

Department of Social Welfare and Development
Sustainable Livelihood Program

**GUIDANCE NOTE ON THE PROVISION OF LIVELIHOOD ASSISTANCE THROUGH
SKILLS TRAINING**

I. Objective

This document intends to provide guidance on the utilization of the Sustainable Livelihood Program's (SLP's) Skills Training Fund, as outlined under section B.3.2 (*SLP Financial Management*), item 3 (*Skills Training Fund*) of the Department of Social Welfare and Development Memorandum Circular no. 11 (MC11), series of 2014, otherwise known as the *Enhanced Guidelines on the Implementation of the Sustainable Livelihood Program*. This guidance note is issued to complement the said circular.

II. Nature and Purpose of the Skills Training Fund

MC 11 defines *Skills Training* as a capacity building strategy primarily implemented with partners that aims to prepare participants in their chosen livelihood under both tracks of the SLP – Microenterprise Development and Employment Facilitation. The strategy may likewise be implemented for and among SLP participants who are already engaged in income-generating activities (i.e. currently employed, or running his/her own enterprise), but need further enhancement of skills for higher productivity and/or profitability, leading to economic sufficiency¹.

The *Skills Training Fund* is a grant amount to be utilized for the acquisition of technical skills, knowledge, and other inputs necessary in managing livelihoods. The Skills Training Fund grant per participant may cover the following components: (a) skills training fee, (b) transportation allowance, and (c) other incidental fees to the training. Each item is further elaborated under *Section 4 – Key Implementation Points*.

III. Scope and Limitations

3.1 Eligibility

Any eligible SLP participant² can avail of the Skills Training grant. In the interest of promoting sustainability, the strategy may be availed of by more than one member belonging to the same family, and may be utilized together with other strategies³ of implementation under SLP.

3.2 Cost Parameter

Each eligible SLP participant can avail of up to a maximum of Twenty Thousand Pesos (Php 20,000.00) of Skills Training Fund per training. In the event that the training requires a higher amount exceeding the parameter set, the exceeding amount can be sourced out as a counterpart from (a) the implementing partner agency, (b) the participants, or (c) other stakeholders.

¹The Social Welfare and Development Indicators measures four variables to achieve Economic Sufficiency – Employment, Employable Skills, Income, Social Security and Access to Financial Institutions

²Any family member listed under the National Household Targeting System for Poverty Reduction list, with preference for Pantawid Pamilya families, or other vulnerable / marginalized sectors

³Community Driven Enterprise Development (CDED) Fund, Capital Seed Fund (CSF), Cash for Building Livelihood Assets (CBLA),

3.3 Types of Training

Skills Training can be in the form of workshops (e.g. product design and packaging workshops), Technical Vocational Education and Training (TVET⁴) courses (e.g. welding, commercial cooking, etc.), orientation and practical application (e.g. orientation on the proper usage of machines, equipment, and/or common service utilities) or modular courses specifically designed for unique target groups (e.g. simplified business management for Indigenous Peoples). Training may be school-based or community-based, depending on the most appropriate and suitable approach determined by the proposing party. Other types of training may be suggested in response to the diverse needs of program participants.

3.4 Duration of Training

The duration of the Skills Training activities will vary (hours, or days, or may extend for months), as long as the same remain within the prescribed cost parameters. In all cases, a post-training plan should be prepared by the Project Development Officer, to clearly indicate how program participants can be immediately linked to income-generating opportunities afterwards.

IV. Key Implementation Points

4.1 Components

For every Project Proposal, components of the Php 20,000.00 maximum grant amount per participant, are defined as follows:

4.1.1 Skills Training Fee

The *Skills Training Fee* pertains to the amount covering the components directly attributable (or leading to) to the acquisition and/or enhancement of the knowledge and skills of the participants. This component forms bulk of the Skills Training Fund, and may include one or more⁵ of the following items⁶:

4.1.1.1 Tuition Fee and/or Professional Fees

This covers the tuition fees, and/or professional fees of the implementing entity (individual or institution), to compensate for the entity's expertise in the field for which the entity is tapped for. If no other components are covered under the Skills Training Fee, the professional fees may otherwise be stated as "*Honorarium*⁷" in the proposal.

