financial loan and comply with the terms and conditions in the MOA between the parties.

☐ Open a separate bank account solely for the WYC fund.

☐ Collaborate with DOLE-RO and beneficiaries and ensure payment/collection of loaned amortization.

☐ Must issue post dated checks in favor of the DOLE the total value of which shall be the amount of the loan plus the 6% interest computed based on a diminishing balance. The number, value and date of the checks shall coincide with the approved schedule of amortization payments as provided by DOLE.

☐ Regularly submit to DOLE-RO financial statements and/or quarterly reports on the project and collection efforts.

☐ Completely utilize the loan amount within sixty (60) calendar days from the date of full release thereof. Delay in fund utilization are governed by the rules defined under No. 8 of Terms and Conditions.

☐ Return of unused or unutilized fund to the DOLE-RO.

## 2. For Young Workers/Beneficiaries

☐ Utilization of loan exclusively for the establishment of livelihood/income generating projects according to proposal approved by DOLE.

☐ Abide to follow the stipulations of the MOA/Loan Contract and pay their financial obligations to the ACPs.

☐ Assume collaborative implementation of group project.

☐ Regularly submit project status reports to the concerned ACP.

## III

### Terms and Conditions of Credit Assistance

1. Maximum loanable amount to ACP is P250,000.00. Group beneficiaries of 20 members may avail of a maximum of P50,000.00.

2. The loan to the ACP shall bear an interest rate of 6% per annum based on the diminishing balance of loan. ACP may charge an additional interest provided that the total interest charged to the beneficiaries shall not exceed 18%. The interest of the loan shall be applied 21 banking days after the release of the loan to the ACP.

3. All loans shall be on a short term basis and payable within two (2) years exclusive of grace period.

4. Grace period may be granted on the principal payment of the loan but shall in no case exceed six (6) months and shall commence on the day following the day of the