4.1.1.2 Materials and Supplies

⁴Defined by the United Nations Educational Scientific and Cultural Organization (UNESCO) as "those aspects of the educational process involving, in addition to general education, the study of technologies and related sciences and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupation in various sectors of economic life"

⁵ Provided that the objectives mentioned under *Section II – Nature and Purpose of Fund* are met

⁶ Items covered by the Skills Training Fee should be mentioned in the Skills Training Proposal submitted by the PDOs, but need not be enumerated as separate cost items

⁷Refer to Budget Circular No. 2007-01 – Guidelines on the Grant of Honoraria for Lecturers, Resource Persons, Coordinators, and Facilitators

Materials and Supplies refer to physical items that are necessary in the delivery of the training (i.e. handouts, brochures, workshop materials, and samples).

4.1.1.3 Starter Kits

Starter kits may include consumable and non-consumable items that are necessary in the practice of the skill/s (envisioned to be) acquired in the training. Farm input (such as livestock, and fingerlings, among others) may also be included as a component under *Skills Training Fee*.

4.1.1.4 Food, Board and Lodging

This covers the food, board and lodging of program participants, implementers, and resource speakers.

4.1.2 Transportation Allowance

Transportation Allowance pertains to the component of the grant allocated for the program participants' travelling expenses, from their residence to the training venue. This component seeks to ensure that the program participants are provided with the logistical support to be able to attend training activities.

4.1.3 Assessment Fee

Assessment Fee (pre-training and post-training) refers to the component of the grant allocated for expenses that may not be directly used for training, but is necessary in meeting the objectives of the strategy.

4.2 Project Proposal

Project Development Officers are tasked to prepare *Project Proposals*⁸ wherein a summary of proposals (i.e. mother proposal) should be submitted to the SLP National Project Management Office, for downloading of funds.

To aid in preparing the said document, a template Project Proposal, and Project Assessment Tool are presented under *Section V – References*, which may be modified accordingly by the Field Offices.

4.3 Partnerships

The nature of the skills training necessitates engagement with partners who are equipped with the expertise in delivering training on various fields. Partners who may deliver Skills Training include National Government Agencies (NGAs), Local Government Units (LGUs), academic institutions including State Universities and Colleges (SUCs), Technical-Vocational Institutions (TVIs), Other Civil Society Organizations (CSOs) and private practitioners. Following a holistic and results-driven approach, several partners catering to the same group of participants may be tapped to ensure desired outcomes are met (Refer to *Section V – References*, for a matrix reflecting possible interventions from these partners).

⁸ Project Proposals should be assessed at the regional level, using the Project Assessment Tool

4.4 Funds Flow and Schemes

The Skills Training Fund may be directly handed out to participants, or transferred to other partner implementing agencies or institutions. DSWD may (a) shoulder the entire amount of Skills Training, (b) outsource the entire amount from partners, or (c) resort to counter-parting.

In all cases, processes on the utilization and transfer of funds should be in compliance with existing Department of Budget and Management (DBM) guidelines, and training cost parameters set by the Department.

Mode of transfer of funds may be done through any of the following means:

4.4.1 Cash Assistance Payroll

The process involves the immediate downloading of funds to the participants, which they may be used to pay for fees on Skills Training. The Cash / Financial Assistance Payroll scheme will require mobilization of Special Disbursing Officers (SDOs) or by deputized SDOs, as authorized by the Regional Director

4.4.2 Engagement of Partners as Service Providers

For financial transactions between DSWD and Non-Governmental Organizations, the services of the latter party may be employed following RA 9184, otherwise known as the *Government Procurement Reform Act*.

While the document details on the process of *Competitive Bidding*⁹, it is likewise recommended to take note of *Alternative Methods of Procurement* (Article XVI, Section 48)¹⁰, as outlined in the same issuance (RA 9184) and further explained in the Implementing Rules and Regulations of RA 9184:

- Limited Source Bidding or Selective Bidding (Section 49) – may be resorted to in the procurement of highly specialized types of goods¹¹ and consulting services which are known to be obtainable from a limited number of sources
- Direct Contracting or Single Source Procurement (Section 50) – may be resorted to in the procurement of goods of proprietary nature which can be obtained only from the proprietary source (i.e. when patents, trade secrets and copyrights prohibit others from manufacturing the same)

⁹ Refers to a “method of procurement which is open to participation by any interested party and which consists of the following processes: advertisement, pre-bid conference, eligibility screening of prospective bidders, receipt and opening of bids, evaluation of bids, post-qualification, and award of contract...”

¹⁰ Only portions of the reference document are mentioned; it is highly suggested that the original document be reviewed also

¹¹ Goods defined as “all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services”

- Shopping (Section 52) – may be resorted to in the procurement of regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding Two Hundred Fifty Thousand Pesos (P250,000)
- Negotiated Procurement (Section 53 - IRR) – may be resorted to for Small Value Procurement, NGO Participation, or Community Participation

4.4.3 Transfer of Funds to Implementing Partners

The process involves the transfer of funds to another party (a government organization, or non-governmental organization) for the implementation of Skills Training.

Upon assessment of the other party's capacity to implement a joint undertaking with DSWD, a Memorandum of Agreement and Terms of Reference/Project Proposal may be drafted to specifically outline the areas of cooperation between the two.

4.4.3.1 To Government Organizations

Government Organizations are defined as “national government agencies, local government units, government-owned or controlled corporations and their subsidiaries...”

4.4.3.2 To Non-Governmental Organizations

Non-Governmental Organizations are defined as “non-profit, voluntary organizations committed to the task of socio-economic development and established primarily for services such as assisting citizens or people's organizations in various ways by educating, training, or giving funds to them. This shall include foundations created for the same purpose...”

An alternative reference and modality to RA 9184 is stated under COA Circular No. 2007-01, on the *Revised Guidelines in the Granting, Utilization, Accounting, and Auditing of Funds Released to Non-Government Organizations/People's Organizations (NGOs/POs)*. Highlights of the circular are listed below:

- The flow of funds shall follow the normal procedure of allotment release by the Department of Budget and Management, and the fund allocation/transfer and disbursement by the Government Organization, or in this case, DSWD (Section 4.2)
- Types of Projects which may be granted government funds include: Livelihood development (Section 4.3.1), cooperative development (Section 4.3.4), delivery of basic services (Section 4.3.5), agricultural and fisheries diversity (Section 4.3.7), development of local enterprises (Section 4.3.9).
- For each project proposal, the Government Organization shall accredit the NGO/PO project partners through the Bids and Awards Committee (BAC), or a committee created for the purpose, which shall formulate the selection criteria (Section 4.5.2)

- The NGO/PO shall have an equity equivalent to 20% of the total project cost, which may be in the form of labor, land for the project site, facilities, equipment and the like, to be used for the project (Section 4.5.4)

V. References

5.1 Government Issuances

- 5.1.1 Memorandum Circular 11 - Enhanced Guidelines on the Implementation of the Sustainable Livelihood Program
- 5.1.2 Republic Act 9184 - Government Procurement Reform Act
- 5.1.3 Republic Act 9184 IRR - Revised Implementing Rules and Regulations of Republic Act No. 9184, Otherwise known as the Government Procurement Reform Act
- 5.1.4 Commission on Audit Circular 94-013 – Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies
- 5.1.5 Budget Circular No. 2007-01 – Guidelines on the Grant of Honoraria for Lecturers, Resource Persons, Coordinators, and Facilitators
- 5.1.6 Commission on Audit Circular 2007-01 – Revised Guidelines in the Granting, Utilization, Accounting, and Auditing of Funds Released to Non-Government Organizations/People's Organizations (NGOs/POs)

5.2 Addendum

- 5.2.1 Sample Skills Training Project Proposal
- 5.2.2 Project Assessment Tool
- 5.2.3 Partnerships Matrix


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ADDENDUM - GUIDANCE NOTE ON THE IMPLEMENTATION OF SKILLS TRAINING

5.2.1 Skills Training Project Proposal Template

- I. **Project Summary**
 No. of Participants:
 Total Requested Budget:
 Skills Training Fee:
 Transportation Allowance:
 Assessment Fee:
 Total:
- II. **Rationale**
- III. **Objectives**
- IV. **Description of the Activity**

Skills Training	Description
	(Provide a brief background of the training; detailed training module should be attached)

V. Expected Outputs

Skills Training	Immediate Output

VI. Budgetary Requirements and Source of Funds

Training	Particulars	No. of Pax	Unit Cost	Total	Source of Funds
Total					

VII. Implementation Plan

Training	No. of Pax	Training Costs	Training Institution	Date of Training

VIII. Post Skills Training Plan

A. Microenterprise Development

1. With no existing enterprises

Skills Training	Type of enterprise to be established using the skills learned	Source of capital	Projected monthly income	Location	Target Market

2. With existing enterprises

Skills Training	Amount of capital at hand or bank	Location	Existing and target additional market	Plans for the enterprise using the skills learned

B. Employment Facilitation

1. With guaranteed employment

Name of Participant	Name of employer	Position	Start of employment	Duration	Contractual /Permanent	Plans after job termination/end of contract/resignation

2. With no guaranteed employment but with a list of available job opportunities

Name of Participant	Name of prospective employers	Position	Target start of employment	Duration

IX. Implementation Arrangements

	Name	Signature	Date
Prepared by (Field PDO)			
Endorsed by (PC)			
Reviewed by (CDEDO)			
Endorsed by (RPC)			
Endorsed by (ARDO)			
Approved by (RD)			

Required Attachments to the Skills Training Proposal:

1. Complete profile of participants for every proposed Skills Training
2. Copy of a document to prove that an employer will hire participant after the training (eg. Certification, MOA, contract, etc.)
3. Training design

5.2.2 Project Assessment Tool

SLP PROJECT ASSESSMENT TOOL

Project Title			
Type of Project Proposal	<input type="checkbox"/> Skills Training (Employment Facilitation) <input type="checkbox"/> Cash for Building Livelihood Assets <input type="checkbox"/> Others: <input type="checkbox"/> Skills Training (Microenterprise)		
Area of Implementation (city/municipality and province)		Total Project Cost	
Date of Implementation		No. of Participants	

PARAMETERS	REMARKS/FINDINGS	RATING
PROJECT ELIGIBILITY (ALIGNMENT TO SLP PRINCIPLES/ GOALS)		
1. The proposed project assists the poor or disadvantaged people directly (e.g., Pantawid, NHTS, vulnerable poor)		
2. The proposed project is resource-based		
3. The proposed project is market-driven		
4. The proposed project will be implemented through a partnership scheme		
5. The activity will lead to the creation of economically/financially viable micro-enterprise and/or potential/guaranteed employment		
RECOMMENDATION	*	

CHECKLIST (prior to submission to NPMO)	
/	List/ profile of participants
/	Budgetary Requirements (within cost parameters)
/	Monthly Cash Program/ Monthly Disbursement Plan, if applicable
/	Post training plan/ business plan
/	Endorsement letter duly signed by the RD

SCALE	DEF'N	REMARKS
1	Fail	Endorse back to the PDO (document/proposal submitted does not contain data pertaining to the parameter)
2	Fail	Endorse back to the PDO (document or proposal submitted contains insufficient data pertaining to the parameter)
3	Pass	Endorse for funding (proposal for improvement)
4	Pass	Endorse for funding (but with minor clarifications)
5	Pass	Endorse for funding

Reviewed by:

Noted by:

Endorsed for funding:

Signature
NAME OF PC

Signature
NAME OF RPC

Signature
NAME OF ARDO

5.2.3 Partnerships Matrix

Partner	Brief Description / Possible Interventions
National Government Agencies	Operating on a national scale, NGAs may be tapped for the provision of training that falls within the agencies' respective mandates ¹² . Conduct of training through attached agencies (i.e. the Agricultural Training Institute, or Bureau of Fisheries and Aquatic Resources - both under the Department of Agriculture) who offer training and/or training inputs for a specific target group (i.e. farmers or fisherfolks) may likewise be explored.
Local Government Units	Partnership with LGUs is vital in the implementation of SLP, and the same is true for the conduct of Skills Training. Interventions from LGUs may vary, including the provision of resource speakers, meals, transportation, and/or venue as counterpart in the conduct of training especially those that are community-based, or the provision of training inputs, physical assets, equipment, or common service facilities during and after the training. Emphasis should be given on how the Skills Training conducted through the SLP will benefit the people in their area, and complement their own livelihood initiatives as may be outlined in their Local Economic Development plan.
Academic Institutions	Academic institutions, including State Universities and Colleges (SUCs) who offer TVET courses and other training can be tapped by the field offices. Some academic institutions may also have facilities which can be used during the conduct of training (i.e. venue conducive for training, or facilities with equipment for training), or support-services that can further promote products and services of the participants.
Technical-Vocational Institutions	TVIs (usually referring to TESDA-accredited schools) are mostly privately-owned institutions that offer short-term courses which allow participants to gain an increased level of eligibility through certification (i.e. National Certificate or Certificate of Competency) upon completion of the course.
Other Civil Society Organizations and Private Practitioners	Both CSOs and private practitioners may have competencies (i.e. technology, equipment, or advance knowledge) needed in the effective delivery of Skills Training and may be tapped, following the Department's guidelines on engagement with them.

¹²Some examples: The Department of Environment and Natural Resources (DENR) for community-based training on environment-protection, the Department of Education (DepEd) for linkage of participants to the Alternative Learning System or ALS, or the Technical Education and Skills Development Authority (TESDA) for TVET